



This Week in State Tax (TWIST)

April 10, 2023



NEW MEXICO



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New Mexico: Governor Vetoes Significant Tax Package

On April 7, 2023, Governor Michelle Lujan Grisham of New Mexico vetoed almost every provision in House Bill 547, a comprehensive tax package. Provisions increasing the child tax credit, providing individual tax rebates and expanding the state's film tax credit remained intact and were enacted. The partial veto is not particularly surprising, as the Governor had publicly expressed concerns with the cost of the bill, which would have reduced the state's gross receipts tax, adopted numerous new tax credits, and new gross receipts tax deductions. On the corporate income tax side, House Bill 547 would have created a 5.9 percent flat corporate income tax rate for tax years beginning on or after January 1, 2024. The bill would also have mandated that for tax years beginning on or after January 1, 2024, all business income be apportioned by use of a single-sales factor, with certain exceptions. Reports are that the legislature is not expected to attempt to override the veto.



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