



2014-2015 ANNUAL RESOLUTIONS

***Adopted By:
NMML Membership
August 28, 2014
Albuquerque, NM***

RESOLUTION 2014-22

CONCERNING THE LOCAL GROSS RECEIPTS TAXES ON FOOD

Whereas, the First Session of the 51st Legislature enacted legislation to phase out the Hold Harmless Provisions for the loss of local gross receipts taxes on food and medical services; and

Whereas, those revenues accounted for a substantial portion of municipalities' general fund budget, in some cases as much as an estimated 40%; and

Whereas, municipalities opposed the repeal of gross receipts taxes when introduced in the 2004 session of the Legislature; and

Whereas, over 400,000 New Mexicans on the Food Stamp Program did not pay gross receipt taxes on the purchase of food; and

Whereas, New Mexicans were required to pay an additional ½ percent gross receipt tax on all other taxable purchases to help pay for the repeal of food taxes; and

Whereas, those same 400,000 New Mexicans could face an additional 3/8 or even 6/8 percent gross receipts tax on non-food and non-medical purchases for a total tax burden of 7/8 to 1 & ¼ percent GRT. Prior to the repeal of the GRT on food and certain medical services these New Mexicans were not paying GRT on food or certain medical services and will now continue to pay additional GRT on other purchases in a greater amount than they would have had the tax remained on food and certain medical services.

Now, Therefore, Be It Resolved that the New Mexico Municipal League support legislation to return food to the gross receipts tax base for only local gross receipts tax rates, including the 1.225 of the state rate, by shifting the 1.225 to the local GRT system; and

Be It Further Resolved that the legislation include a significant increase in the Low Income Tax Credit; and

Be It Further Resolved that such legislation would also repeal the Hold Harmless distribution whereby increasing the state general fund in one fiscal year rather than 17 years; and

Be It Further Resolved that the legislation would also repeal the new gross receipts authority of 3/8 percent for cities and counties.

Passed, Approved and Adopted this 28th day of August at the City of Albuquerque, New Mexico.