



State of New Mexico

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Michelle Lujan Grisham
Governor

April 4, 2019

HOUSE EXECUTIVE MESSAGE NO. 22

The Honorable Brian Egolf, Jr., Speaker of the House and
Members of the House of Representatives
State Capitol Building
Santa Fe, NM 87501

Honorable Speaker Egolf and Members of the House:

I am pleased to sign House Bill 6 and enact into law several significant reforms to New Mexico's tax code. Among other things, this legislation promotes equity in hospital taxation, updates New Mexico's tax on internet sales, provides for corporate income tax combined reporting, imposes a tax on electronic cigarettes and nicotine vaping, and creates a path for restoring fairness to New Mexico's personal income tax, including increasing the Working Families Tax Credit. This legislation also generates much needed recurring revenue for state and local roads through a small increase to the motor vehicle excise tax. Viewed as a whole, this legislation helps to diversify general fund revenues, providing a hedge against volatile energy markets on which our State depends.

Accordingly, I this day SIGN and RETURN:

HOUSE TAXATION AND REVENUE COMMITTEE SUBSTITUTE FOR HOUSE BILL 6, as amended, which was enacted during the Fifty-Fourth Legislature, First Session, 2019, except the following item or items, part or parts, which I hereby veto pursuant to the authority granted me in Article IV, Section 22 of the New Mexico Constitution:

On page 2, I have vetoed line 4, and, on line 5, I have vetoed the words "TOBACCO PRODUCTS;"

I have vetoed all of Section 7, as follows: on page 18, I have vetoed lines 16 through 25; on page 19, I have vetoed lines 1 through 25; on page 20, I have vetoed lines 1 through 25; on page 21, I have vetoed lines 1 through 25; on page 22, I have vetoed lines 1 through 25; on page 23, I have vetoed lines 1 through 25; on page 24, I have vetoed lines 1 through 25; on page 25, I have vetoed lines 1 through 25; on page 26, I have vetoed lines 1 through 25; on page 27, I have vetoed lines 1 through 25; and, on page 28, I have vetoed lines 1 through 12. The vetoed language would have caused volatile decreases to the general fund balance, constraining the Legislature's ability to prioritize annual appropriations to local public entities by need.

On page 94, I have vetoed lines 4 through 14. The vetoed language, which would reduce taxes imposed by House Bill 6 on tobacco products for which a modified risk tobacco product order has been issued by the United States Secretary of Health and Human Services, inappropriately intertwines New Mexico's taxation law with potential and uncertain federal regulation.

Respectfully yours,

Michelle Lujan Grisham

Michelle Lujan Grisham
Governor

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Time: 7:15 a.m. p.m.

Date: April 4 2019

By *Tracy Galt*
Secretary of State

Time: 8:05 a.m. p.m.

Date: April 5, 2019

By *Guan M. Ortiz McCutcheon*
Chief Clerk of the House