

**MINUTES
of the
SECOND MEETING
of the
REVENUE STABILIZATION AND TAX POLICY COMMITTEE**

**July 15, 2021
State Capitol, Room 322
Santa Fe**

The second meeting of the Revenue Stabilization and Tax Policy Committee for the 2021 interim was called to order by Senator Benny Shendo, Jr., chair, on Thursday, July 15, 2021, at 9:09 a.m. in Room 322 of the State Capitol in Santa Fe.

Present

Sen. Benny Shendo, Jr., Chair
Rep. Javier Martínez, Vice Chair
Sen. Craig W. Brandt
Sen. William F. Burt
Rep. Micaela Lara Cadena
Sen. Pete Campos
Rep. Christine Chandler
Rep. Doreen Y. Gallegos
Sen. Ron Griggs
Rep. Antonio Maestas
Sen. George K. Munoz
Sen. Harold Pope
Rep. Larry R. Scott
Sen. Elizabeth "Liz" Stefanics
Rep. James R.J. Strickler
Sen. Peter Wirth

Absent

Rep. Jason C. Harper
Rep. Susan K. Herrera

Designees

Rep. Tara L. Lujan
Sen. Shannon D. Pinto (attending as a guest)

Rep. Rebecca Dow
Sen. Katy M. Duhigg
Rep. Joshua Hernandez
Rep. Marian Matthews
Rep. Rod Montoya
Rep. Kristina Ortez
Sen. Gerald Ortiz y Pino
Rep. Linda Serrato
Sen. William E. Sharer
Sen. Mimi Stewart
Sen. Bill Tallman
Rep. Luis M. Terrazas

Guest Legislator

Rep. Pamilya Herndon

Staff

Pam Stokes, Staff Attorney, Legislative Council Service (LCS)

Rebecca Griego, Records Officer, LCS

Anthony Montoya, Staff Attorney, LCS

Clinton Turner, Research and 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.

Thursday, July 15

New Mexico Tax Policy Overview (9:17 a.m.)

Mark Chaiken, tax policy director, Taxation and Revenue Department; Dawn Iglesias, chief economist, Legislative Finance Committee; and Richard Anklam, president and executive director, New Mexico Tax Research Institute, provided the committee with an overview of tax policy, including principles related to tax policy, New Mexico's revenue structure, the reporting and evaluation of tax expenditures and recent tax reform measures. The presentation can be found here:

<https://www.nmlegis.gov/handouts/RSTP%20071521%20Item%201%20Tax%20Policy%20Overview.pdf>.

National Trends in Tax Policy (11:27 a.m.)

Helen Hecht, uniformity counsel, Multistate Tax Commission, presented on the national trends in tax policy, highlighting the growing complexity of tax systems and the need for sufficient administrative resources to respond to the complexity. The presentation can be found here:

<https://www.nmlegis.gov/handouts/RSTP%20071521%20Item%202%20National%20Trends%20in%20Tax%20Policy.pdf>.

General Fund Reserves: Discussion and Recommendations (1:27 p.m.)

Ms. Iglesias discussed with the committee the relationships between the General Fund reserve accounts, triggers for the interactions between those funds and policy recommendations and targets for those funds. The presentation can be found here:

<https://www.nmlegis.gov/handouts/RSTP%20071521%20Item%204%20General%20Fund%20Reserves.pdf>.

Approval of Minutes (2:22 p.m.)

Upon a motion made and seconded, and without any objections, the minutes of the June 9, 2021 meeting were approved as submitted.

Comparing New Mexico's Tax Structure to Other States (2:23 p.m.)

Mr. Anklam provided to the committee a presentation on New Mexico's tax structure compared to other states nationwide, noting that such comparisons are complex, are sometimes unintentionally biased and often do not include all of the information that would provide a complete picture of the tax systems of the states being compared. The presentation can be found here:

<https://www.nmlegis.gov/handouts/RSTP%20071521%20Item%203%20State%20Comparisons.pdf>.

Unemployment Compensation: Status of the Fund and Employer Contribution Rates (2:52 p.m.)

Ricky Serna, acting secretary, Workforce Solutions Department (WSD), and Rachel Moskowitz, bureau chief, Economic Research and Analysis Bureau, WSD, presented an update on the state's unemployment compensation system, including the status of the Unemployment Compensation Fund, the current and projected employer contribution rates and the overall and projected effects of the COVID-19 pandemic. The presentation can be found here:

<https://www.nmlegis.gov/handouts/RSTP%20071521%20Item%205%20Unemployment%20Compensation%20Presentation.pdf>.

Adjournment

There being no further business before the committee, the meeting adjourned at 4:23 p.m.