



RE: Oppose **SB 141 \$100,000 Standard GRT Deduction**

Mr./Madame Chair and Committee Members:

New Mexico Business Coalition (NMBC) advocates for private sector opportunities to diversify our economy, create job abundance, and help businesses and individuals pursue economic prosperity. NMBC partnerships include being the state affiliate for the National Association of Manufacturers (NAM).

NMBC opposes SB 141, the \$100,000 Standard GRT Deduction, because increasing business tax rates is a terrible policy, especially when the state has had multi-billion-dollar tax revenue surpluses over the past several years. It doesn't matter how few corporations are domiciled in our state; better policy dictates that the state should take less from them in taxes so they can reinvest in their businesses and employees. This is the policy that leads to wealth in a state.

Other states with robust economies have found that supporting businesses, lowering taxes, and limiting onerous regulation produces better results. Those states have enjoyed seeing more businesses move there, spurring their economy and creating more jobs and, thus, more revenue for the state.

[Rich States Poor States](#) illustrates what creates wealth for all residents in a state. New Mexico's policies are causing lower rankings. In 2019, New Mexico was ranked 29th in the nation, but in 2024, it is ranked 38th. If policies like SB 141 are passed, New Mexico will have fewer job providers in our state, countering any economic benefit the GRT deduction in this bill might provide.

States that are punitive to business, like New Mexico, see businesses unwilling to continue investing here. In the worst-case scenario, companies will leave New Mexico to operate in a pro-business state.

New Mexico could excel if we supported businesses rather than attacked them. Increasing corporate taxes from 5.9% to 6.9% when the state is flush with revenue, and companies are struggling with inflation, a crime crisis, and a lack of workers would be an attack.

On behalf of hard-working New Mexicans who rely on the jobs created by our wealthier residents, please say 'NO' to SB 141, the \$100,000 Standard GRT Deduction.

Thank you,

A handwritten signature in blue ink that reads "Carla J. Sonntag".

Carla J. Sonntag
President & CEO