



# State of New Mexico

## *Office of the Governor*

**Bill Richardson**  
Governor

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## **Governor Bill Richardson takes advantage of Tax Holiday, donates backpacks to Pre-K students**

SANTA FE - Governor Bill Richardson and Education Secretary Veronica Garcia joined Santa Fe parents and other shoppers today in taking advantage of New Mexico's first back-to-school holiday. Governor Richardson and Secretary Garcia partnered with JC Penny and Santa Fe Place (formerly Villa Linda Mall) to purchase 24 backpacks for Pre-K-aged children and students who plan on attending Agua Fria Elementary School starting next week.

With the tax savings – about \$30 – Governor Richardson and Secretary Garcia were able to purchase two additional backpacks, illustrating the savings that New Mexico shoppers can achieve during the three-day tax holiday that runs today through Sunday.

“New Mexico parents and all shoppers are taking advantage of this tax holiday, because they know a bargain when they see one,” Governor Bill Richardson said. “I pushed for this tax holiday to help families cut back-to-school costs and spur more retail activity here in New Mexico.”

The tax holiday was part of Governor Richardson's successful package of tax cuts for working New Mexico families passed during the recent legislative session.

Participation in the Back to School Gross Receipts Holiday is voluntary for retailers. If a retailer chooses not to participate – the purchase will be taxable. Nationally and locally owned retailers across the state are participating.

A family can save up to \$42 in taxes if they spend \$600 on school clothes. Business can save taxes on computer purchases and business supplies and the general public can save money of any number of items.

Nontaxable items include: clothing and footwear \$100 or less; school supplies such as pens and paper \$15 or less that are typically used in a classroom setting; computers \$1,000 or less; as well as assorted computer equipment \$500 or less. The price limits are for each item – not the total amount spent for all purchases. For example, a family could purchase three computers tax-free as long as each computer did not exceed the \$1,000 limit per computer.

Details on the tax holiday, including which items are excluded from gross receipts tax, can be found on the state Taxation & Revenue web site:

<http://www.state.nm.us/tax/pubs/BackToSchool.pdf>

#30#