



Office of the Governor

MICHELLE LUJAN GRISHAM

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Governor Lujan Grisham approves \$500 rebates
Governor also approves multiple tax cuts, credits targeting working families, health care, economy

SANTA FE – Governor Michelle Lujan Grisham on Friday signed into law key tax priorities that she proposed earlier this year. With her signature, \$500 rebates will be delivered to more than 900,000 taxpayers this spring.

The governor also signed provisions supporting tens of thousands of New Mexico families who will save money through an expanded child tax credit, as well as expansions of the gross receipts tax deduction for health care practitioners and the film tax credit program.

“Every one of these provisions directly helps New Mexicans through supporting working families, bolstering the health care workforce and fostering continued economic growth,” said **Gov. Lujan Grisham**. “Expanding the Child Tax Credit will help over 200,000 New Mexico families and broaden our successful effort to reduce child poverty rates, which dropped by a full percentage point between 2019 and 2021. Cutting the gross receipts tax for health care practitioners will lower costs for patients and keep more doctors in New Mexico, and increasing our support for film and television will leverage more private investment in our state and mean more jobs for New Mexicans.”

Rebates of \$500 for single filers and \$1,000 for married couples, heads of household and surviving spouses will be distributed in June. More than 900,000 tax filers will receive this rebate. A separate appropriation of \$15 million to the Human Services Department was included in House Bill 2 to provide relief payments to low-income New Mexicans not eligible for the rebates.

The expanded child tax credit provides for more than \$100 million in tax relief for an estimated 214,000 families who will be able to claim a larger credit of up to \$600 per child, depending on family income.

The bill as signed will also help make health care more affordable by allowing health care providers to deduct copays and deductible payments from gross receipts tax on

many health care practitioner services covered by insurance or managed health care plans. The change could save taxpayers up to \$52 million. New Mexico was one of just two states that lacked such a deduction.

“I am so pleased that Governor Lujan Grisham continues to support health care providers and ensuring access to care by expanding the gross receipts tax deduction for health care,” said **Dr. Barbara McEneny, CEO of the New Mexico Cancer Center**. “With this step, New Mexico just became more competitive in recruiting and retaining doctors.”

The Governor also approved the portion of the bill that supports expansion of the highly successful film and television production industry, one of the state’s nine target sectors to diversify the economy.

The industry is coming off record years of direct spending into New Mexico’s economy - \$1.5 billion over the last two years and now supports 8,000 jobs from film and technical crews to small businesses such as hardware and lumber stores, carpenters, electricians, security crews, transportation businesses, hotels, restaurants, and salons. The hourly median wage of a film worker in New Mexico is now \$32.

“We have delivered a strong industry that is creating higher-paying jobs for New Mexico’s families and business owners. This bill builds on that momentum so New Mexico can remain a leader in this innovative jobs-rich industry well into the next decade,” said Economic Development **Cabinet Secretary Alicia J. Keyes**.

“We have been in the travel business for 28 years and now are seeing consistent bookings from film and television production companies,” said **Sandy Levinson, president of Aquila Travel**, which has eight employees in Albuquerque. “In fact, it was the first industry to come back after pandemic-era travel restrictions and today accounts for 75% of our bookings. The travel industry has faced many challenges and without Film and Television as a steady, reliable customer, we would not be as successful helping build New Mexico’s economy.”

The governor vetoed other provisions in House Bill 547, which would have reduced the State’s annual revenue by \$1.1 billion. These large reductions would risk significant funding cuts in future years for critical services, including education, health care, and public safety, which make up 83% of the state budget. As signed, the bill will reduce recurring state revenues by about \$150 million in Fiscal Year 2024, growing to \$246 million in Fiscal Year 2027. The governor is also ensuring fiscal responsibility by maintaining 35.6% in reserves in the budget.

“We can and should consider permanent and meaningful tax reform, but it must be accomplished in a fiscally responsible manner that will not jeopardize the state’s future,” **Gov. Lujan Grisham** said. “We are fortunate to have record revenues right now, but we know from past experience that this won’t last forever. While I am proud of our efforts to diversify our economy, our state budgets are still heavily reliant on the oil and gas industry and its boom-and-bust cycles. We must prudently manage our finances

now to prepare for inevitable economic downturns. Our kids shouldn't have to bear the burden of future budget cuts.”

The governor's original proposal to the Legislature included about \$500 million in recurring tax relief.

A second, 1/8 cent Gross Receipts Tax rate cut approved by the governor last year—the first rate cut in 40 years – will take effect on July 1, 2023. Combined with the 1/8 cent cut that took effect last July, New Mexico consumers and businesses will save approximately \$215 million in taxes every year.

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