

**Bill Analysis and Fiscal Impact Report
Taxation and Revenue Department**

January 31, 2026

Bill:
SB-150

Sponsor:
Senator Wirth

Short Title:
Local News Printer Tax Credit

Description:
This bill creates the local news printer income tax (PIT) and corporate income (CIT) tax credits. A “local news printer” is an entity that provides manufacturing production and printing services for at least five years in New Mexico. A taxpayer who is an owner of a local news printer that employs five qualified employees may claim the credit, which is equal to the wages paid to each qualified employee employed by a local news printer in the taxable year. The credit cannot exceed \$10,000 for a qualified employee working an average of 24 hours or more per week in a taxable year, and \$5,000 for a qualified employee working an average of less than 24 per week. A taxpayer shall not be eligible to receive a tax credit for more than 100 qualified employees. The taxpayer shall apply for certification of eligibility for the tax credit from the Taxation and Revenue Department (Tax & Rev) and Tax & Rev will then issue a certificate of eligibility. The credit is refundable and has a sunset date of January 1, 2031.

The CIT credit is provided also for a taxpayer who is the owner of a local news printer that employs a qualified employee and is also allowed for the same credit amounts and the same requirements. The total annual aggregate amount of PIT and CIT credits that may be certified in a calendar year shall not exceed \$1 million.

Effective Date, Applicability, and Contingency Language:
Not specified or 90 days following adjournment (May 20, 2026). Applicability – The provisions of this act apply to taxable years beginning on or after January 1, 2026.

Taxation and Revenue Department Analyst:
Sara Grubbs

Estimated Revenue Impact*

FY26	FY27	FY28	FY29	FY30	Recurring or Non-Recurring	Fund(s) Affected
--	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	R	General Fund

* In thousands of dollars. Parentheses () indicate a revenue loss. ** Recurring (R) or Non-Recurring (NR).

Methodology for Estimated Revenue Impact:
This bill provides a tax credit of up to \$10,000 per qualified employee for an owner of a local news printer with qualified employees. Tax & Rev estimated the number of qualified employees of local news printers in New Mexico using the Bureau of Labor Statistics’ Quarterly Census of Employment and Wages (QCEW).

Tax & Rev assumes that newspaper publishers and periodical publishers would qualify for this credit. By averaging the number of jobs in 2022 to 2024, Tax & Rev estimates that there are 739 employees employed by 120 local news printers resulting in an average of 6.2 employees per qualifying taxpayer. This bill requires that the local news printer must employ at least five qualified employees. In the United States, 35%

of businesses have 5 or more employees¹. Tax & Rev then calculated the number of news printer businesses with five or more employees and multiplied this by 6.2 employees per business leaving and estimated 259 employees and approximately 41 eligible businesses.

If all employees qualified for the \$5,000 tax credit, the estimated revenue impact is expected to be \$1.3 million which exceeds the aggregate cap of \$1 million.

Policy Issues:

PIT represents a consistent source of revenue for many states. For New Mexico, PIT is approximately 16% of the state's recurring general fund revenue. While this revenue source is susceptible to economic downturns, it is also positively responsive to economic expansions. New Mexico is one of 41 states, along with the District of Columbia, that impose a broad-based PIT (New Hampshire and Washington do not tax wage and salary income). Like several states, New Mexico computes its income tax based on the federal definition of "adjusted gross income" (AGI) and ties to other statutes in the federal tax code. This is referred to as "conformity" to the federal tax code. The PIT is an important tax policy tool that has the potential to further both horizontal equity by ensuring the same statutes apply to all taxpayers, and vertical equity, by ensuring the tax burden is based on taxpayers' ability to pay. This credit erodes horizontal equity by basing the credit on an industry and profession, thus taxpayers in similar economic circumstances are no longer treated equally.

CIT is a volatile source of revenue for many states. Providing additional corporate tax incentives increases volatility. Similar to PIT, for corporate tax filers, a tax credit can erode horizontal equity by basing this credit on an industry or profession, thus corporate taxpayers in similar industries are no longer treated equally.

While tax incentives can support specific industries or promote desired social and economic behaviors, the growing number of such incentives complicate the tax code. Introducing more tax incentives has two main consequences: (1) it creates special treatment and exceptions within the code, leading to increased tax expenditures and a narrower tax base, which negatively impacts the general fund; and (2) it imposes a heavier compliance burden on both taxpayers and Tax & Rev. Increasing complexity and exceptions in the tax code is generally not in line with sound tax policy.

This credit may be administratively burdensome to the taxpayer and the department due to the numerous qualifications that need to be met for credit eligibility. A local news organization must engage in print publication, and must publish at least one print publication per month over the previous 36 months. For a local news organization that engages in digital-only publication, the organization must publish at least five originally produced stories per week over the previous 36 months, and at least 30% of its content must be dedicated to state or local news. The local news printer must have been in business for at least five years and employs at least five qualified employees.

