

Senator:

My name is Frank Pagurko, and I write to you on behalf of the Rio Grande Foundation, an economic policy think tank based in Albuquerque. We work to promote the interests of the people of New Mexico through free market policy.

For the prosperity of all New Mexicans, I strongly urge you to **vote NO** on HB 291, the “Tax Changes” bill. New Mexico [already has one of the heaviest tax burdens in the nation](#), higher than any neighboring state. In a time when our state’s economy is struggling and our unemployment rate is one of the worst in the country, a new income tax bracket would only further stifle our economy and its recovery from the Covid-19 shutdown. [Studies have shown that higher taxes drive away population, wealth, and jobs](#)-precisely the opposite of what New Mexico needs, both in the short and long term.

In contrast, evidence from our own state strongly indicates that reducing the top income tax rate drives economic growth, [as was seen during the Richardson Administration](#). When the economy grows, everyone benefits. When it lags, everyone suffers. HB 291 has already passed the House largely along partisan lines, although some Democrats joined Republicans in opposition. This bill is *another* income tax increase that would raise the top rate to 6.5% after HB 6 already hiked it from 4.9% to 5.9%. Higher taxes are the opposite of what New Mexico needs.

The increased corporate tax is also of great concern for New Mexico’s economy. The gross receipts tax already stifles innovation and economic growth and adding more taxes on top of that broken system will only further hinder our state’s prosperity. As we try to recover from

the devastating effects of the COVID-induced economic shutdown, higher taxes on industry are the last thing that the legislature should consider.

To encourage our state's recovery from the pandemic and in the interests of the long-term prosperity of its residents, please vote no on HB 291. Thank you.

A handwritten signature in black ink, appearing to read "Frank Pagurko III", with a stylized flourish at the end.

Frank Pagurko III