

State of New Mexico House of Representatives Santa Fe

## JAVIER MARTÍNEZ

SPEAKER OF THE HOUSE D – Bernalillo District 11

P. O. Box 25491 Albuquerque, NM 87125 Office: (505) 986-4782 E-mail: javier.martinez@nmlegis.gov COMMITTEES: Judiciary Taxation & Revenue Printing & Supplies Rules & Order of Business

INTERIM COMMITTEES:

Legislative Council Capitol Buildings Planning Commission Capitol Security Subcommittee Public School Capital Outlay Oversight Task Force Revenue Stabilization & Tax Policy Committee

Wednesday, May 21, 2025

The Honorable Jason Smith Chairman, Committee on Ways and Means

The Honorable Richard Neal Ranking Member, Committee on Ways and Means United States House of Representatives 1139 Longworth House Office Building Washington, DC 20515

Dear Chairman Smith and Ranking Member Neal:

I write today to express my deep concerns around the 5% remittance tax proposed in House Resolution 1. In addition to jeopardizing U.S. relations with key allies like Mexico, India, and other important trade partners, this proposal would cause significant damage to our country's already-fragile workforce and economy.

The proposal disproportionately impacts residents who immigrated here out of necessity and play an essential role in industries vital to both our state and the nation. In New Mexico, this includes 30 percent of our agricultural workforce, 22 percent of our construction workforce, and 17 percent of our oil and gas workforce. These numbers are even higher in some other states.

Americans all across the country depend on these workers to provide food, housing, infrastructure, and energy. Placing undue financial burdens on these workers without regard to their ability to pay, could worsen labor and supply chain shortages. Costs for groceries, gas, utilities, and housing could rise further than they already have - not just here in New Mexico, but across the country.

These essential workers already pay around \$100 billion annually in state, federal, and local taxes, and 80 percent of their income remains in the U.S. economy. This proposal would essentially levy double taxation on some of our country's lowest-earning workers, who play an essential role in keeping key industries running.

Further, the negative impacts of this policy would extend far beyond essential immigrant workers and their families. International transfers for humanitarian assistance, tourism, and commerce could also be affected, hamstringing U.S. companies doing business overseas and shrinking America's role in the global economy.

Ultimately, this tax remittance proposal would produce negative economic impacts that far outweigh any potential short-term fiscal benefits.

This proposal neither improves fiscal revenue in substantial, meaningful ways nor benefits our country's workers and their families. It will, however, cause serious repercussions across our already-struggling workforce, economy, and supply chains.

As the leaders of this distinguished committee, I encourage you to consider the far-reaching implications of this ill-advised plan, and explore more fair, reasonable, and effective means to increase revenue that take into account the importance of our essential workforce.

I appreciate your attention to this issue, and strongly hope you will reconsider this legislation.

Sincerely,

Schim

Javier Martínez Speaker of the New Mexico House of Representatives