

NEW MEXICO MUST STEP UP TO HELP OUR FAMILIES WHO ARE STRUGGLING

Families need economic relief now, and the Low-Income Comprehensive Tax Rebate (LICTR) can help.



Providing relief for those in our communities who need it most is an essential part of making our tax system more equitable and ensuring that all New Mexicans can survive through and thrive after the pandemic.

THE PROBLEM

- New Mexico is a high-poverty state with a large share of jobs that pay low wages. We're ranked 50th in child well-being and food insecurity, and 25% of our children live in poverty.¹
- LICTR was originally enacted to counter the regressivity of the state's gross receipts tax (GRT), but while the GRT has continued to go up, LICTR has not been increased in 22 years.
- Over the last two decades, the rebate has lost much of its value, because a dollar is worth much less today that it was back in 1998.
- Over the same time period, our tax system has only gotten more regressive – falling even harder on those with the lowest incomes.



THE PROPOSAL

Our families are struggling to make ends meet and every dollar matters. Indexing LICTR from 1998 dollars to today's dollars to account for inflation would make a huge difference in the number of people who receive it and the amount of rebate they receive.



LICTR NOW

LICTR is only available to New Mexicans who earn the very lowest incomes – \$22,000 or less

The rebate is only worth between \$10 and \$450 per family

LICTR returns \$17 million to New Mexico's lowest earning taxpayers²

LICTR IMPROVED

Would make LICTR available to New Mexicans earning \$36,000 or less

The rebate would be worth between \$15 and \$730 per family and would benefit more than 125,000 taxpayers

Would return \$30+ million more to those who need it most in our communities³

- One of the best ways to reduce poverty is through tax policy. It's a cost-effective and non-stigmatizing way to help families get by.
- Investments in LICTR mean investments in our communities. Tax rebates like LICTR are often spent quickly and locally on everyday goods and services – like food, transportation, and child care.

THE BOTTOM LINE

This tax rebate needs to be adjusted to account for inflation, to bring some fairness back to our tax system, and to help New Mexicans who need it most survive through and have a chance to thrive after the pandemic.

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For more information on LICTR, visit www.nmvoices.org

#StrongerNM

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¹ U.S. Census Bureau, American Community Survey 2019 1-year data
² 2018 New Mexico Tax Expenditure Report, New Mexico Taxation and Revenue Department (NM TRD)
³ NM TRD, 2019