



PRESS RELEASE

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CONTACT: Gerry Bradley, Research Director, New Mexico Voices for Children

505-244-9505 ext. 23 (p); 505-264-0074 (c); gbradley@nmvoices.org

OR: Sharon Kayne, Communications Director, NM Voices for Children

505-244-9505 ext. 29 (p), 505-401-8709 (c), 505-244-9509 (f), skayne@nmvoices.org

Report: NM Taxpayers Get Few Money-Back Guarantees State receives D+ for tracking of job-creation incentives and subsidies

ALBUQUERQUE—New grades are out and, when it comes to tracking whether tax breaks are creating jobs, it's a disappointing D+ for New Mexico. The grades were issued by the group Good Jobs First in their report "Money-Back Guarantees for Taxpayers: Clawbacks and Other Enforcement Safeguards in State Economic Development Subsidy Programs." In the report, New Mexico is ranked 45th in the nation, tying with two other states for that spot. Only three states ranked lower.

The report analyzed several economic development incentives and subsidy programs in states across the nation. It found that there is great inconsistency with how well states monitor, verify and enforce their incentives to ensure that they are fulfilling performance measures like creating jobs.

"It's politically popular to hand out tax breaks with the idea that they will create jobs," said Gerry Bradley, Research Director for New Mexico Voices for Children. "Unfortunately, especially in New Mexico, tracking these economic incentives to make sure taxpayers are getting their money's worth is considerably less popular. When you give a 'job-creation' tax break to a company and they don't create any jobs, you're really just handing out corporate welfare," he added.

"It's discouraging that Governor Martinez is hoping to pass another \$55 million worth of tax breaks when we do such a poor job of verifying that the breaks we already have actually create jobs," Bradley said.

The report looked at five incentive programs in New Mexico. While all five require that companies report their performance, the state only verifies these reports in three of the five. Only one incentive program (industrial revenue bonds) requires that money be paid back if performance measures are not met. All five incentive programs failed completely in the category of online disclosure of enforcement practices.

“Money-Back Guarantees for Taxpayers” is a companion report to “Money for Something,” which Good Jobs First issued last month. Both reports can be found on the group’s website at www.goodjobsfirst.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.
2340 Alamo SE, Suite 120, Albuquerque, NM 87106-3523; 505-244-9505 (p); www.nmvoices.org