

Report: Food Tax could harm low income New Mexicans

Written by Submitted by New Mexico Voices for Children
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Costs outweigh benefits

ALBUQUERQUE—Reinstating a tax on the sale of food for consumption at home could harm the health of New Mexicans who are already food insecure—meaning they don’t always have enough to eat. And while the revenue generated from a tax on food could be used to mitigate some of the damage the tax would do, the report finds that it is unlikely governments would spend the new revenue toward that end.

The child advocacy group New Mexico Voices for Children released their report, “A Health Impact Assessment of a Food Tax in New Mexico,” today in advance of the Thanksgiving holiday. The report looks at three possible outcomes of a food tax: that families would maintain their current food purchasing patterns, leaving less money for other necessities such as medication and health care; that families would spend the same amount of money on food, but be able to purchase less of it (or substitute less-expensive, less-nutritious foods); and that state or local governments would collect more revenue, which could impact their spending patterns.

“When all is said and done, taxing food will hurt those New Mexicans who are already hurting the most,” said Veronica C. García, Ed.D., executive director of NM Voices. “Almost a third of our state’s children don’t get enough to eat—even with school meals, SNAP benefits and food banks. How can we, in good conscience, expect them to do with even less food?”

“While most New Mexicans will be celebrating Thanksgiving with abundant food, we must remember that many, many New Mexicans who don’t get enough to eat, not just during the holidays, but all year long. We hope lawmakers will keep these children and their families in mind if they debate food tax legislation,” she added.

The report is a health impact assessment (HIA), which follows specific protocols. Among them is a review of academic literature, research and data, and interviews with stakeholders. For the stakeholder interviews, NM Voices held three focus groups around the state—in Albuquerque, Vado and Gallup—in which New Mexicans who were low-income, food-insecure, or eligible for SNAP benefits talked about how they thought a tax on food would impact them.

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“The focus groups were very informative and really brought the whole tax issue to the level of real people and the problems they already face,” said Amber Wallin, MPA, who was the lead author of the HIA. “People talked about having to decide between buying food and paying the electric bill or buying their prescription meds. Some talked about having to buy cheap, filling—but not very good-for-you—food just to have something to eat. And even though a food tax might cost a family just \$25 more a month, one participant talked about how \$25 is a small fortune when you don’t have a penny to your name.”

Quotes from the focus group participants and other stakeholders are included in the report, along with demographic information about New Mexico’s food-insecure and low-income residents. The HIA also looks at how tax revenue could be used to improve health outcomes. “Based on current spending patterns, however, it is very unlikely that revenue from a food tax would be spent in such a way that would mitigate the harm done,” Dr. García said.

It is likely that legislators will consider taxing food during the upcoming 2016 legislative session. A food tax has been discussed as a way to allow cities and counties to recoup some of the revenue they are losing since the hold harmless payments from the state were changed in an omnibus tax bill enacted in 2013. A food tax has also been discussed as part of a tax system overhaul that would result in a lower gross receipt tax rate overall.

The HIA was supported by a grant from the Health Impact Project, a collaboration of the Robert Wood Johnson Foundation and The Pew Charitable Trusts. The full report (<http://www.nmvoices.org/wp-content/uploads/2015/11/HIA-report-full-web.pdf>) and executive summary (<http://www.nmvoices.org/wp-content/uploads/2015/11/HIA-report-exec-sum-web.pdf>) are available online.