

FOR IMMEDIATE RELEASE

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CONTACT: Senator Pete Campos, (505) 986-4311

Legislature, Governor Need Facts on Tax Breaks;

Legislature Should Override Veto

SANTA FE — Senator Pete Campos, D-Las Vegas, a member of the Senate Finance Committee, released the following statement today regarding the potential override of the governor's veto of legislation to track the costs and benefits of tax breaks offered to New Mexico businesses:

"The legislature and the governor must have the facts about and a solid analysis of the tax breaks we offer businesses if we are going to be able to intelligently discuss and evaluate whether those tax breaks are worth it. I generally support tax breaks as valuable economic development tools, but I must confess that I cannot point to any objective analysis that proves they are worth it. We do not have any solid, objective information comparing the number of jobs created and state revenue gained from those jobs and economic activity to the amount of revenue the state loses from the tax break.

"The legislation that we approved unanimously last year would have ensured we got that information every year, but the governor vetoed it and promised to do the same thing administratively. But she hasn't done that and so the legislature has begun the

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difficult and rare process of overriding the governor's veto.

"The vetoed legislation would have required the Taxation and Revenue Department to provide the governor and the legislature with an annual analysis of tax breaks worth more than \$500,000 a year. New Mexico taxpayers provide hundreds of millions of dollars a year in tax breaks to businesses and industries across the state, and gathering the data on the worthiness of those breaks will only help us make good decisions about whether to discontinue, continue or expand them.

"New Mexicans rely on the income and gross receipts taxes we all pay to fund our public education, health and safety programs, and we count on the fact that everyone is paying their fair share. Tax breaks for certain industries and businesses can be a valuable way to generate more overall revenue if more jobs are created or more economic activity is generated. But there's also the risk that such incentives actually cost the state of New Mexico more money than they generate. We simply don't know which is true, and it's time we found out."

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A copy of Senate Bill 47 as passed by the 2011 legislature and vetoed by the governor, and a copy of the governor's veto message are attached.