

State should end exclusions for Effective Anti-Poverty Tax Credit

Written by By Sharon Kayne NM Voices for Children
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Leaves too many people behind

ALBUQUERQUE - The state's Working Families Tax Credit is a proven poverty-fighting tool that benefits New Mexico's children, families, and economy, but it leaves too many low-wage workers behind. That's the message of a policy brief released Feb. 4 by New Mexico Voices for Children and supported by groups that advocate on behalf of the state's immigrant community.

Two of the groups of workers who are excluded from receiving the WFTC are childless workers between the ages of 18 and 25 and those filing their tax forms using an Individual Tax Identification Number instead of a social security number.

HB 148, which would end these exclusions, is scheduled to be heard in the House Labor, Veterans', and Military Affairs Committee today (Feb. 4). The bill would also increase the credits for families already receiving it and for parents of young children.

"Given that we have one of the highest child poverty rates in the nation, it's in the state's best interest to expand this tax credit to more hard-working families with children," New Mexico Voices for Children Executive Director James Jimenez said. "No child should be deprived of the benefits of this tax credit because of where their parents were born."

Both the WFTC and the federal EITC have long had bipartisan support.

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NM Voices estimates that ending the exclusion for workers filing with an ITIN would cost the state between \$5 million and \$9 million. It's estimated that approximately 28,000 New Mexico children have parents who are undocumented immigrants. The majority of these children are, themselves, U.S. citizens. The child advocacy group estimates that ending the exclusion for young workers would benefit about 49,000 workers and cost \$3 million.

No fiscal impact report has been posted for HB 148. The bill not only includes other provisions for the WFTC, it also includes a way to pay for at least some of the cost.

New Mexico Voices for Children is a nonpartisan, nonprofit organization advocating for policies to improve the health and well-being of New Mexico's children, families and communities.

The policy brief is available online at nmvoices.org/archives/13859.

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