



This Tax Day we all have much to be thankful for as we consider the bounty of public goods and services that are made possible with our tax dollars. These include a school system that offers a free education to every child, the roads and other transportation infrastructure that make it possible for us to move about our cities and state, the first responders who keep our communities safe, no- or low-cost health care coverage for a majority of New Mexicans, our plentiful parks, libraries, museums, and so much more.

This year, we have even more to be thankful for. That's because in the last few years our state has made the most improvement in the nation in making our tax system more fair, equitable, and racially just. New Mexico's first place award for improvement comes from the Institute on Taxation and Economic Policy, which studies state and local tax systems across the nation. ITEP shows New Mexico has moved up an impressive 18 spots on their Tax Inequality Index in a recent update to their seminal report, *Who Pays?* That means we now have the ninth

most progressive (or most fair) tax code in the nation, and we no longer ask the most from those who have the very least.

We can thank advocates and policymakers for working together to make significant strides toward more progressive tax policies. These include the expansion of income tax credits for those earning low incomes, the creation of a Child Tax Credit, and the narrowing of an inequitable deduction for investment profits. Without these changes, New Mexico would have the country's 25th most regressive (or most unfair) tax system.

Written by Gallupsun Staff
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More progressive and equitable tax policies and credits also mean that many families struggling financially received a crucial tax refund this year - a boost of cash assistance they can use to help meet the needs of their households, to invest in their family's well-being, to pay for school supplies, afford healthy food, or sign their child up for an enriching summer camp.

Studies have shown that tax credits are associated with a host of benefits, including a reduction in poverty and childhood hunger, improvements in child and maternal health, and educational outcomes. They also boost our local economy since families spend the money quickly and locally on goods and services.

Our recent progress is certainly a cause to celebrate, but it's not a time to rest. Let us keep working because many families in our state still struggle to afford food and rent. Moving forward, New Mexico can and should consider boosting the Child Tax Credit for our youngest children - those under six. Investing in those early years has the best rate of return, and the greatest need, given the higher rate of poverty among families with young children.

We can also do more to ensure that those in the best position to afford it - the wealthy, and big, profitable corporations - are contributing their fair share towards the goods and services that collectively benefit us all. Despite our relative progressivity compared to other states, New Mexico still taxes the middle 60% of income earners substantially more than the top 1%. When we as a community are able to ensure that everyone - no matter our zip code, skin color, or income level - has the resources they need to thrive and lead healthy lives, we all do better.

We can work together so that New Mexico wins first place for having the most equitable and progressive tax system in the nation. Not only to support families earning low and moderate income, but to ensure we have the revenues necessary now and into the future to fully invest in our kids and communities for generations to come. And we're well on our way.