



# State of New Mexico

## *Office of the Governor*

**Bill Richardson**  
Governor

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### **Governor Bill Richardson Announces Fourth Year of Tax Cuts**

*Tax Cuts focus on Working Families, Businesses, Alternative Energy*

SANTA FE - Governor Bill Richardson outlined nearly \$30 million in tax cuts – the fourth straight year of tax cuts – which he will push to help working New Mexico families, ease the burden on business and encourage alternative energy.

“As everyone in this room knows, I have worked relentlessly to cut taxes during my three years in office,” Governor Bill Richardson said during a speech today at the Greater Albuquerque Chamber of Commerce pre-legislative session luncheon. “I’m not finished. I am proposing nearly \$30 million dollars in additional tax cuts this session to provide relief for working New Mexico families, lessen the cost of doing business in the state, and encourage the use of alternative energy, such as solar.”

The centerpiece of Governor Richardson’s tax-cut package is a \$17 million plan to provide relief for working families earning between \$12,000 and \$36,000 a year. Here are the details of the Governor’s tax-cut package:

**New Mexico Working Families Tax Credit** -- a refundable income tax credit modeled after the federal Earned Income Tax Credit, a program with wide bipartisan support and a 30 year record of making work pay for America’s Families.

More than 200,000 New Mexico working families currently receive the federal tax credit. These same families – earning between 12,000 and 36,000 a year -- will now have access to a similar program through New Mexico’s income tax.

“The Working Families Tax Credit will be available to all low and moderate income working New Mexicans, but it will be especially helpful to families with children, who can be eligible for as much as \$340,” Governor Richardson said. “The average benefit will be about 140-dollars.”

About 100-thousand working families will be eligible for larger checks from the state. Another 50-thousand families that currently don’t qualify for existing credits will have access to the Working Families Tax Credit.

**Tax Relief for Hospitals** — Remove the gross-receipts tax on hospitals. This tax cut will allow more money that can be invested in local jobs, technology and direct patient care – rather than for taxes.

“Most of the hospitals affected operate in small, rural areas and on the front lines when it comes to caring for those most in need,” Governor Richardson said.

**Tax Pyramiding** – \$3 million to take another modest step to ease the tax burden on businesses by offering a tax credit to offset costs related to the pyramiding of gross receipts taxes.

**Advanced Energy Manufacturing Tax Credit** – A credit of up to 5-percent of the amount that someone pays for advanced energy equipment. The credit will encourage the recruitment and retention of advanced energy technology firms in New Mexico.

“By fostering this clean, high paying industry we will continue to create good jobs and protect our land, water and environment,” Governor Richardson said.

**Distributed Solar Market Development Act** – \$5 million to encourage solar power in New Mexico. The Solar Tax Credit will include \$3 million dollars for small scale electric generation at homes and small businesses, and \$2 million dollars for thermal hot water systems.

“I have declared this the Clean Energy State and I am committed to making this a reality,” Governor Richardson said.

**Tax Credit for Wholesale broker hedge/mutual** – A gross receipts tax exemption for hedge and mutual funds that are located in New Mexico. This plan will help New Mexico to attract high wage financial firms to our state.

During his first three years in office, Governor Richardson worked with the Legislature to cut income taxes and capital gains taxes – and our base economy is getting stronger as a result. We cut the regressive tax on food and many medical services. We cut taxes for working New Mexicans. We provided gasoline rebates and home-heating relief this winter. And we have passed a number of business-friendly tax cuts and incentives – dealing with everything from attracting film jobs to boosting the aviation industry.