



PRESS RELEASE

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D.C. Tax Expert Rebuts New Mexico Corporate Lobbyist on Tax Law

At issue is legislation to require multistate corporations pay income tax on their NM profits

ALBUQUERQUE—A report released today by Washington, DC-based tax analyst Michael Mazerov refutes the claims of corporate lobbyist Dick Minzner about so-called 'combined reporting' for multistate corporations. Minzner has argued against combined reporting legislation in New Mexico in front of legislative committees and in local newspapers and blogs.

Combined reporting would require multistate corporations doing business in New Mexico to pay income tax on the profits they make here. Currently, such enterprises can use a host of accounting tricks to shelter their New Mexico profits in states that do not levy corporate income taxes.

"Minzner's writings contain a number of false, misleading, or factually-unsupported statements," Mazerov writes. "This analysis sets the record straight."

Mazerov's report, *Corporate Lobbyist's Case Against Combined Reporting in New Mexico: A Rebuttal*, addresses, point for point, many of Minzner's arguments, which include the assertion that such a law would hinder the state's economic development. Mazerov rebuts that claim by citing a survey in *Area Development* magazine: "Corporate executives typically rank taxes low on their list of site selection factors, well below the availability of a high-quality workforce and infrastructure," Mazerov writes.

Senator Peter Wirth (D-Santa Fe) has, for the past several legislative sessions, sponsored legislation that would require combined reporting. It has become a hot topic more recently as one way of raising revenue to bridge the state's budget gap. The state's Legislative Finance Committee has estimated that combined reporting would bring in tens of millions of dollars.

New Mexico Voices for Children has long supported combined reporting as a way of better funding programs that benefit low-income children and working families. The advocacy organization also believes the current tax system puts small local business at a competitive disadvantage -- an issue Mazerov discusses in the report.

Mazerov is a Senior Fellow in State Fiscal Policy at the Center on Budget and Policy Priorities, a Washington, DC-based think tank. Minzner, formerly New Mexico's Secretary of Taxation and Revenue, is currently a lobbyist for several corporations. During his tenure as Secretary, Minzner served on the Multistate Tax Commission, which heartily supported combined reporting in its 1994 annual report.

Mazerov's report is attached separately as a pdf and is available online at: www.nmvoices.org

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