

**Media Contact:** Charlie Moore  
[Charlie.Moore@tax.nm.gov](mailto:Charlie.Moore@tax.nm.gov)  
(505) 670-5406

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**New Mexico among top 10 for tax equity**  
*State jumps 18 spots in latest Institute on Taxation and Economic Policy report*

SANTA FE—New Mexico is now among the top 10 states for most equitable tax structures thanks mostly to changes signed into law by Gov. Michelle Lujan Grisham over the past five years, according to a new report by the Institute on Taxation and Economic Policy (ITEP).

In its [most recent ITEP ranking](#), New Mexico was the most improved, vaulting up 18 spots to number nine in the nation among the 50 states and the District of Columbia.

“New Mexico stands out for moving 18 spots in the Index rankings through reforms to refundable credits and more robust taxation of capital gains, among other policy changes,” the “Who Pays?” report states.

“This is wonderful recognition for the progress that this administration and the Legislature have made in recent years. Hundreds of thousands of New Mexico taxpayers have gotten relief under a tax code that is now far more equitable than it was five years ago,” said Taxation and Revenue Secretary Stephanie Schardin Clarke.

Gov. Lujan Grisham and the state Legislature have worked together to significantly lower the tax burden on low- and moderate-income New Mexicans since 2019. Major changes have included:

- **New Child Tax Credit.** New Mexicans will be able to claim the credit for the first time in the coming tax season. The credit is worth up to \$600 per child, depending on income.
- **Expansion of the Working Families Tax Credit.** The Working Families Tax Credit is now worth 25 percent of the federal Earned Income Tax Credit, up from 10 percent in 2019. It is also now available to taxpayers who file using an Income Tax Identification Number (ITIN) and to taxpayers under 25 years old with or without children.

- Expansion of the Low-Income Comprehensive Tax rebate (LICTR). The income eligibility limit was raised to \$36,000 and is indexed to inflation so that its value will not erode over time.
- Creation of a dependent deduction to state income tax to replace an eliminated federal deduction.
- Lower statewide Gross Receipts Tax (GRT). The state portion of the GRT was cut by ¼ cent over two years, the first rate cut in 40 years. Lower-income New Mexicans spend a larger portion of their incomes on the GRT.
- Exemption of Social Security retirement income. Low- and moderate-income retirees no longer pay state income tax on Social Security benefits.

Altogether, the Lujan Grisham administration has delivered more than \$670 million in permanent tax cuts for New Mexico families and businesses.

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*The Taxation and Revenue Department serves the State of New Mexico by providing fair and efficient tax and motor vehicle services. It administers more than 35 tax programs and distributes revenue to the State and to local and tribal governments throughout New Mexico.*

*The Department strives to reduce taxpayer burden through clearer communication, statutes, regulations, forms, correspondence and instructions.*

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