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Kids Hurt by Governor's Useless Tax Cuts

By Kay Monaco

N.M. Voices for Children

New Mexicans are faced with a choice: continue to phase-in personal income tax cuts that will not result in economic stimulus, but will strip our state of funds to support education and health care; or stop the personal income tax cuts where they are (6 percent for top earners, down from 8.2 percent in 2003) and maintain a healthy state budget.

The question is one of priorities. So far, top income earners have received on average more than \$7,000 in state income tax cuts, plus significant savings from federal tax cuts. Meanwhile, we've whittled down Medicaid so that families with disabled children who have no bowel and bladder control must struggle to buy diapers, or watch their children go into a hospital and be intubated because Medicaid no longer pays for the expensive liquid nutrition formula they need to stay at home.

It appears that we are to rationalize these healthcare losses, believing that they balance the scales when weighed against tax cuts we're told will strengthen the economy.

Sadly, the data are clear: there will be no economic boost from personal income tax cuts, and there is no way to repair the healthcare losses we've already suffered. This session, the fight is to prevent more harm, but there is no hope to replace the funds necessary to pay for diapers or nutritional formula.

The recent news article "Gov.'s Staff Heaps Praise on Tax Cuts" does not respond to the research published by New Mexico Voices for Children showing that the tax cuts are a failed experiment and should be stopped. Job growth, personal income, job quality, median income, percentage of the population in poverty, percentage of people without health insurance, and per capita income— all remain where they were before the start of the current administration and the 2003 tax cuts.

The best that the governor's staff can offer is a weak claim that the tax cuts need more time. This is particularly disturbing in light of the administration's own reports which say it is not true. In the 2004 Post-Session Fiscal Review, the Governor's Department of Finance and Administration performed an analysis of the 2003 personal income tax cuts that showed negative job and personal income growth in 2008.

Nevertheless, Economic Development Secretary Rick Homans and Assistant Secretary Kelly O'Donnell tell us that the economy is improving and that the future looks rosy. They offer no new data and no new analyses to support those claims. Meanwhile, real people are suffering.

This administration and lawmakers claimed they could catapult New Mexico to the head of the line, or at least kick us up a few rungs in the state ratings, with a quick tax fix. It hasn't happened and it's not going to. To move ahead, we need a much more thoughtful, rational and deliberate policy that will ensure economic growth in New Mexico.

How can we have an economic future when our math and reading scores are 49th, our high

school completions are 41st, and we have the highest rate of uninsured children in the country?

The current tax cuts will so impoverish the state that there will be no money to strengthen our education and health infrastructures. We need to make a choice for strategies that have real results instead of rhetoric, and that invest in the state's human capital instead of depleting our coffers.

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