



## New Mexico Fiscal Policy Project

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# New Mexico's Tax Cuts Have Not Stimulated Economic Growth

## Executive Summary

The reality of New Mexico's economy is much less rosy than the governor's press releases would indicate. There is no evidence that the tax cuts will have the economic stimulus that has been promised. In fact, there is plenty of evidence that shows the tax cuts have had no positive impact on economic growth:

- New Mexico's actual job growth has been no greater than what was predicted without tax cuts.
- The quality of jobs being created is worse than the jobs being lost to New Mexico's economy.
- Tax cuts have not stimulated an increase in median income, nor have they reduced the percentage of New Mexicans in poverty, or the percentage without health insurance.
- Businesses consider workforce issues and other business factors as far stronger incentives for location to a specific state than tax cuts.

The cost of the personal income tax cuts will have a dramatic impact on the state's ability to fund education, public safety and health care – the services that new businesses evaluate when deciding to locate in a state. Because these tax cuts are likely to result in under-funding education, health care and public safety, they will cause New Mexico's economic climate to deteriorate further.

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