

MINUTES
of the
FOURTH MEETING
of the
REVENUE STABILIZATION AND TAX POLICY COMMITTEE

October 27-28, 2025
State Capitol, Room 322
Santa Fe

The fourth meeting of the Revenue Stabilization and Tax Policy Committee was called to order by Senator Carrie Hamblen, chair, on October 27, 2025 at 10:15 a.m. as a subcommittee in Room 322 of the State Capitol in Santa Fe. The committee achieved a quorum at 10:18 a.m.

Present

Sen. Carrie Hamblen, Chair
Sen. Heather Berghmans (10/27)
Rep. Micaela Lara Cadena
Sen. Pete Campos
Rep. Christine Chandler
Rep. Mark Duncan
Sen. Natalie Figueroa
Rep. Doreen Y. Gallegos
Rep. Patricia A. Lundstrom
Sen. George K. Muñoz (10/27)
Rep. Mark B. Murphy (10/27)
Rep. Cristina Parajón
Sen. William E. Sharer

Absent

Rep. Derrick J. Lente, Vice Chair
Sen. Craig W. Brandt
Sen. Gabriel Ramos
Rep. Luis M. Terrazas
Sen. Peter Wirth

Designees

Sen. Antoinette Sedillo Lopez (10/27)

Rep. Joanne J. Ferrary
Sen. Antonio Maestas
Rep. Alan T. Martinez
Rep. Kristina Ortez
Rep. Elaine Sena Cortez
Sen. James G. Townsend

Special Advisory Members

Rep. Joshua N. Hernandez (10/27)

Guest Legislator

Rep. Tara L. Lujan (10/27)

(Attendance dates are noted for those members not present for the entire meeting.)

Staff

Cristina Vasquez, Staff Attorney, Legislative Council Service (LCS)

Marisa Garcia-Hart, Administrative Assistant, LCS

Ric Gaudet, Researcher, LCS

Sabina Gaynor, Staff Attorney, LCS

Clinton Turner, Fiscal Policy Analyst, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file and posted on the legislature's website.

References to Webcast

The time reference noted next to each agenda item in this document is cross-referenced to the webcast of the committee meeting, which can be found at www.nmlegis.gov, under the "Webcast" tab. The presentations made and committee discussions for agenda items can be found on the recorded webcast for this meeting.

Monday, October 27

Parcel to Policy: Leveraging Parcel-Level Property Data for Smarter Tax Policy (10:18 a.m.)

Jennifer Faubion, economist, Legislative Finance Committee (LFC), discussed with the committee the ongoing project of the LFC to compile a statewide property dataset from each county assessor and explained that the LFC partnered with the Assessors' Affiliate of the New Mexico Association of Counties and has so far compiled data from nine of the state's 33 counties. Ms. Faubion said that the goal of the project is to have a tool that can use real-world data to analyze property tax reform proposals and that the tool can answer key questions such as tax burden by various demographic sectors for proposals, mapping tax rates versus effective tax rates and how proposals impact households on a county-by-county level. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=RSTP&Date=10/27/2025&ItemNumber=1>.

Approval of Minutes (11:28 a.m.)

The minutes of the committee's September 30, 2025 meeting were approved without changes.

Quantum Briefing (12:28 p.m.)

Alex Greenberg, economic development advisor, Office of the Governor, discussed with the committee quantum computer technology in New Mexico. He said that the state has many core competencies needed to develop commercial scale quantum technology, including research and development programs at the University of New Mexico, Sandia National Laboratories and

Los Alamos National Laboratory and that there are also several companies emerging as anchors in the new industry, as well as workforce training programs at community colleges. Mr. Greenberg said that the governor's administration is looking to reintroduce legislation that would provide a 30 percent refund on capital expenditures for quantum infrastructure and equipment, with a \$150 million aggregate cap. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=RSTP&Date=10/27/2025&ItemNumber=3>.

