A TAX REBATE THAT’S LONG-OVERDUE FOR AN EXPANSION

The Low Income Comprehensive Tax Rebate was enacted to make our tax system fairer but because it hasn’t been updated in 20 years, it no longer does the job.

SUPPORT HB 365

In New Mexico, the less money you make, the bigger the bite that’s taken out of your income by state and local taxes.

THE PROBLEM

• New Mexico is a high-poverty state with a large share of jobs that pay low wages.

• We’re ranked 50th in child well-being, with 27 percent of our children living in poverty.1 Too many of our families are struggling to make ends meet and every dollar matters.

• LICTR was last amended in 1998. Over the last two decades, the rebate has lost much of its value, because a dollar is worth much much less today that it was back in 1998.

• Over the same time period, our tax system has only gotten more regressive – falling even harder on those with the lowest incomes.

THE PROPOSAL

Simply indexing LICTR from 1998 dollars to 2018 dollars to account for inflation would make a huge difference in the number of people who receive it and the amount of rebate they receive. LICTR should also be indexed going forward, so it can continue to keep pace with inflation.

LICTR NOW

LICTR is only available to New Mexicans who earn the very lowest incomes – $22,000 or less

The rebate is only worth between $10 and $450

LICTR returns $18 million to New Mexico’s lowest paid taxpayers

LICTR IMPROVED

Would make LICTR available to New Mexicans earning $34,000 or less

The rebate would be worth between $15 and $697

Would return $56 million to New Mexico’s hard-working families, lifting a total of 6,000 households out of poverty

1 State of the State 2019 (Fuel New Mexico)
2 New Mexico StateImpact (2019)
3 Voices for Children (2019)
THE BOTTOM LINE
This tax rebate needs to be adjusted to account for inflation and to bring some fairness back to our tax system.

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GET INVOLVED
For more information visit StrongerNewMexico.org
For more information on LICTR, visit www.nmvoices.org
#StrongerNM