**7/5 – 7/6/22 NM Revenue Stabilization & Tax Policy Interim Committee**

Tax Policy Recommendations:

1. Tax Expenditures
   1. Phase out film tax credit over 3 years since the industry is beyond start-up in NM. This is one of the most generous film credits in the US, returning only about $0.30 per $1.00 of tax credit. It’s time to recoup those tax dollars.
   2. Add measurement criteria and efficiency standards to the top 10 largest tax expenditures to meet LFC Tax Expenditure Policy Principles.
   3. Transition tax exemptions to deductions to enable reporting and measurement against goals.
2. O&G Tax
   1. Raise the tax rates to be competitive with other O&G states
3. PIT
   1. Revise rate structure to make it more progressive at Level 4, keeping the maximum rate at 5.9%.
4. Gas Taxes
   1. Increase fuel/registration/excise taxes and send all new revenue to fund construction and repair of roads and bridges, not the general fund. Let’s invest in NMs infrastructure to improve safety and support a more robust economy!
5. Property tax
   1. Increase property tax rate by 0.10% to be more competitive with our neighboring states and generate more revenue.
   2. Emphasize to local governments that they can raise the local property tax rate and implement transfer fees to increase local revenues and offset reductions in GRT.
6. GRT:
   1. Remove pyramiding effects in B2B transactions because pyramiding is not sound tax policy.