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Gov. authorizes expanded business loan program, tax relief for businesses and $600 rebate for individuals

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SANTA FE – Gov. Michelle Lujan Grisham on Wednesday signed Senate Bill 1 and Senate Bill 3 into law, a pair of economic measures that earned broad bipartisan support in the Legislature and will deliver additional stimulus and relief for businesses and individuals across New Mexico.

In addition to legislation the governor has already signed into law that will provide for $200 million in small business grants, the economic relief measures signed Wednesday will deliver a $600 personal income tax rebate to hundreds of thousands of front-line and low-wage workers, provide for a four-month tax holiday for food and beverage businesses hit especially hard by the economic effects of the pandemic, and make up to $500 million available to New Mexico small businesses seeking loans at a discounted borrowing rate.

“Dollar for dollar, I would put New Mexico’s direct stimulus efforts up against any other state in the country,” said Gov. Lujan Grisham. “We have provided hundreds of millions in unemployment support; small business grants, loans, tax holidays; and now direct rebates for the front-line workers who have continued

to show up to support themselves and their families, and who deserve all the support that their government can provide. This pandemic has been devastating for everyone, but the pain has been spread unequally. My hope is these economic relief efforts reach those who need them most, and my commitment is New Mexico will continue to step up and support those who need it now and in the future as we build out a successful and sustainable recovery."

"Small businesses have fought long and hard to keep their doors open and people employed throughout this pandemic," said Rob Black, president and CEO of the New Mexico Chamber of Commerce. "Paired with the recently enacted $200 million in LEDA grants of HB 11, these measures provide a crucial suite of tools for economic recovery."

Senate Bill 1 grants a personal income tax rebate of $600 to families and individuals claiming the Working Families Tax Credit – individuals who earn $31,200 or less; and heads of household, surviving spouses or those married filing jointly who earn up to $39,000. Roughly 200,000 New Mexicans claimed the Working Families Tax Credit in 2019, according to the Taxation and Revenue Department.

Taxpayers who believe they are eligible for the Working Families Tax Credit and the new income tax rebate are urged to file their 2020 Personal Income Tax returns as early as possible. The state Taxation and Revenue Department urges all taxpayers to file electronically, which expedites processing and puts refunds and rebates into taxpayers' hands more quickly.

"We know many New Mexicans have been hit hard this past year, so we will get this money out to taxpayers as quickly as possible," said Taxation and Revenue Secretary Stephanie Schardin Clarke.

Senate Bill 1 also provides for a four-month gross receipts tax holiday for food and beverage establishments, including restaurants, bars, food trucks, small breweries, wineries and craft distilleries, which have been financially impacted by the pandemic. The Taxation and Revenue Department will soon issue instructions to businesses on how to claim this credit. The bill holds local governments harmless by creating a distribution equal to the amount of revenues that would have otherwise been due.

Senate Bill 1 was sponsored by Senate Majority Leader Peter Wirth, Sen. Siah Correa Hemphill, Sen. Jacob Candelaria and Rep. Javier Martinez. It was approved by the Senate unanimously and by the House of Representatives 66-1.

Senate Bill 3 will allow more businesses to tap into what is now a $500 million

pool of loan money at a discounted borrowing rate. The bill extends the Small Business Recovery Loan Fund created by the Legislature last year and makes funds available from the Severance Tax Permanent Fund. The new bill substantially eases eligibility standards so more businesses can connect with the financial assistance they need. Under the previous program approved by legislators in special session last year, 890 businesses received $40.5 million in loans.

The New Mexico Finance Authority , will manage the SB3 loan fund and an announcement will be made when the application is available.

New Mexico Finance Authority CEO Marquita Russel said the loan requirements for revenue losses and documentation have been eased, and the changes in SB3 will allow more of the 160,000 small businesses in the state access to the low-interest lending.

“The Small Business Recovery Loan Fund has already supported more than 5,000 jobs in the state. It has been a lifeline for many small businesses and now many more will be able to participate,” Russel said.

Senate Bill 3 was sponsored by Rep. Marian Matthews and Sen. Jacob Candelaria. It was approved by the Senate 35-3 and by the House of Representatives 51-17.

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