

April 5, 2001

**SENATE EXECUTIVE MESSAGE NO. 44**

The Honorable Richard Romero and  
Members of the Senate  
Executive-Legislative Building  
Santa Fe, New Mexico 87503

Honorable President and Members of the Senate:

I have this day VETOED and am returning SENATE FINANCE COMMITTEE SUBSTITUTE FOR SENATE FINANCE COMMITTEE SUBSTITUTE FOR SENATE BILL 124, and SENATE BILLS 213, 343 & 43, as amended, enacted by the Forty-Fifth Legislature, First Session, 2001.

This bill is the response to my request for a \$75,000,000 income tax reduction. After the legislative session began, I agreed in a spirit of compromise to phase in the cut over two years. I expected in return a tax cut that covered everyone, including the middle class the majority of New Mexico income taxpayers. The proposal sent to me provides less than half of the permanent tax relief asked for. Although it does pull the top rate down from 8.2 percent to 7.7 percent as I asked, it also lowers the dollar amount at which the highest level kicks in. Middle class taxpayers receive no permanent benefit.

The bill grants needed gross receipts tax relief to select taxpayers. Easing the pyramiding built into the gross receipts tax system is something New Mexico must continue to work on. Such improvements, however, should have been in addition to, not in place of, a permanent lowering of income tax rates for everyone who pays income tax.

It is my hope that, after the legislators have had some time to recover from the intense pressures of the session, we will be able to come up with a tax break that New Mexicans deserve.

Teachers, professors, state workers, judges, everyone in state government received a raise this session. How about a raise for the rest of New Mexico by lowering all citizens' income taxes?

Sincerely,

Gary E. Johnson  
Governor

RECEIVED FROM THE OFFICE OF THE GOVERNOR:

Time: \_\_\_\_\_

By: \_\_\_\_\_

Secretary of State

Date \_\_\_\_\_

Time: \_\_\_\_\_

By: \_\_\_\_\_

Chief Clerk of the Senate

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