

# Controversial legislation tabled

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The 76-member Incentives for Jobs Coalition dodged a potential \$90 million tax bullet on the Legislature's first Monday. Along the way, a group of community economic developers received a practical lesson on interacting with the legislature.

Also, a group of students participating in Albuquerque's ENLACE-Los Compañeros mentorship program got to watch the action. Rep. Janice Arnold-Jones, Albuquerque Republican, hosted the students.

Though House Bill 51 was only tabled, the economic developers were happy. The proposal was one of seven items on the coalition's 2008 agenda. See [www.incentivesforjobs.com](http://www.incentivesforjobs.com). The tax hit would have been on a group — corporations doing business in several states — critical to the economic developers' always challenging task of building the basic economy.

HB 51 would require a company doing business in several states through subsidiaries to pay taxes on the whole operation, rather than just what is earned in New Mexico. It would have been a nice application of the old adage, "Don't tax you, don't tax me, tax the guy behind the tree."

Very liberal Democrat Rep. Peter Wirth of Santa Fe has offered the proposal for

four years. Rep. Brian Moore, Clayton Republican, co-sponsored this year. Moore said little during the presentation of HB 51 to the House Taxation and Revenue Committee.

Wirth came with his liberal ducks in a row. His group included Gerry Bradley, economist for Voices for Children ([www.nmvoices.org](http://www.nmvoices.org)), and an attorney from the Multistate Tax Commission ([www.mtc.gov](http://www.mtc.gov)). Jan Goodwin, the current commission chair, is secretary of the New Mexico Taxation and Revenue Department. Goodwin was in the room, having just appeared before the committee to present New Mexico's uncertain and slowing tax revenue situation.

For the first time, Wirth directed the new money to schools. Therefore, opposing the bill meant harming children, proponents claimed, a nice rhetorical touch.

After the pitch from Wirth and friends, Rep. Ed Sandoval, committee chair and an Albuquerque Democrat, sought a show of hands from audience members favoring and opposing the bill. Opponents seemed to win that numbers battle, bolstered by the chance appearance of the community economic developers from around the state, who were in Santa Fe for events, including a seminar on the legislative process. At the start of the seminar, held at the Marriott Courtyard, about a 20-minute drive from the Capitol, the developers were told the bill might be heard that afternoon. Then came word it

would be heard soon. They dropped the seminar and boogied to the Capitol.

Sandoval asked 10 people in the audience to comment on the bill, five for each side. Proponents seemed the standard Santa Fe small-business, anti-globalization, anti-competition types seeking sustainability, purity and protection for their home market, which happens to be a world-class destination and visitor attraction of interest to "corporations." They even trotted out the old trope, "We are a poor state."

Opposition speakers tended to be senior lobbyists. They said collateral effects of changing a single piece of the complex tax code were unknown; that the amount of new money, though claimed to be \$90 million, was in fact unknown; and that changing corporate tax rules would deter companies from locating here. One lobbyist cited an e-mail expressing concern, received an hour before the hearing, from a firm that recently announced a major alternative energy plant for the state. (Ah, the sustainable ironies).

A tabled bill can return. One IDEA member suspects HB 51 might arise in this session. If not, Rep Wirth is running for the state senate and can be expected to present the idea there, should he win.

The legislative process never really stops.

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