

## Food tax veto was right decision

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Since fighting to repeal the food tax was one of Gov. Bill Richardson's hardest-fought battles, we had little doubt he would veto a move to reinstate it.

However, New Mexicans who were worried about how it would affect their already stretched budgets are breathing a little easier after his announcement last week.

Richardson believes ending the food tax is one of his legacies for New Mexico.

"In 2004, I told New Mexicans that we eliminated the food tax forever, putting hundreds of dollars into the pockets of working families," Richardson said. "I'm not about to open the door again and resurrect a tax on food that disproportionately hurts poor and middle-income families. There is no reason to tax so basic a necessity as food in order to balance the budget."

Officials estimated that the tax would have added a minimum of \$250 a year to families already struggling to put food on the table.

We know our state has a budget shortfall and realize that all New Mexicans likely could be hit with either gross receipt tax increases or personal income tax increases.

The reinstatement of the food tax was not a sensible solution.

The administration will be able to balance next year's budget without the food tax, Richardson said. The state's cash reserves, projected at \$272 million at the end of this year, can offset the revenue loss.

Richardson also said he was ready to use \$20 million in federal economic money to shore up the reserves and balance the budget.

The news that our state unemployment rate has increased is a reminder that there are still tough times ahead, and this tax would have hit those at the low end of the economic scale the hardest.

Reinstating this regressive tax would be a bad idea, and on this issue, the governor made the right move.