

1 A MEMORIAL

2 REQUESTING THE INTERIM REVENUE STABILIZATION AND TAX POLICY
3 COMMITTEE TO STUDY CURRENT LAW RELATING TO THE TREATMENT OF
4 INCOME EARNED IN NEW MEXICO BY NONRESIDENT EMPLOYEES ALONG
5 THE BORDER AND RECOMMEND PROPOSED LEGISLATION FOR THE NEXT
6 LEGISLATIVE SESSION.

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8 WHEREAS, it is an important state policy in New Mexico
9 to foster economic development along the international border
10 with Mexico; and

11 WHEREAS, current law allows nonresidents working in
12 manufacturing facilities in New Mexico that are located
13 within twenty miles of the Mexican border to allocate their
14 New Mexico incomes to their states of residence for income
15 tax purposes; and

16 WHEREAS, current law does not appear to be achieving its
17 goal of attracting manufacturers to New Mexico; and

18 WHEREAS, current law does not include the types of
19 businesses that are likely to move to New Mexico; and

20 WHEREAS, federal law enforcement agencies have expressed
21 an interest in moving to the New Mexico border region, but
22 are not included in the current law; and

23 WHEREAS, one law enforcement agency that is interested
24 in moving to the New Mexico border region would bring three
25 thousand to five thousand new jobs to the state; and

1 WHEREAS, location decisions of industries have been
2 adversely affected by the perception that the New Mexico
3 income tax levied on their nonresident employees under the
4 current law could affect their ability to attract labor if
5 the facilities are located in New Mexico;

6 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE
7 STATE OF NEW MEXICO that the interim revenue stabilization
8 and tax policy committee be requested to study the current
9 law relating to the treatment of income earned in New Mexico
10 by nonresident employees along the border and determine
11 whether the law should be updated or simply replaced; and

12 BE IT FURTHER RESOLVED that the interim revenue
13 stabilization and tax policy committee be requested to
14 recommend legislation, as needed, for the 2009 legislative
15 session; and

16 BE IT FURTHER RESOLVED that copies of this memorial be
17 transmitted to the New Mexico legislative council and the
18 chair of the interim revenue stabilization and tax policy
19 committee. _____

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