



State of New Mexico

Office of the Governor

Governor Bill Richardson Urges Legislature To Eliminate Taxes on Food And Medical Services

For Immediate Release

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SANTA FE- Governor Bill Richardson today called on the New Mexico Legislature to pass House Bill 625, which would eliminate the gross receipts taxes on food and medical services. The Governor was joined at a Capitol news conference by Speaker of the House Ben Lujan, Senate President Pro-Tempore Richard Romero, and a large number of advocates supporting the legislation.

Governor Richardson delivered the following prepared remarks:

“Today I am saying, loudly and clearly, it is time to eliminate the gross receipts taxes on food and medical services. These taxes unfairly burden the New Mexicans that can least afford it, make it difficult to recruit and retain medical professionals, and slow our efforts to grow New Mexico’s economy. I’m calling on the legislature to pass House Bill 625 as soon as possible.

Food Tax

This is a middle class tax cut- a meaningful tax cut for New Mexico’s working families:

- The average family will save hundreds of dollars on their yearly food bill,
- Eliminating this regressive tax will mean families will have more to spend on other things, which will benefit New Mexico businesses,

New Mexico is one of only 8 states that tax basic food purchases. Let’s end it now.

LeeAnn Valdez, a homemaker, is joining us today with her daughters Mariah and Natalie. Ask her what eliminating the food tax means to her family.

And welcome Julianne Rork, a restaurant worker with a small child, who also works hard to make ends meet and put food on the table. Julianne and LeeAnn are here to demonstrate this tax cut will make a real difference to our working families.

Medical Tax

Eliminating the tax on medical services will immediately benefit 19-hundred New Mexico physicians.

Doctors here are more dependent on Medicaid and Medicare reimbursements. That means their profits are lower, but still subject to this gross receipts tax. Faced with rising costs, smaller profits, and regressive taxes, doctors are leaving for other states that don't have the gross receipts tax.

Our ability to attract quality healthcare professionals, and keep them in the state, directly impacts patients- the citizens of New Mexico- as they wait in offices, search for qualified doctors and specialists, and must repeatedly look for new family doctors. We must be more competitive.

Summary

This bill is **revenue neutral**- it will be paid for by a slight increase in non-essential and luxury purchases- a nickel for a ten-dollar purchase. New Mexicans want these tax cuts. It is also supported by the AARP, New Mexico Medical Society, New Mexico Nurses Association, New Mexico Citizens for Physician Retention, and the Hispano Chamber of Commerce. People overwhelmingly support this bill- let's get it done!

Cities and Counties will not be hurt- we have structured this bill to ensure local governments do not lose tax revenue.

Cutting the gross receipts taxes on food and medical services is good for our families, it's good for business and makes us more competitive. It fulfills another of my campaign commitments- not just to cut these regressive taxes- but also work toward a fairer tax system that puts more money in the pockets of all New Mexicans.

To the advocates with us today- Let's go. Get with your legislators and help us pass this important legislation.”

**Endorsements for the Repeal of the Food and Medical Services Taxes
HB 625**

Business Organizations

Hispano Chamber of Commerce
Santa Fe Chamber of Commerce
New Mexico Grocers

Agriculture and Food

Rocky Mountain Farmers Union
New Mexico Food Bank Association
Roadrunner Food Bank

Labor

AFL-CIO
AFSCME

Health

New Mexico Medical Society
New Mexico Optometric Association
New Mexico Nurses Association
Citizens for Physician Retention
Desert States Physical Therapy Network
Dr. Kathleen Blake, Heart Hospital of New Mexico
Barbara McAneny, M.D., CEO New Mexico Cancer Center
Health Action NM
American College of Nurses - midwife New Mexico Chapter
Certified Registered Nurses Anesthetists

Religious

Archbishop Sheehan
New Mexico Catholic Conference representing the Catholic Bishop's of NM
Bishop Michael Shelby (God's House)
Rev. Darnell Smith (Macedonia Baptist Church)
Rev. Darnell Becknell (Macedonia Baptist Church)
Rev. Jesse Demphrey (Grant Methodist Church)
Rev. Ronald Knight (St. Luke Full Gospel Baptist Church)
Rev. F. Cates (Mount Zion Baptist Church)
Rev. L' Keith Jones - Metropolitan C.O.G.I.C., and President of the Ministerial Alliance

Independent Citizen Groups

Think New Mexico
Common Cause New Mexico
AARP

Cities

New Mexico Municipal League

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