

# A NEW CHILD TAX CREDIT WOULD PUT US ON THE ROAD TO A STRONGER NEW MEXICO

SUPPORT HB 18



## THE PROBLEM

- New Mexico’s tax system is upside down—most New Mexico families pay more than twice the rate in state and local taxes than the wealthiest pay.
- Recent federal tax changes made things worse by increasing state taxes on families with children.
- New Mexico has one of the worst rates of child poverty in the nation.

## OUR HARD-WORKING FAMILIES DESERVE BETTER



## BENEFITS

- Improvements in infant and maternal health<sup>1</sup>
- Decreased poverty<sup>2</sup>
- Reduced childhood hunger<sup>3</sup>
- Better test scores<sup>4</sup>
- Higher graduation and college attendance rates<sup>5</sup>
- More earning power as adults<sup>6</sup>

## THE NEW CHILD TAX CREDIT WOULD



Benefit 500,000 New Mexico kids  
.....



Provide \$25 to \$175 per child, depending on income, and be fully refundable  
.....



Return \$67 million to New Mexico families, who would spend much of it in their local communities  
.....



Improve economic equity for families of color and women  
.....



Help mitigate the higher state taxes these hard-working families would pay due to federal tax changes

“As governor, I will build women’s economic security and opportunities by supporting a Child Tax Credit to reverse the impact of the Republican tax cuts that are increasing the tax burden for many New Mexico families.”

—Michelle Lujan Grisham, *New Mexicans for Michelle* website, December, 2018

1. David Simon, "Expansions to the Earned Income Tax Credit Improved the Health of Children Born to Low Income Mothers," London School of Economics, June 9, 2015.
2. Chuck Marr, Chye-Ching Huang, and Arloc Sherman, "EITC and Child Tax Credit Promote Work, Reduce Poverty, and Support Children's Development, Research Finds," Center on Budget and Policy Priorities, October 2015.
3. Kevin Milligan and Mark Stabile, "Do Child Tax Benefits Affect the Wellbeing of Children? Evidence from Canadian Child Benefit Expansions," American Economic Journal: Economic Policy, vol. 3, August 2011.
4. Raj Chetty, John N. Friedman, and Jonah Rockoff, "New Evidence on the Long-Term Impacts of Tax Credits," Statistics of Income Paper Series, November 2011.
5. Michelle Maxfield, "The Effects of the Earned Income Tax Credit on Child Achievement and Long-Term Educational Attainment," Michigan State University Job Market Paper, November 14, 2013.
6. Chetty, Friedman, and Rockoff, 2011.

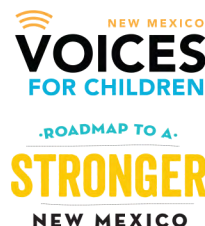


## GET INVOLVED

For more information visit [StrongerNewMexico.org](http://StrongerNewMexico.org)

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#StrongerNM



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