

**CLAS VEGAS
OPTIC***Serving the community since 1879***Tom McDonald**
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OPTIC EDITORIAL

At last, food tax is gone

On Saturday, New Mexico joined the majority of states by eliminating the sales tax on food. It's about time.

Only seven other states — Alabama, Arkansas, Hawaii, Mississippi, South Carolina, Utah and Virginia — still tax food, according to Think New Mexico, a Santa Fe-based think tank that aggressively pushed for the tax's repeal. Like New Mexico, most of the seven states are poor. One must wonder if there is some connection between food taxes and poverty.

It's bad policy to tax people for necessities such as food. It's also unfair. Low and middle-income families spend a greater proportion of their income on food than do the rich. According to Think New Mexico, a household making between \$10,000 and \$14,999 spends 16.2 percent of its income on groceries, whereas a household with an income greater than \$75,000 spends on average 3.8 percent. In other words, the food tax hurts the poor more than it does the rich.

On tax policy, Republicans and Democrats often clash. But when it came to repealing the food tax, support was bipartisan. In fact, it was state Sen. Manny Aragon, D-Albuquerque, now president of Highlands University, who joined Sen. Ramsay Gorham, R-Albuquerque, to sponsor the food tax repeal. Why was it so popular? Republicans like to cut taxes, and Democrats make a special effort to help the poor.

As with any change in tax policy, there is a downside. Small towns such as Las Vegas are concerned about the loss of revenue because of the repeal. When the Legislature decided to eliminate the tax, it also increased taxes on other items to offset the revenue loss. And the state Department of Finance and Administration assured communities that they wouldn't lose revenue.

However, the Las Vegas City Council is understandably skeptical. While most residents buy their groceries in town, they are more likely to buy goods such as cars and clothing out of town. And if that is the case, our community won't see a lot of the revenue from the increased taxes.

The state should closely monitor the effects of the food tax. If small towns suffer a substantial loss of revenue, taxes on other goods should be further increased.

But whatever happens, the food tax should remain in the dustbin of history. We are glad to be rid of it.
