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\$940 million saved for New Mexicans in FY25 through tax programs, cuts

SANTA FE — Tax cuts enacted under the Lujan Grisham administration saved New Mexicans \$939.6 million in fiscal year 2025.

These tax cuts, enacted over the past seven years, include reducing the statewide gross receipts tax (GRT) for the first time in 40 years, expanding the low-income comprehensive tax rebate, creating a Social Security income tax exemption, creating the child income tax credit, and expanding the working families tax credit.

“Seven years ago, I promised to deliver for New Mexicans. Tax cuts enacted under my administration result in real savings for real people,” said **Governor Michelle Lujan Grisham**. “I’m proud to look back at the work the state has done to make New Mexico’s tax system fairer for working families.”

U.S. Census Bureau data released in September showed that [New Mexico leads the nation](#) in fighting poverty by delivering targeted tax relief as well as comprehensive income supports. In the most recent census survey, New Mexico reduced child poverty more than any other state.

In FY25, New Mexico delivered:

- An average of \$653 in yearly savings to 141,274 taxpayers under the Social Security exemption.
- An average of \$652 in yearly savings to 208,205 taxpayers under the Working Families Tax Credit.
- An average of \$540 in yearly savings to 257,526 taxpayers under the Child Income Tax Credit.
- An average of \$149 in yearly savings to 314,848 taxpayers under the Low-Income Tax Rebate.

Additionally, reducing the statewide GRT rate by 1/4 percent resulted in approximately \$262.8 million in savings across all New Mexico businesses and consumers in FY25.

A 2024 study by the Institute on Taxation and Economic Policy found that New Mexico had improved from 27th to 9th fairest tax system amongst the states.

“I’m incredibly proud of the savings delivered to New Mexicans through reforms to our tax code,” said **Taxation and Revenue Department Secretary Stephanie Schardin Clarke**. “While our federal government is making it harder for Americans to make ends meet, our state remains poised to strongly support New Mexicans.”

Since January, the Taxation and Revenue Department also delivered \$22 million in unclaimed property, which is abandoned property often of monetary value turned over to the state after a period of inactivity. The department received 9,120 claims for unclaimed property in 2025, averaging approximately \$500.

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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 38 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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