

HOUSE JOINT MEMORIAL 49

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

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A JOINT MEMORIAL

REQUESTING THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE
TO STUDY AND MAKE RECOMMENDATIONS ON THE FEASIBILITY OF
ENACTING LEGISLATION TO ESTABLISH JOB CREATION TAX CREDITS.

WHEREAS, despite signs of economic recovery, the state's
unemployment rate continues to rise, while job growth continues
to decline; and

WHEREAS, in December 2010, the national unemployment rate
was nine and one-half percent and the state unemployment rate
was eight and one-half percent; and

WHEREAS, the rate of job growth from December 2009 to
December 2010 in New Mexico declined four-tenths percent,
representing a loss of three thousand four hundred jobs; and

WHEREAS, many economists agree that job creation is key to
sustained economic recovery; and

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1 WHEREAS, Governor Martinez has acknowledged the importance
2 of encouraging businesses to grow and create new jobs; and

3 WHEREAS, in an effort to stimulate the economy, President
4 Obama introduced job creation tax credit legislation in 2010,
5 and at least nine states initiated job creation tax credit
6 programs in 2010; and

7 WHEREAS, the purpose of job creation tax credit
8 legislation is to encourage job creation by providing tax
9 credits for businesses that create and fill new jobs; and

10 WHEREAS, job creation tax credit legislation may provide
11 tangible benefits for the state, such as ensuring that
12 businesses survive, by reducing the tax burden at a critical
13 time, and creating new sources of income taxes and spending
14 from new employees; and

15 WHEREAS, given the state's scarce fiscal resources, it is
16 important to consider whether establishing job creation tax
17 credits for businesses would result in a good return on the
18 investment or if they would be too costly due to lost revenue
19 from the credits; and

20 WHEREAS, any consideration of job creation tax credit
21 legislation should examine whether tax credits would generate
22 new jobs in a cost-effective manner;

23 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
24 STATE OF NEW MEXICO that the revenue stabilization and tax
25 policy committee be requested to work with the taxation and

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1 revenue department and the economic development department to
2 study the feasibility of enacting legislation to establish job
3 creation tax credits to foster economic growth and deliver jobs
4 to New Mexicans; and

5 BE IT FURTHER RESOLVED that the revenue stabilization and
6 tax policy committee report its findings and conclusions and
7 any recommended legislation to the legislature by November
8 2011; and

9 BE IT FURTHER RESOLVED that a copy of this memorial be
10 transmitted to the revenue stabilization and tax policy
11 committee for further distribution.