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The food tax bill betrays community ideals

The just-concluded special session of the Legislature did a better job than the failed regular session—but only just barely. Unlike the regular session, it did pass a budget, but it also made quite a mess of it.

First, it probably did not deal with the entire problem, because it is highly likely that the economic assumptions on which the budget was based were too optimistic, meaning there will be a further hole of \$100 million to \$200 million to be filled, either by a special session in the fall or the next regular session in January.

Second, the Legislature dealt with the problem of raising taxes in especially nasty ways. Only about one-fourth of the \$233 million it raised will come from those most able to pay. The bulk of the tax increases fall on the poor and the working class in the form of a one-eighth-cent state gross receipts tax, a local food tax and a 75-cent cigarette tax.

The food tax is especially obnoxious—and especially heartless. The poorer a person is, the higher percentage of his or her income goes to food. No one argues that food is a nonessential expenditure. Unemployment continues to rise in New Mexico, and long-term unemployment as a percentage of the total number unemployed is at a level not seen since the 1930s.

To pile the insult of the food tax on

top of the suffering the poor and the middle class are already feeling is more than just ridiculous; it is tragic.

Now it is up to Gov. Bill Richardson to sign or veto the legislative bills.

When the special session imposed the local tax on food (averaging 2 percent but varying by community), it canceled a state subsidy that had been given to localities to compensate them for the original loss of revenue from the food tax.

But now the special session has repealed the compensating tax at the same time it has given localities the food tax.

If Richardson also vetoes the repeal of the compensating tax, local areas will retain the status quo, being neither helped nor harmed; but the state will lose about \$68 million, worsening its budget imbalance. But if Richardson signs the compensating tax repeal while also vetoing the food tax, then local areas will have their own budget holes to fill.

The choice for the governor is not an easy one. But he has indicated opposition to the food tax, and he still has a chance to veto it. The Independent urges him to do so.

Government is not merely a cash register that mechanically takes in money; it is the symbol and substance of our ideals. The food tax betrays those ideals.