

FOR IMMEDIATE RELEASE
June 15, 2015

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Governor Susana Martinez Signs Bipartisan Jobs Package

Targeted Incentives Designed to Create Jobs, Recruit New Businesses, Help Small Businesses Start and Grow, and Expand the Technology Sector

Albuquerque, NM — Today, Governor Susana Martinez signed into law a bipartisan jobs package designed to recruit new businesses to New Mexico, make it easier for small businesses to get off the ground and grow, expand trade and commerce along our southern border, and increase employment in the technology sector of New Mexico's economy.

"This jobs package provides us with additional tools to help us compete for new jobs, new investment, and new businesses," said Governor Martinez. "We must diversify our economy and grow our private sector, and that requires us to make it easier for those with great ideas to start a new business in New Mexico. We also need to ensure that investments in technology businesses, high-tech start-ups, and new innovations happen right here in our state. With this jobs package, we can better accomplish these goals, while also building upon the substantial gains we have made in our trade economy along the border."

The jobs package was negotiated by Governor Martinez with leaders from both chambers and parties in the legislature, and passed with strong bipartisan support during the recent special session. Its components have been supported and sponsored by Republicans and Democrats alike in the New Mexico Legislature.

The legislation will expand the New Mexico Angel Investment Credit, allowing people who are interested in providing start-up funding to help innovative small businesses get off the ground to invest a greater amount of money in these projects, as well as increasing the number of eligible businesses that can receive this help in their early stages.

Additionally, the legislation provides for a more robust technology jobs credit that provides more of an incentive for the expansion and location of technology-related companies in New Mexico; this particular provision also offers a new, more useful benefit for companies that engage in research and development activities that often result in innovative ideas and products. The jobs package also levels the playing field with other states, such that more of the money spent by the U.S. Department of

Defense on a myriad of technology-related projects can be invested in New Mexico companies, creating new technology jobs and revenue in our state's economy.

"New Mexico is well-positioned to be a hub for innovation, where we create high-tech, well-paying jobs tied to new products and technologies that play such an important part of our everyday lives," the Governor continued. "We want the ideas of tomorrow to be developed here, and we want those ideas to become products that are made and sold to the world from New Mexico."

The jobs package also provides tax benefits to companies that choose to locate their headquarters in New Mexico, as well as a five-year period of gross receipts tax deductions for businesses that locate within 20 miles of our southern border. The U.S. Department of Commerce recently announced that New Mexico is the top state in the nation for export-related job growth, due in large part to the substantial boom in our border economy and increased trade with other countries from more New Mexico businesses than ever before.

"This is a jobs package that every New Mexican can be proud of because it is the direct result of lawmakers from both parties and chambers working together to put our families first," Speaker of the House Don Tripp said. "New Mexico recently completed its 32nd consecutive month of over-the-year job growth. We've got momentum and need to continue moving New Mexico's economy forward, and this jobs package will help us do that."

The legislation will also extend the tax deduction utilized by roughly 300,000 mostly low-income and elderly New Mexicans relating to unreimbursed medical costs; had the jobs package not been passed this year, this deduction would have expired and led to a health care tax increase for all those who utilize it.

Working in a bipartisan manner, Governor Martinez and the New Mexico Legislature have passed other major tax reforms, including the reduction of New Mexico's business tax rate by 22 percent, the enactment of a single-sales factor for manufacturing, and the curbing of tax pyramiding for construction contractors and manufacturers. In 2014, New Mexico's tax burden on manufacturing investment improved from the third highest in the region to the best in the west, according to Ernst and Young.

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