

State of New Mexico
Office of the Governor

Bill Richardson
Governor

For Immediate Release
1/08/03

Contact: Billy Sparks
505.476.2299

GOVERNOR BILL RICHARDSON DETAILS THE SEVEN GOALS IN HIS ECONOMIC GROWTH PACKAGE

SANTA FE – Gov. Bill Richardson today released the details of his bold plan for creating high wage jobs in New Mexico. The cornerstone of the proposal is a detailed package of tax cuts and incentives meant to build a stronger state economy. “Today I am releasing my seven goals to put New Mexico on the road to prosperity and to have better schools, better jobs and more money in New Mexicans pockets,” Richardson said.

“The New Mexico tax system must be competitive with surrounding states,” Richardson said. “During the legislative session I will propose tax cuts, economic incentives and investment strategies that will strengthen our economy, assist our communities in developing economic development plans, attract high wage jobs and increase trade with Mexico.

“These first steps are a down payment. We want to send a strong signal that New Mexico is open for business,” he said.

“We will pay for this package by enhanced revenue collection, increased government efficiency and reductions in agency allocations. The estimated cost of our economic package, including tax cuts and in-plant training, is \$44 million.”

Gov. Richardson outlined seven economic goals today. They are:

- 1. Create a modern, competitive tax structure.** The goal is to reduce the top rate of the personal-income tax from 8.2 percent to 5 percent over five years. The first year, the top rate would be reduced to 7.7 percent. The cost is \$18 million. The capital gains tax would also be reduced by 50 percent over five years, starting with an immediate 10 percent reduction in tax year 2003. The cost is \$7 million.
- 2. Enact targeted economic incentives for high-tech industries, rural development and higher wages.** The goal is to use incentives to stimulate small business, rural jobs, technology, renewable energy and trade with Mexico. An example is a proposal to provide a \$1,000 tax credit for a business that pays 110 percent of the local prevailing wage. A Tax Reform Commission would also be created to study the entire tax code.

3. **Better jobs – Recruit high wage companies and jobs: “Jobs First.”** The goal is to contract with private, non-profit groups that will market the state and recruit new industry. Gov. Richardson will work with U.S. Sen. Pete Domenici on recruitment efforts and trade missions.
4. **Make the state a working partner with every New Mexico community to prepare and plan for economic development. Governor Richardson pledges 25 percent of every day devoted to economic development.** The state would assist cities and towns as they recruit new businesses and jobs, and implement fast-track financing of community facilities and infrastructure critical to economic development projects. The governor would also create a Business Assistance Center to cut red tape for New Mexico companies, and expand in-plant training funds to about \$20 million.
5. **Increase trade with Mexico.** Form the New Mexico/Chihuahua Economic Development Commission to pursue joint trade opportunities. The state would also give the New Mexico Border Authority increased responsibility for improving border activities.
6. **Make New Mexico a national leader for advanced technology, alternative energy research and production and information technologies.** The goal is to pay for endowed chairs at the state’s research universities in areas that tie into the state’s job creation strategy. The state would also encourage more direct investment of up to \$200 million of the state’s permanent funds into New Mexico’s technology future.
7. **Protect our four military bases and two national labs.** Pay for a three-year statewide effort to protect military bases from closure during the 2005 Base Realignment Commission process.