

## Welcome to the first day of Progressive New Mexico

Relax, New Mexicans. It is July 1st and all is well, for you are now in the hands of a Progressive government that knows what's best for you. Just go put on the coffee pot and settle in while the new laws go into effect. Think of the 'old days' as your faithful pickup truck that's served you well for these past ten years or so and imagine that it's now a new driverless electric vehicle that knows the 'right' direction to take you. All you have to do is pony up a passel of more money and put your trust in those ever-so-smart Democratic Legislators and the even smarter Democratic Governor. In case you weren't paying attention after the last legislative session, 160 new laws were passed that as of today are now on the books. Two of the most controversial ones are two gun bills. One requires you to drive to a federally-licensed firearms dealer and submit to a background check if you're buying a gun from a neighbor, friend or a stranger.

The second forbids you possess a firearm if you have a history of violence or are currently under a restraining order. It's enough for you to be 'under reasonable suspicion' of a propensity for committing violence so that an investigation ensues. Thirty out of 33 county sheriffs in New Mexico oppose these bills, but I guess they don't know as much as the legislators who passed them and the governor who signed them, otherwise they wouldn't be the law now, right? Sure. There are other 'cultural' laws like the one intended to make it easier for transgender New Mexicans to change the sex designation on their birth certificate. Instead of being required to prove they underwent surgery, the person will only need to present a sworn statement affirming their gender identity, and a revised birth certificate will be issued. Individuals will also have the option of marking their gender as "X," which would signify a gender other than male or female. Now THAT'S what I call spitting in the face of God.

According to a report in the Albuquerque Journal, "Sen. Jacob Candelaria, an Albuquerque Democrat and co-sponsor of the legislation, said about a dozen other states have passed similar laws. The legislation, Senate Bill 20, will allow people to have accurate birth certificates, particularly helpful, he said, if they must provide one for employment, a financial transaction or legal proceeding. The opportunity to change the document, Candelaria said, is a sign of dignity and could prevent someone from being 'outed' by state records. "There's the personal, emotional toll on a person who is not respected and recognized by the state for who they are," he said. "That is a real weight that is carried by these folks." I wonder if this also applies to livestock as well? I can just see long lines of beef cattle claiming they're really breeding bulls and should be exempted from the matanzas. What a ridiculous law this is and what an idiotic senator Mr. Candelaria is for sponsoring it. On marijuana, those with opioid use disorders, Alzheimers or those who suffer from autism may now qualify for medical marijuana. So, if I understand this law correctly, anyone who is super forgetful or who has trouble concentrating or reading properly or who has ever been hooked on prescription drugs can now add escape from reality to their repertoire of problems. That's great. I'm sure that will help them.

On elections, we now must cast our electoral votes for the winner of the national popular vote. That should really please those of us who want our electoral votes cast for the winner in New Mexico. On taxes, HB 6 authorizes the state to start levying its gross receipts tax on online sales, even if the retailer (sometimes called a remote seller) doesn't have a physical presence in New Mexico. New Mexico's economic nexus threshold to trigger the tax is \$100,000 in gross receipts, regardless of the number of transactions made with in-state customers. Some of the new gross receipts tax rules go into effect today like the additional 1/2% tax increase on the purchase of automobiles. For tobacco lovers, you will have to pay \$.38 more per pack for cigarettes and \$.50 more per cigar. That also includes 'e-cigarettes.' Okay, that means we're allowing more people to smoke marijuana, but are simultaneously trying to limit the number of people smoking tobacco. Good one, legislators. There will be personal income tax and Gross Receipt changes coming, but they won't hit until 2021, so you still have time to sell the house, pack up and move to Texas. While the Legislature and the Governor were busy figuring out how much more money they were going to soak New Mexican taxpayers for in the future, our neighbors have been doing the opposite over the years: Arizona enacted seven

separate tax reductions which lowered its top income tax rate from 7.0% to 4.54%. Colorado abandoned its graduated rate income tax with a top rate of 8% to a flat tax rate low of 4.63%. Not to be outdone, Oklahoma phased downward its top rate of 6.65% to a low 5%. And Utah eliminated its six-bracket system with a top rate of 7% to a flat 4.95%. Thanks to former Governor Susana Martinez, NM reduced its rate from 8.2% in a seven-bracket system to a four-bracket system with 5.9% as the NM rate. All for naught because the geniuses in the Roundhouse are returning NM to a seven-bracket individual income tax structure with a top rate of 6.5%. This is a New Mexico True Progressive solution to dwindling out-of-state investment and population decline, I suppose.

According to an analysis done by [taxfoundation.org](http://taxfoundation.org), "Above \$30,000 in taxable income, it (HB6) represents a tax increase. That increase grows rapidly. Take, for instance, a single individual earning the state's average household income of \$46,744, with taxable income of \$34,544 after taking the standard deduction. Under H.B. 6, the individual's income taxes go up by more than a third, from \$1,070 to \$1,429. Someone with \$50,000 in taxable income would experience a 61 percent increase in tax liability, from \$1,387 to \$2,233."

On Internet sales, [taxfoundation](http://taxfoundation.org) also says, "The bill would tax internet sales starting July 1 of this year, and ultimately change *how* the state imposes its sales tax. New Mexico's sales tax—confusingly termed a "gross receipts tax," even though it is not structured like the gross receipts taxes that exist in certain other states—is origin- rather than destination-sourced, meaning that the tax is levied at the seller's location, not the buyer's, and is subject to the local rate in the seller's jurisdiction. For remote transactions already subject to tax due to the seller's physical presence in the state, the *state* sales tax is destination-sourced, but the remote seller does not owe local sales taxes. Under H.B. 6, the state would begin a two-year transition, ultimately resulting in destination-sourced local sales taxes for remote sales. In the interim, the bill provides for transfers to local governments to allow them to share in the new revenue."

Democratic legislators 'got Progressive religion' with this tax package. According to an article in the Associated Press, "Democratic Rep. Javier Martinez of Albuquerque, a lead sponsor, said the promised benefits of prior income tax cuts in 2003 and 2013 never materialized and that reforms are needed to broaden the tax base and underwrite improvements to public education and roads. He described it as an investment in children and in government." "This is our attempt to reform an economy that has far too long been dependent on a single source of income," he said. Not everyone agrees with this as a measured and realistic approach to taxing a population that's 'TEA' (taxed enough already) and declining. In the same article, Republican legislator from Rio Rancho, Jason Harper said, "At roughly \$580 million, the changes would represent the largest tax increase in state history and would affect all New Mexico families, not just the affluent. In my mind the solution is not to squeeze more blood out of a turnip, it is to fertilize our field and we do that by doing real tax reform and addressing crime and these things that make New Mexico more fertile ground for families to come and grow."

I don't know about you, but I think there is a fine line between a fanatical confiscatory policy and a reasoned, long-term one that is based on real numbers and realistic growth projections. The one we have now is anti-competitive and doesn't take into account most economic developers' attempts to grow the pie rather than figure out how to make do with smaller and smaller slices. Neither are many of the hare-brained 'social' or 'cultural' fixes to problems that didn't exist in the first place. What will YOU be celebrating this Independence Day in New Mexico? For me, it certainly won't be progress in the Land of Enchantment.

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