



PRESS RELEASE

March 24, 2010

FOR IMMEDIATE RELEASE

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Child Advocates Applaud Food Tax Veto, Decry Other Budget Changes

ALBUQUERQUE—New Mexico Voices for Children released this statement after Governor Richardson signed the state budget for the upcoming fiscal year: "We're pleased that the Governor vetoed the food tax, which would have hit low-income families the hardest. However, we're disappointed with his veto of the increase in the Low-Income Comprehensive Tax Rebate and his decision to divert \$11 million that had been earmarked for early childhood care and education programs for use elsewhere."

The Low-Income Comprehensive Tax Rebate (LICTR) helps offset regressive taxes for the very poorest of the poor. It had been raised in an effort to offset the food tax and the increased sales tax, known as the gross receipts tax (GRT). According to a recent report from the Institute on Taxation and Economic Policy, New Mexico's tax structure is already regressive, and residents at the lowest income levels pay more than twice as much in state and local taxes as the wealthiest pay, as a percentage of their income.

"We didn't believe the food tax should have been in the package in the first place," said Bill Jordan, Policy Director for NM Voices. "But the LICTR increase was intended to offset the one-eighth cent increase in the GRT as well, and unfortunately that increase is still intact. This will make it harder for working families to buy non-food necessities like diapers and aspirin."

The \$11 million earmarked for early care and education programs was to come from the 75 cent-per-pack increase in the tobacco tax. "We're pleased that the Governor kept the tobacco tax and made it permanent, because that will keep young people from taking up smoking and convince some long-time smokers to quit," said Jordan. "But his decision to divert the \$11 million from programs that help our kids succeed in school is a real disappointment. These programs have already taken a big hit from recent budget cuts," he added.

"We look forward to working with state leaders to craft future budgets that prioritize children and working families," added Jordan.

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New Mexico Voices for Children is a nonpartisan, nonprofit organization advocating for policies to improve the health and well-being of New Mexico's children, families and communities.
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