

## RESOLUTION NO. 2020-1737

A RESOLUTION URGING THE NEW MEXICO STATE LEGISLATURE TO REPEAL  
THE STATE TAX ON SOCIAL SECURITY BENEFITS FOR NEW MEXICO SENIORS

WHEREAS, in 1990, the New Mexico State Legislature passed Senate Bill 320, which repealed New Mexico's tax exemption on Social Security benefits; and

WHEREAS, in New Mexico, taxpayers aged 65 and older with incomes up to \$18,000, or \$30,000 for married couples, are eligible to exempt just \$8,000 from their total income, which includes Social Security benefits; and

WHEREAS, tax exemption phased out as a senior's income increases, so by the time an individual's income reaches \$28,501, or \$51,001 for a married couple, they receive no exemption for any of their income, including Social Security benefits; and

WHEREAS, a Social Security tax is a form of double taxation because when New Mexicans receive their paychecks the money that is taken out for Social Security is subject to federal and state income taxes; then they are taxed again on the benefits they receive; and

WHEREAS, New Mexico is just one of thirteen states in the country that levies an income tax on Social Security payments on at least some beneficiaries, and has the second highest tax on Social Security benefits in the nation; and

WHEREAS, it is estimated that there are 120,000 New Mexicans age 65 and older, which make up 17.5% of the state's population; and

WHEREAS, at 12.2%, New Mexico is ranked third in the nation in the percentage of seniors living in poverty; and

WHEREAS, New Mexico's state tax on Social Security benefits costs the average Social Security recipient nearly \$700 a year; and

WHEREAS, the average Social Security benefit in New Mexico is only \$13,900 a year, and the cost of food, housing, and healthcare averages \$28,000 a year for older Americans, so seniors are left facing impossible choices between buying food or medicine, or keeping the lights, heat, and water on; and

WHEREAS, taxing Social Security benefits undermines the purpose of the Social Security Act, which was designed to lift seniors out of poverty, not fund state government.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Farmington, New Mexico that:

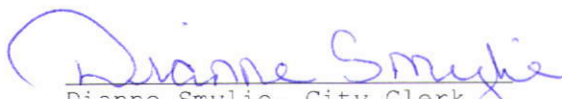
1. City of Farmington urges the Governor of New Mexico to add the repeal of the state tax on Social Security benefits in New Mexico to the upcoming 2020 New Mexico Legislative Session agenda.
2. If placed on the 2020 New Mexico Legislative Session agenda, City of Farmington urges the New Mexico State Legislature to vote to repeal the state tax on Social Security benefits in New Mexico.
3. This Resolution be delivered and presented to representatives of the Governor of New Mexico and the New Mexico State Legislature.

PASSED, SIGNED, APPROVED AND ADOPTED this 14<sup>th</sup> day of January, 2020.

  
Nate Duckett, Mayor

SEAL

ATTEST:

  
Dianne Smylie, City Clerk