This credit does have a sunset date of January 1, 2031. Tax & Rev supports sunset dates for policymakers to review the impact of a deduction or other tax incentive before extending it if a sufficient timeframe is allotted for tax incentives to be measured. Tax & Rev supports delayed repeals as they maintain clarity and brevity in the tax code by removing statute language that expires.

Technical Issues:

Sections 1(C) and 2(C) do not state when the taxpayer needs to apply for the tax credit. Tax & Rev recommends adding the following on page 2, line 13 and page 8, line 6 after the word department, removing the period and adding: "no later than one year following the end of the calendar year in which the wages were paid."

¹ U. S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW), 2019-2024 average

If the intent of the bill is to only apply to W-2 wage earning employees and not 1099 contractors, it may be prudent to clarify that in the bill. In Sections 1(J)(1)(b), on page 4, lines 14-16 and 2(H)(1)(b), on page 9, lines 19-21, the bill uses “employ” and “wages” but defines a local news organization as a news organization that “pays at least one individual, either through employment or by contract...” Also, section 1(J)(4), on page 6, and section 2(H)(4), on page 12, state that wages are paid through “the organization's payroll system.” It is not clear if the credit will include contractors who may not be paid through the payroll system. Tax & Rev recommends removing “, either” in Section 1(J)(1)(b), on page 4, line 14 and removing “or by contract” on line 15. Similarly, in Section 2(H)(1)(b), on page 9, line 19 removing “, either” and on line 20 “or by contract”.

Other Issues:

The bill outlines that only one credit shall be certified for each qualified employee, but it is unclear how it would be decided which local news printer would be able to claim a qualified employee that was employed with multiple printers over the course of a year. Each qualified employee only needs to work 25% of the year to be claimed. Tax & Rev suggests replacing “at least twenty-five percent of the taxable year in which the credit is claimed” to “employed more than 28 weeks of the calendar year” in Sections 1(J)(3)(c) on page 6, lines 19-21 and 2(H)(3)(c), on page 11, lines 23-25.

The bill places Tax & Rev in the position of determining whether an entity meets the definition of a “local news organization” or “local news printer,” which includes criteria related to editorial content, publication frequency, audience composition, and ownership structure. These determinations are not traditionally within Tax & Rev expertise and may raise policy concerns about the appropriate role of a tax agency in evaluating journalistic or media-industry qualifications when it is also the agency administering the credit.

Section 1(J)(1) and Section 2(H)(1) define “local news organization” using criteria that requires Tax & Rev to verify:

- whether the entity publishes state or local news
- whether it has produced 5 original stories per week for 36 months
- whether 30% of print content is local news
- whether 50% of digital audience is in New Mexico
- whether the entity’s mission statement in IRS filings includes news coverage
- whether the entity’s ownership disclosures are accurate
- whether the entity receives less than 10% of receipts from PACs or 501(c)(4)/(c)(6) entities

These are editorial, journalistic, and media-industry determinations, not tax determinations.

[Section 3] Because this is a new credit, Tax & Rev recommends an effective date of January 1, 2026. If not, it will be effective 5/20/2026. As the applicability is based on wages in a taxable year, it causes confusion if the credit should be allowed for wages prior to the effective date. If the credit is allowed prior to the effective date, it is unclear if the employee must be employed for the entirety of the taxable year.

Administrative & Compliance Impact:

Tax & Rev will update forms, instructions and publications and make information system changes. Staff training to administer the credit will need to take place. This implementation will be included in the annual tax year changes.

For Tax & Rev’s Audit & Compliance Division (ACD), implementing this bill may require one FTE at a pay band seven to properly review each certification request depending on the number of entities that request certification of this credit.

For Tax & Rev’s Administrative Services Division (ASD), implementing this bill will require existing 2.0 FTEs 40 hours split between pay-band eight and 10 positions. Pay band eight hours are estimated at time and ½ due to extra hours worked required for implementation.

For Tax & Rev’s Information Technology Division (ITD), implementing this bill will have a moderate impact on ITD, requiring approximately 680 hours or about four months, and an estimated staff workload cost of \$47,063.

Estimated Additional Operating Budget Impact*

FY26	FY27	FY28	3 Year Total Cost	Recurring or Non-Recurring	Fund(s) or Agency Affected
\$97.3	\$97.3	\$97.3	\$291.9	R	ACD – Staff workload
--	\$2.7	--	\$2.7	NR	ASD – Staff workload
--	\$47.0	--	\$47.0	NR	ITD – Staff workload

* In thousands of dollars. Parentheses () indicate a cost saving. ** Recurring (R) or Non-Recurring (NR).

Related Bills:

Duplicate SB-111(2025)