



State of New Mexico

Office of the Governor

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Governor Bill Richardson Signs Working Families Tax Cut

(Santa Fe, NM) – Governor Bill Richardson signed House Bill 436, the Working Families Tax Cut, sponsored by Speaker Ben Lujan, to return \$52 million dollars to the pockets of lower and middle class New Mexican families.

“I’m proud that in four years, we have cut taxes five times—cutting \$1 billion in the last four years,” said Governor Bill Richardson. “After balancing the budget and meeting key responsibilities, like education and health-care, I believe we have an obligation to return some of that surplus to our citizens.”

This tax cut is an element of an agreement between the Governor and the Legislature to pass a series of tax cuts to create high-paying jobs, cut costs for health providers serving needy New Mexicans, and build a clean, high-tech economy.

“Today, we build on that legacy by signing House Bill 436 the Working Families Tax Cut Package Act—the centerpiece of my comprehensive tax-cut package,” said Governor Richardson. “With my signature, we are slashing \$52 million dollars in taxes to put more money back into the pockets of lower and middle income families, and our active-duty military.”

The tax cut includes the following measures:

1. A new \$29 million dollar tax credit for more than 200,000 working New Mexico families. These families will receive an average credit of \$144.
2. The expansion of the \$2500 per person exemption will benefit over 235,000 low- and middle-income families.

3. The elimination of state income tax for all active-duty military pay.
4. And a personal income tax credit of \$1,000 per year for each “special needs child” a family has adopted.

The Working Families Tax Credit is the centerpiece of a \$90 million dollar comprehensive tax cut package that includes Economic Development (HB839), Health Care (HB638) and Energy & Water (SB463). The Economic Development Tax Cut Package (HB839) has passed the legislature and is on the way to the Governor for signature.

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