

March 15, 2013

HOUSE EXECUTIVE MESSAGE NO. 12

The Honorable W. Ken Martinez and
Members of the House of Representatives
State Capitol Building
Santa Fe, NM 87501

Honorable Speaker Martinez and Members of the House:

Pursuant to the Constitution of the State of New Mexico, Article IV, Section 22, I hereby VETO and return HOUSE TAXATION AND REVENUE COMMITTEE SUBSTITUTE FOR HOUSE BILL 379, as amended, with emergency clause enacted by the Fifty-First Legislature, First Session, 2013.

House Bill 379 makes numerous changes to New Mexico's tax code governing the State's film subsidy program.

I support the film industry as an important contributor to New Mexico's economy. But like many New Mexicans, I previously questioned the logic of an unlimited subsidy to a single industry at the expense of other worthy and competing investments the State must make, including classroom spending and health care for the most needy. That is why, in 2011, I signed into law a bi-partisan compromise that would cap the annual amount of taxpayer dollars paid out to reimburse Hollywood film productions. By doing so, we have been able to more accurately estimate the budget impact of this subsidy and properly plan for upcoming years, while also supporting the film industry in the state.

This session, I expressed a willingness to compromise and consider a measure that expanded the reimbursement rate for television productions. However, I was clear that any such measure must be part of a comprehensive tax reform package that helps create more jobs in New Mexico. Unfortunately, as of the time I am required to take action on this bill, the legislature has chosen to only pass a package to increase subsidies to Hollywood, while failing to pass reforms designed to diversify our economy and help New Mexico businesses grow.

I cannot in good conscience further expand New Mexico's film subsidy while leaving other sectors in our economy unassisted and genuine reform unattained. I again reiterate my willingness to meet legislators halfway and will support an increased film incentive

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as part of a broader reform package that I hope the legislature will pass before adjournment.

Respectfully yours,

Susana Martinez

Governor

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Time: _____ a.m. p.m.

Date: _____ 2013

By _____
Secretary of State

Time: _____ a.m. p.m.

Date: _____ 2013

By _____
Chief Clerk of the House