Improving Poverty with Policy: Leveraging State Tax Credits Amid Federal Changes (1:41 p.m.)

Jacob Vigil, M.S.W., chief legislative officer, New Mexico Voices for Children (NMVC), and Emily Wildau, M.P.P., policy director, NMVC, discussed tax policy options that could decrease poverty in New Mexico. Mr. Vigil discussed the supplemental poverty measure (SPM), which measures not only income but also tax credits and non-cash income supports. The SPM shows that the New Mexico poverty rate has decreased following an increase in federal tax credits and increased after their expiration. Mr. Vigil described various tax improvements enacted in the state that have supported families, including the working families tax credit, the low-income comprehensive tax rebate and the child income tax credit. NMVC has several policy recommendations for the legislature, including boosting the child income tax credit for children under age six; increasing the percentage of the federal earned income tax credit for the working families tax credit from 25 percent to a higher percentage; sustaining and protecting various safety net programs; increasing the personal income tax for high income earners; requiring combined reporting for all corporations; enacting a real estate transfer tax; enacting a wealth or inheritance tax; repealing or reducing some itemized deductions; increasing the royalty rate on state lands; and ending existing oil and gas tax subsidies. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=RSTP&Date=10/27/2025&ItemNumber=5>.

History of Alcohol Tax Efforts (2:31 p.m.)

Senator Sedillo Lopez and Representative Parajón discussed with the committee previous efforts to reform the liquor excise tax and some options for the legislature to consider. They said that New Mexico has the highest incidence of mortality in the nation from alcohol and that the state has not increased the liquor excise tax since 1994, but several proposals have been considered to increase the tax in the past few years. They suggested that the state could increase the tax imposed on the wholesaler or distributor, or it could impose an additional sales tax on alcohol in addition to the gross receipts tax and liquor excise tax. They said that imposing a sales tax on the retail sale of liquor would impose a higher tax on more expensive items, which would be a more progressive tax than an increase in the tax rate at the wholesale level. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=RSTP&Date=10/27/2025&ItemNumber=4>.

Recess

The meeting recessed at 3:30 p.m.

Tuesday, October 28**Reconvene**

Senator Hamblen reconvened the meeting at 10:05 a.m.

Impact of Legislative Changes to the Gross Receipts Tax (GRT) on Local Communities (10:07 a.m.)

Joy Esparsen, executive director, New Mexico Association of Counties; Alison Nichols, deputy director, New Mexico Municipal League (NMML); and Larry Horan, government relations consultant, NMML, discussed county and municipal priorities and impacts of recent legislation on local governments. Ms. Esparsen discussed county GRT distributions and usage of GRT increments; unknown fiscal impacts related to new property tax exemptions for veterans and for new medical services GRT deductions; proposed changes to liquor excise tax distributions and funding from the Local DWI Grant Fund; enhanced 911 funding and distribution changes; and proposed changes to the valuation of multifamily housing structures.

Ms. Nichols discussed 2026 legislative priorities of municipalities and previous legislation that significantly impacted municipalities. Ms. Nichols said that municipalities rely heavily on GRT revenues, and changes over the years to deductions and distributions have eroded the local tax base by hundreds of millions of dollars annually. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=RSTP&Date=10/27/2025&ItemNumber=6>.

Local Government Finances and Dashboard (11:09 a.m.)

Matt Goodlaw, program evaluator, LFC, and Elizabeth Dodson, program evaluator, LFC, discussed a new interactive report tool developed by the LFC that allows users to get current financial information from counties and many municipalities. Ms. Dodson presented an overview of local government revenues and expenditures that was obtained from the interactive tool, including comparing financial information between large and small counties and sampling revenues and expenditure trends in Albuquerque, Santa Fe and Las Cruces. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=RSTP&Date=10/27/2025&ItemNumber=7>.

Adjournment

There being no further business before the committee, the meeting adjourned at 11:43 a.m.