

Deming  
Headlight  
Deming, NM  
Circ. 3139  
From Page:  
a4  
1/1/2010  
360990



## Food tax should not be considered

Of all the ideas being kicked around to generate more revenue for the state, we can think of none that would be more shortsighted or cause greater damage to the state's most vulnerable residents than the proposal to reinstate gross receipts taxes on food.

The food tax, originally passed in 1933 as a temporary emergency measure, was repealed in 2005, along with taxes on some medical services. At the time the food tax was lifted, the state increased GRT on other non-food items by .5 percent, with the intent being that the two changes would offset each other and the bill would be revenue neutral.

New Mexico was one of seven states that fully taxed the sale of groceries at the time the bill was passed. Now, there are only two, Alabama and Mississippi. States throughout the nation have come to understand that a tax on food is the most regressive of all taxes, placing the greatest burden on those who can least afford it.

The task force formed by Gov. Bill Richardson to examine possible tax increases has looked at almost 30 options, covering everything from out-of-state corporations to everyday purchases by state residents. And, those options don't include repealing the 2003 personal income tax reduction, something Richardson strongly opposes but will likely be introduced this session.

We understand that any of these proposals will have vocal opposition. And, we also know that corporations tend to have better-funded lobbying efforts than those living in poverty. But, we trust lawmakers will recognize the harm done by bringing back the food tax.

A survey by the state Taxation and Revenue Department prior to the 2005 bill found that those earning less than \$10,000 spent up to almost 37 percent of total income on groceries, as compared to those earning \$75,000 or more, who spent less than 4 percent.

A report by the public policy group Think New Mexico in support of the 2005 bill noted that low-income families and those with a large number of children are disproportionately affected.

"The food tax is an especially cruel tax because it's difficult to escape paying, and one, of course, needs food in order to survive," the report pointed out. "By contrast, the rest of New Mexico's gross receipts tax is avoidable by purchasing goods and services from the Internet."

The same report points out that New Mexico has a higher food insecurity and hunger rate than any other state in the nation. Reinstating taxes on food will only worsen an already bad situation.

We recognize that the state has a pressing need to increase revenue. But, doing so on the backs of the poor and the hungry is not the right solution.

County:  
Luna