

**State of New Mexico**  
*Office of the Governor*

**Bill Richardson**  
*Governor*

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**GOVERNOR BILL RICHARDSON URGES LEGISLATURE TO PASS TAX  
REDUCTION PACKAGE**

SANTA FE – Governor Bill Richardson today urged the Legislature to move quickly to pass his tax-reduction package in order to stimulate New Mexico’s economy.

“Tax reform was one of the major planks of my campaign platform, and one of the main reasons I won such a decisive victory,” Governor Bill Richardson said during a news conference today. “It is crucial to promoting economic development in our state, and for ensuring the prosperity of our people. The voters want it. Business wants it. I want it.”

There are two main components in Governor Bill Richardson’s tax reform package this year:

1. A significant reduction in personal income tax rates and taxes on capital gains, phased in over four years.
2. The formation of a blue-ribbon tax reform commission to look at overhauling our entire tax code, followed by a special legislative session this fall to consider the panel’s recommendations.

Gross receipts tax relief for our doctors is another important part of the governor’s tax package.

“It’s a bold plan, it’s a good plan, and it’s what we need to get our economic engine running smoothly and at full bore,” Governor Bill Richardson said.

“Legislation has been introduced in both chambers of the legislature to achieve this goal. I want to get it passed quickly – particularly the personal income tax and capital gains tax reductions – for two reasons: First, we need to be able to project our revenue situation so we can work out the state’s operating budget. Second, it is time to send an unmistakable message to the people and the businesses of our state that we heard you, that we are serious about tax reform, and that we have the will to get it done. Now.”

Governor Bill Richardson said he was pleased to report that his tax reduction bill passed the Senate Corporations and Transportation Committee unanimously this week.

“I’d like to thank the committee, and Chairman Roman Maes, for its quick and decisive action,” Governor Bill Richardson said.

I’d also like to commend the Senate for moving this and other important tax bills to the Finance committee. I understand the committee will meet this Sunday to move them through for a floor vote on Monday, where I believe it will pass with very strong bi-partisan support.

“I want to get this bill on my desk by the end of next week so we can take care of it, and make the strong statement that New Mexico – and the New Mexico legislature -- are open for business,” Governor Bill Richardson said. “With the support of the bills’ primary sponsors, Speaker Ben Lujan and Senators Carlos Cisneros and Sue Beffort, there’s no reason this can’t be done. Then we can move on to the next issues of Education reform, health care, our water, where I hope to achieve similar successes with the cooperation of the legislature.

“You know, everyone in the state is excited that after eight years of gridlock, the state government of New Mexico is finally in a position to get moving again, to do its job for our people, our economy, our environment. Let’s use this tax package to show them that their hopes are well-founded,” Governor Bill Richardson said.

The governor also reiterated his priorities on education.

“I’ve said from the beginning of my campaign that there were two important elements of education reform,” Governor Bill Richardson said. “First, we must shift five-percent of the operating budgets from administration to the classroom, that’s just to bring us in line with national averages; and secondly, we must use a significant amount of existing cash reserves. Both of these will allow us to provide a six-percent pay increase to our teachers, moving us to 39th in the nation in this category.

“I and members of my staff have met extensively with legislative leaders and school administrators over the past two weeks. I’m disappointed to announce that these discussions have not yet produced the desire result in the way of progress in these areas. I am still hopeful for a meaningful education-funding package.

“I’d like to make it clear that to me, my fiscal responsibility and teacher pay plan is an integral part of any education reform package that may come before me this session,” Governor Bill Richardson said.