



For Immediate Release
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Governor Bill Richardson Announces CARE Package to Put Money in New Mexican's Pockets

Package includes expanding health care, tax rebates, and expanding tax-free holidays

SANTA FE - Governor Bill Richardson today unveiled his CARE package that will be the centerpiece of the upcoming special session of the Legislature. Governor Richardson's Cash Assistance Relief Effort package focuses on expanding health care coverage and giving New Mexicans \$210.6 million in relief from high gas prices.

"This is a comprehensive package to provide a shot in the arm for New Mexicans who are getting hit hard as a result of high gas prices," Governor Richardson said. "New Mexico is doing well. With our balanced budget and surplus we are in a position where we can step in and help."

Governor Richardson also announced today that he is considering calling the special sooner, possibly in August, to speed up relief to New Mexicans.

Cost of Living Tax Rebate:

Every New Mexican will receive an income tax rebate this fall. The credits will provide significant assistance to those who need it most—low income and middle class families.

- The credit would be \$150 for each taxpayer plus \$40 for each dependent for taxpayers with adjusted gross incomes up to \$60,000.
- For taxpayers with incomes between \$60,000 and \$65,000 the credit would be \$125 for each taxpayer and \$34 for each dependent.
- For taxpayers with incomes between \$65,000 and \$70,000 the credit would be \$100 for each taxpayer and \$26 for each dependent.
- For taxpayers with incomes over \$70,000 the credit would \$75 for each taxpayer and \$20 for each dependent.

The rebates are different than the 2005 rebates in that New Mexicans will get rebates as quickly as possible and our economists believe we can structure them so that they are not taxable.

Tax Holiday for the Holidays:

Governor Richardson is proposing a one-time Tax Holiday for the Holidays. The tax holiday would start November 28, 2008 and run through December 7, 2008.

Just like the popular back-to-school holiday, clothing, school supplies and computers could be purchased without taxes.

However, the Tax Holiday for the Holidays would include Energy Star certified appliances under certain limits. Refrigerators and freezers will be limited to \$2,000, clothes washers will be limited to \$1,000 and all other items will be limited to \$500.

The proposal also includes increased limits on the traditional qualified tax-free items, including the limits on clothing and footwear which would increase from \$100 to \$125.

Expanded Back-to-School Tax Holiday:

Increased limits on traditionally qualified tax-free items would apply in to the Back-to-School holidays starting next year.

The Back-to-School tax-free holiday would be expanded from 3 to 10 days starting in 2009.

Increase Working Families Tax Credit:

The working families tax credit would be increased by 25 percent for the tax year 2008 (personal income tax returns filed in 2009).

The maximum amount of the credit would increase by \$96 to \$482 for workers with two or more children, by \$59 to \$292 for workers with one child, and by \$9 to \$44 for childless workers.

Increase Eligibility for Child Care Assistance:

Increase income eligibility for child care assistance from 165% to 200% of the federal poverty level.

With this change, nearly 600 New Mexico families would get help from the state to pay expensive child care expenses – this year. Nearly 2,200 new clients would be eligible next year.

Energy Assistance:

The Governor is proposing a \$4 million state supplement to the Low-Income Home Energy Assistance Program (LIHEAP).

In addition, he is proposing an additional \$2 million for weatherization assistance and \$2 million for high-efficiency appliances for low-income New Mexicans.

School Bus Fuel Assistance:

The Governor is proposing \$3.2 million in emergency funds for school districts to deal with high cost of gas.

Supplemental Documents Links Below

[Cost of Living Tax Relief](#)

[Sales Tax Holiday Proposals](#)

[Working Families Tax Credit Proposal](#)