

State of New Mexico
House of Representatives

STATE CAPITOL
Santa Fe

July 30, 2026

The Honorable Michelle Lujan Grisham
Governor, State of New Mexico
State Capitol, Room 400
490 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Dear Governor:

Three weeks ago, we requested the convening of a special session of the Legislature to adopt legislation that would repeal the state personal income in order to give New Mexico's families and individuals significant long-term tax relief. Our proposal was in response to your suggestion of giving every New Mexico taxpayer a \$250 rebate. We are pleased that we all agree that significant financial relief is badly needed. Therefore, while we may agree or disagree on the amount of that relief, we once again ask that you call a special session so that we can at least begin the debate on how best to allow people to keep more of their own money.

There is no doubt New Mexico's families and individuals need more money in their pockets due to high inflation over the past six years. We believe the best way of increasing household income is to immediately repeal the state personal income which will inject \$2.2 billion per year into New Mexico's private economy which, in turn, will help create more jobs and economic prosperity for people across all income levels. However, we also realize that your proposal of providing a \$250 tax rebate per taxpayer (which we still feel is woefully inadequate) and our proposal to repeal the state personal income tax are legitimate ideas that require a special session to ensure such tax relief can be provided as quickly as possible.

The action of calling a special session to grant needed tax relief for New Mexico's families and individuals would give both Republicans and Democrats the opportunity to advocate for their preferred approach of giving taxpayers some of their own money back. It would also allow taxpayers to express publicly their favored means of tax relief --- the options could be long-term, permanent income tax cuts; a one-time tax rebate; or mirroring the federal elimination of income tax on tips, overtime, and a portion of seniors' Social Security benefits. Whichever approach the Legislature would ultimately adopt, the special session would create a transparent and open decision-making process where the people would know that they had a real chance to voice their opinions.

We are well-aware a special session is a unique feature of the legislative process where time is limited, but the benefits of creating an opportunity to debate what is the best tax reduction policy moving forward outweighs any limitations imposed by such a session. New Mexico families and individuals are hurting economically and the worst thing we can do right now is to do nothing. A special session allows us to at least take action that will provide some level of tax relief, whatever the final amount may be.

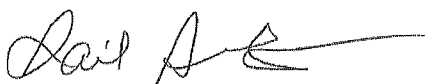
We would also like to reemphasize one important point that was included in our July 7th letter to your office. Contrary to the unfounded claims made by critics of repealing the state personal income tax, such tax relief will not result in any spending cuts to recurring spending programs designed to finance K-12 public education, higher education, health care, law enforcement and other essential state services. Even with the elimination of the personal income tax, state recurring revenues would still be more than \$12 billion per year, which is more than sufficient to finance the current \$11.3 billion in recurring spending contained in the state budget.

As we stated in our letter, the repeal of the state personal income tax would simply require the Legislature to lessen its appetite for nonrecurring spending to ensure the state budget balances expenditures and revenues. Furthermore, there are more than \$11 billion in various newly created trust funds, plus other new sources of revenues, that could be utilized to ensure high priority nonrecurring spending items are protected.

We are committed to providing the people of New Mexico with the tax relief that is so badly needed. Equally important, we are convinced that calling a special session is the correct path to take to allow the Legislature to decide of how best to provide immediate relief. New Mexico is in a very strong financial position. It is incumbent upon us to return these funds back to the people we represent as soon as possible.

Thank you for your consideration of our request for a special session. We look forward to working on a bipartisan basis to make the best decision possible to create a more prosperous, productive, and affordable future for our state.

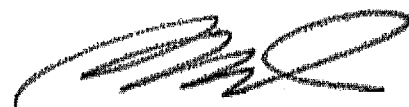
Sincerely yours,



Gail Armstrong
Republican Leader



Alan T. Martinez
Republican Whip



Rebecca Dow
Republican Caucus Chair