

Legislative Committee Newsletter

New Mexico 2021 Legislative Session

The New Mexico Legislative Session is nearing the midpoint. This will be a session to be remembered and in my humble opinion, not fondly. The Capitol is closed to the public, thus preventing the citizens of New Mexico to observe committee and floor hearings. More importantly, it is difficult to voice your concerns to the legislature that impacts military members, veterans, military retirees and surviving spouses. There is a way to be heard in committee meetings, which I will describe at the end of the newsletter.

The list of legislation for 2021 that affects military members, veterans, retirees and surviving spouses is fairly extensive.

House Joint Resolution 2 sponsored by Rep. Alcon, District 6, proposes to allow veterans to claim an exemption to their property tax equal to the percentage of their disability rating. Currently, only a veteran who is 100 percent disabled can claim a 100 percent exemption. This exemption applies to the veteran's widow or widower. The resolution has been recommended by two committees to "Do Pass" and is scheduled to be debated on the House Floor.

House Joint Resolution 3 sponsored by Rep. Alcon proposes to increase the property tax exemption of honorably discharged veterans from \$4,000 to \$10,000 beginning in 2023. The resolution has been recommended by two committee to "do Pass and is scheduled to be debated on the House Floor.

Senate Bill 259 sponsored by Sen Burt, District 33, proposes a deduction from net income of military retirement income in four graduated phase beginning in tax year 2022 and culminating in tax year 2025 with a 100% deduction not to exceed \$25,000.

Senate Bill 277 sponsored by Sen. Polk, District 23, proposes a \$30,000 exemption to military retirement pay beginning in tax year 2021. Sen. Pope is a retired Air Force officer

Income Tax Exemption Discussion The two bills introduced in this legislative session are similar to bills introduced over the last 10 years. New Mexico is one of five states that fully tax military retirement pay. The Fiscal Impact Report published by the New Mexico Legislative Finance Committee has not been favorable for the exemptions. In fact, the report is very negative. The Military/Veterans Legislative Council (MVLIC) continues support this initiative and is in contact with appropriate legislators this session. The Albuquerque MOAA Chapter is a member of the MVLIC with representatives on the executive and legislative council.

Talking Points for Income Tax Exemption

1. If a retiree joined the uniformed services joined the service at 18, most will qualify for retirement after 20 years. At 38 years old, the majority will move into a second career and that income will be fully taxed.
2. A majority of retirees bring with them a spouse who most likely find employment and their income will also be fully taxed.
3. Retirees of the Uniformed Services bring with them their own health benefits.
4. Retirees will purchase homes, cars, and other assets that will be fully taxed.

5. Many uniformed services retirees bring with them specialized skills that translate to the private sector and many will start new small businesses. In New Mexico, 9.3% of all small businesses are veteran owned. According to the latest figures available for 2017, New Mexico businesses owned by veterans or retirees had total revenues of over \$6 billion that is fully taxed

6. Uniformed Services retirees are disciplined, dependable, skilled, highly trained, and do not need long periods of initial training as employees.

7. Considering the technical professions, our military is at the forefront in new technologies and their training regimen is unbeatable. From aircraft maintenance to cybersecurity, our military leads the world and these men and women receive years of specialized intense training that our state could benefit from.

House Bill 260 sponsored by several representatives proposes one day-use pass into state parks and recreation areas to veterans and gold star families. The bill has been recommended a “Do Pass” and is scheduled to be debated on the House Floor.

House Bill 49 sponsored by sixteen Republican representatives proposes to exempt Social Security Income from New Mexico Personal Income Tax. The bill is awaiting hearing by the House Tax and Revenue Committee.

House Bill 113 sponsored by Rep Harry Garcia, District 69, prohibits discrimination based on military or veteran status. The bill passed the House unanimously and is awaiting hearing by the appropriate Senate committee.

Stay in contact with your legislator before, during and after session

- The list of legislators has been updated on the website
 - Most legislators provide a contact number other than their office number in the Roundhouse.
- Remember there are tutorials on the Legislature Website
 - On the Home page, open Quick Links and click Website Video Tutorials
 - Videos are available on Finding Legislation and Finding Your Legislators and MyRoundhouse.
- If you have a Zoom app on your computer, tablet or phone, you can “attend “committee meetings”
 - At the Legislature website, nmlegis.gov, open the “What’s Happening” menu and open either the PDF version of the House or Senate Committee Schedules. The schedule will either list a link to join the Zoom meeting or provide instruction on how to join.