**A quick summary of the House tax package HB163 from our friends at NM Voices**
We will continue to keep you posted. As expected, this is a big bill with a number of tax cut provisions and a very large fiscal impact. As usually happens with omnibus tax bills, some of these things could still change.

* Section 1: **one-time** tax rebate based on the Low- and Middle-Income Taxpayer Exemption (which is available up to ~$37K single, $55k married; just over half of tax filers would likely receive it @ $300 per household
* Section 2: changing a definition in the GRT and compensating tax statutes; this may be a mostly technical fix.
* Section 3: GRT rate cut from 5.125% to 4.875% (Gov’s proposal; would cost ~$200m/year); **AND a GRT trigger to reverse the tax cut if revenues fall**
* Section 4: Compensating tax rate cut from 5.125% to 4.875% (would also go back up if GRT did)
* Section 5: GRT deduction created for certain professional services (accounting, architecture, engineering, IT, and legal services) sold to manufacturers
* Section 6: extends a GRT deduction for food and beverage establishments by a year
* Section 7: prevents cities from imposing new GRT increments until July, 2027
* Section 8: prevents counties from imposing new GRT increments until July, 2027
* Section 9: effective dates of the above
* Section 10: creates an emergency

A few notes:

* Section 1, rebate: We are glad to see a rebate in here, and a temporary rebate/cut is a SMART way to provide relief during the *temporary surplus* the state is seeing (non-recurring tax cuts that provide relief, but that the state won’t have to pay for every year in the future). However, we’d prefer the rebates provide more relief to families most in need (rather than lower amounts of relief to more people). Please see here for a [SF New Mexico story](https://www.santafenewmexican.com/news/local_news/survey-hispanic-families-are-facing-extreme-economic-hardship-in-pandemic/article_dddaf070-7488-11ec-a5f7-abe363a5f2c0.html) on some recent polling we and partners did that shows the really trying situation too many Hispanic residents in the state are still facing.
* Section 3, GRT cut: while the GRT does need to be lowered, $200 million is a massive amount of recurring revenues to cut without any revenue replacement, and even with a high fiscal impact, this won’t be felt much by many regular people. We’d much rather GRT reform happen within the context of bigger tax reform that includes PIT and CIT as well. However, we are really pleased about the inclusion of the trigger.
* A Social Security tax cut is NOT included, for now. Very happy about that, but the fight is not over, and advocacy will continue to be needed.