



For Immediate Release

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Governor Richardson Kicks Off Back-To-School Tax Holiday to Help New Mexico Families

ALBUQUERQUE – Governor Bill Richardson today kicked off the Fifth Annual Back-To-School Tax Holiday to help New Mexico families save money on their back-to-school supplies. The tax holiday starts today and will end at midnight Sunday, Aug. 9, 2009.

“This Back to School Tax Holiday means that families can stock up on school supplies this weekend to get ready for the school year,” Said Governor Richardson. “This is the fifth year in a row that New Mexico will have a statewide gross receipts tax holiday. This tax holiday is to help families save money on back-to-school supplies and help spur local economies across our state, especially during these tough economic times.”

“This tax holiday is especially meaningful to a lot of New Mexico families and retail businesses that are struggling in these tough economic times,” said Taxation and Revenue Secretary Rick Homans. “It’s a win-win situation both to boost retail sales in our state while helping families save money.”

“It’s important that students come to school ready to learn. The tax holiday is a way for families to start preparing for and talking about school. It’s also much needed relief for families on 21st century school supplies and back-to-school clothes. I encourage every one to get out, get excited, and get ready for school.”

Governor Richardson and Secretary Garcia promoted the tax holiday during a news conference today at Coronado Mall. They were joined by mall officials and store owners, along with 25 elementary students from La Mesa Elementary School. Each student also received a free backpack, courtesy of Sears.

Randy Sanchez, Senior General Manager of Coronado Center, said the tax break will be a major boost to the economy. “The Tax free weekend is considered a mini-stimulus package for consumers during the back to school season,” he said.

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 \$1000 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 \$1000 limit per computer. Also, a family could save \$42 in taxes if they spend \$600 on school clothes, and also save on additional items.

The tax holiday begins at 12:01 a.m. on Friday and concludes on Sunday at midnight. During that time the law provides a deduction from gross receipts on qualifying items in effect allowing the retailers to sell the items “tax free.” Anyone can take advantage of this program to purchase qualifying items.

For more specific information on the legislation, definitions, types of sales, (rain checks, exchanges, refunds, gift cards, layaways, Internet, mail order and telephone sales) please see *Gross Receipts Tax Holiday* available on the Taxation and Revenue Department web site at www.tax.state.nm.us