

Improving the best anti-poverty measure in New Mexico

New Mexico's Working Families Tax Credit puts **\$56 million** into the hands of **212,000** hard-working New Mexico families and individuals¹

96% of the money goes to families with children²

Nearly 300,000 children benefit — that's about **59%** of all NM kids 

This tax credit is proven to incentivize work and allow families to purchase:



reliable transportation
child care
healthier food

Businesses benefit too, as the refunds are spent quickly and locally 

The tax credits help families through temporary trouble, with **60%** of claimants receiving the credits for just one or two years³

The federal version of this credit has long had bipartisan support

President Ronald Reagan called it:

“the best anti-poverty, the best pro-family, the best job-creation measure to come out of Congress.”⁴



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We can double the value of this targeted, effective tax credit by ending an ineffective tax deduction

New Mexicans with capital gains income can deduct **1/2** of it from their income taxes



Capital gains is income from selling stocks, bonds, real estate, etc., at a profit

In other words, it's the money made by money 

Meanwhile ... the hard-earned income of everyday New Mexicans is taxed at a higher rate

Nearly **90%** of the value of the deduction goes to the richest **10%** of tax filers 

There is **no** evidence that the capital gains deduction benefits our economy 

We can put that money to better use

1. NMVC analysis of 2013 IRS income tax data provided by the Brookings Institute

2. NMVC analysis of Metro Tax Model data for the 2014 tax year provided by the Brookings Institute

3. NMVC analysis of 2012 IRS income tax data provided by the Brookings Institute

4. Quoted by Lee Donosky in "Sweeping Tax Overhaul Now the Law," *Chicago Tribune*, Oct. 23, 1986