



## PRESS RELEASE

April 30, 2009

FOR IMMEDIATE RELEASE

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### **Benefits of Economic Incentives Unknown New study encourages more thorough review**

ALBUQUERQUE—A new report released by New Mexico Voices for Children's Fiscal Policy Project highlights the lack of transparency when it comes to New Mexico's tax incentives. "Economic Development Tax Credits in New Mexico: Are They Doing the Job?" examines the cost of some of the state-level tax incentives and credits that are designed to grow New Mexico's economy. Although there is a significant amount of taxpayer dollars channeled to these tax credits, the report finds that little information is available to the public about their impacts.

"New Mexico is spending a tremendous amount of tax dollars on these incentives, and yet we don't know if they produce positive benefits," said Gerry Bradley, Research Director of the Fiscal Policy Project. "We're spending between \$34 and \$42 million a year, but we're in the dark about whether it's a good investment," he added.

The report explains four types of business tax breaks in New Mexico: Conservation and Historic Preservation, General Industry Incentive, Specific Industry Incentive, and Employment Enhancement Tax Credits. Each type of business tax incentive is meant to foster economic growth, conserve energy, or create jobs. Tax incentives have the potential to create significant economic growth in New Mexico—the problem is, as the report explains, there isn't a system to determine their effectiveness.

The report encourages transparency, and recommends a thorough review of the progress of the intended goals of all tax credits, as well as the effects of additional non-tax subsidies to the analysis.

The report is attached as a pdf and will also be posted online at [www.nmvoices.org](http://www.nmvoices.org).

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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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