



Office of the Governor

**MICHELLE LUJAN GRISHAM**

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**Contact:** Nora Meyers Sackett  
Press Secretary, Office of the Governor  
[nora.sackett@state.nm.us](mailto:nora.sackett@state.nm.us)  
(505) 690-7313

April 6, 2021

**Gov. Lujan Grisham enacts measure effectively  
slashing taxes for New Mexico working families**

*Expanding credits puts money back in pockets of middle-class  
New Mexicans;  
represents the most progressive shift in state tax structure in  
recent memory*

SANTA FE – Working class New Mexico families stand to benefit immensely from the landmark expansions of two tax programs authorized Tuesday by Gov. Michelle Lujan Grisham.

Sponsored by Rep. Javier Martinez, Rep. Christine Chandler and Rep. Matthew McQueen, House Bill 291 dramatically expands both the Low-Income Comprehensive Tax Rebate, or LICTR, and the Working Families Tax Credit, making more New Mexicans eligible for the benefits and increasing the benefits they will receive.

The new law expands the Working Families Tax Credit to taxpayers without Social Security numbers and to taxpayers as young as 18 years old and also increases the value of the credit. For the 2021 and 2022 tax years, the Working Families Tax Credit will be worth 20 percent of the federal Earned Income Tax Credit, or EITC; it had previously been worth 17 percent of the EITC. Beginning in 2023, it will be worth 25 percent of the EITC.

Nearly 200,000 New Mexicans claimed the Working Families Tax Credit in 2019. The governor already this year authorized a \$600 tax rebate for families and individuals claiming the credit.

The Low-Income Comprehensive Tax Rebate, or LICTR, under the new law will now be worth up to \$730, depending on income and family size, up from a maximum of \$450 previously.

The new law also expands the income level for LICTR eligibility from \$22,000 to \$36,000. The law also includes a provision indexing the rebate to inflation so that its value does not erode over time, as it had, significantly, over the past 20 years.

“We know these programs are among the most effective anti-poverty efforts we have. Expanding them means we can lift more families out of poverty and strengthen the safety net for the most vulnerable people in our community,” said Gov. Lujan Grisham.

“These changes will make it easier for New Mexico families to pay the rent and put food on the table, and they help our communities by putting tax dollars back to work in the economy,” said Taxation and Revenue Secretary Stephanie Schardin Clarke.

“After decades of unfairness in the tax code and one of the toughest financial years on record, this \$100 million per year relief bill implements proven poverty reduction programs that will uplift our low-income communities,” said lead sponsor Rep. Javier Martinez. “By creating a fairer tax system that allows hardworking New Mexicans to keep more of their hard-earned dollars, we are making a direct investment not only in New Mexico’s families but also in our local economies.”

“To build a better, stronger, fairer New Mexico, we must help our financially struggling families rise out of poverty, and that’s just what the Low Income Comprehensive Tax Rebate and Working Families Tax Credit expansions in this bill will do,” said co-sponsor Rep. Chris Chandler. “These initiatives provide critical support for those who need it most, and HB 291 expands these programs to account for today’s increased cost of living to the benefit of working families. I am incredibly proud to see this bill passed and signed by the governor today.”

The Working Families Tax Credit and LICTR are refundable, meaning eligible taxpayers receive the full benefit even if it exceeds their tax liability.

Family welfare and community advocacy groups in New Mexico praised the action.

“Immigrant workers and families in rural communities are integral to the state’s economy,” said Executive Director Marcela Diaz of Somos Un Pueblo Unido, the statewide immigrant-based organization. “House Bill 291 goes a long way in recognizing these contributions and ensuring all low-income struggling families have access to expanded tax credits and rebates meant to help in difficult economic times. This will mean a stronger economic recovery for all New Mexicans and improved long-term health of our communities.”

“These tax changes are a huge win for New Mexico families, especially working families with children,” said Deputy Director Amber Wallin of New Mexico Voices for Children.

“They will improve equity, reduce child poverty, and help essential workers meet their basic needs, all while giving a big boost to our economy because families spend these credits quickly and locally.”

“Expanding the Working Families Tax Credit to low-income immigrant ITIN tax filers and expanding LICTR are not only effective ways to stimulate the economy and help lift more New Mexico families out of poverty, but also recognize the vast economic contributions low-income families, including mixed status immigrant families, make to our state,” said Marian Méndez Cera, workers’ justice organizer with El CENTRO de Igualdad y Derechos. “HB 291 is a good example of what can happen when the legislature and the administration work with communities to pass policies that meet the needs of New Mexico families.”

“The COVID-19 crisis hit my family hard financially,” said Gladys Saucedo, a 17-year resident of Hobbs, whose husband works in the oil and gas industry. Her family, including two children, had not previously been able to qualify for the Working Families Tax Credit. “When there’s a pandemic, recession, or changes in the oil and gas industry, we need a little extra help. These are the kinds of tax credits that can keep us afloat in difficult years. We are pleased the legislature and the administration are taking our families into account as workers and contributors to the economy of New Mexico by passing HB 291.”

After House Bill 291, the governor on Tuesday signed 47 additional bills into law. They are: Senate Bill 202, Senate Bill 218, Senate Bill 219, Senate Bill 222, Senate Bill 223, Senate Bill 234, Senate Bill 266, Senate Bill 271, Senate Bill 272, Senate Bill 273, Senate Bill 303, Senate Bill 304, Senate Bill 325, Senate Bill 345, Senate Bill 365, Senate Bill 410, House Bill 15, House Bill 23, House Bill 66, House Bill 67, House Bill 68, House Bill 76, House Bill 89, House Bill 105, House Bill 120, House Bill 125, House Bill 128, House Bill 146, House Bill 155, House Bill 168, House Bill 177, House Bill 185, House Bill 188, House Bill 189, House Bill 212, House Bill 224, House Bill 230, House Bill 231, House Bill 235, House Bill 244, House Bill 245, House Bill 250, House Bill 261, House Bill 269, House Bill 270, House Bill 277 and House Bill 303.

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