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Why Can't State Live Within Its Means?

In the end, the axiom, the enemy of my enemy is my friend, always wins. When the state house of representatives and the state senate couldn't agree on how to raise taxes and upon whom, they just got together and ganged up on all of us.

In doing so they undid a great piece of legislation that helped the working poor in our community. We're talking about the food tax.

Fred Nathan and his Think New Mexico group did New Mexicans a great service in 2005 when they succeeded in persuading legislators to eliminate the food tax. It benefited the poorest of us and cities picked up the lost revenue in the form of a substitution tax from the state. In essence cities still get the same amount of tax revenue, it's just not the poor paying and it's going through the state's general fund to be earmarked for municipalities.

But when the legislature, weak-willed and short on guts, refused to cut the hundreds of millions of dollars in wasteful and unneeded capital projects, they had to find the money somewhere. While perennially short on ways to cut their own spending they're equally exuberant in ways to increase taxes.

Except they call them revenue enhancements.

Rep. Ben Lujan (D-Nambé) led the House in his raising gross receipts taxes on everything by half a percent. Yes, a preponderance of you keep sending him back to Santa Fe. And you sent his kid to Washington. But we digress.

The Senate said, no, let's raise cigarette taxes.

In the end the two houses agreed to a boost in the statewide 5 percent gross receipts tax by one-eighth cent, and a partial reimposition of the tax on food. That would be at local gross receipts tax only on food of about 2 percent.

The cigarette tax hike would add 75 cents to the existing 91 cent state tax, until 2014.

Gov. Bill Richardson doesn't like it.

"It's regressive," Richardson said Tuesday in an Albuquerque Journal story. "It hurts poor people. It's a retreat from something we did."

At this point, Richardson isn't sure he can line-item veto the food tax portion of the bill. The state constitution only allows the governor to line-item veto spending measures, not new taxes. He's looking into it.

The governor's choice seems to be veto the whole budget and tell the house and senate to bring back a budget without the food tax added or sign the budget allowing all new taxes to take hold. It would then be up to Think New Mexico to start the fight all over again next year and eliminate the tax on food.

The poor job the legislature did of patching up the budget will come back to bite them in the fall. More revenue shortfalls or increased expenses will call them back into session. They haven't addressed the big problem, their terrible spending habits of the least eight years. Until they tackle that addiction, they'll have to keep going to mom's purse and stealing money.

Unfortunately, the taxpayers are mom's purse.

If it is legal, we encourage the governor to line item veto the food tax. If he can't, the governor should veto the whole mess and make them come back and do it right. Constituents don't want this budget, lobbyists do. It will cost us \$50,000 a day for them to fix it but it will be money well-spent if the politicians get the message: catch a cab to real street and cut the foolish spending. That's what we're all doing, why can't our "leaders?"