Fighting the Nonprofit Tax

What HB 412 does

- Broadens the base (number of things taxed) in order to lower the rate (the tax rate paid; from 7% to 5%, for example)
- Taxes essentials like groceries, health care and prescriptions
- Taxes the nonprofits that provide these essentials
- Raises income tax—especially for the lowest income earners
- The impact on the state budget is unknown

Creates a vicious cycle: neediest families hit hardest = they need more services; nonprofits also hit = can provide fewer services = that hits neediest families hardest

How HB 412 impacts you

What nonprofits currently pay taxes on:
- Services purchased (accounting, IT services)
- State contracts
- Income from fundraisers (after the first two)

What nonprofits would also pay taxes on:
- Purchases of goods (supplies, food, etc.)
- Grants
- Whatever TRD interprets as “tangibles”
How you can fight back

**Tell us your stories:** We need your stories for when we speak with legislators (505-244-9505 • [www.nmvoices.org](http://www.nmvoices.org))

**Reach out to legislators:** ([https://www.nmlegis.gov/](https://www.nmlegis.gov/) search by your home address and/or address of your organization/service area)

- Call (use their personal number NOT their Capitol number)
- Email
- Ask them to meet you at your nonprofit so you can show them what you do and who you serve

**Tell your legislators:**
- Start with a story—how your organization has helped someone
- Follow with data—how many people you serve, how many people still can’t get services
- Explain how many services you will be forced to cut

**Lobbying is:** A specific ask to an elected official about a specific piece of legislation (“please vote against HB 412”)

**Lobbying is not:** Educating an elected official about how legislation will impact you or your clients (“Taxing nonprofits will mean we will have to cut our services by 5 percent”)

**Reach out to your people:**
- Donors
- Volunteers
- Clients

**Reach them through:**
- Social media
- Existing networks

**Ask them to contact their legislators and tell them:**
- What these services mean to them
- What cuts to these services will mean to them/their communities

**Use the media:**
- Write letters to the editor ([Albuquerque Journal](http://www.abqjournal.com/letters/new) • [Rio Rancho Observer](https://www.rrobserver.com/site/forms/online_services/letter/) • [Santa Fe New Mexican](letters@sfnewmexican.com) • [Las Cruces Sun-News](http://static.lcsun-news.com/lettertoeditor/) • [Silver City Sun-News](http://static.scsun-news.com/lettertoeditor/)
- Post on social media (include a call to action using minimal text, include a picture, include a link for more info on your organization)
- Pitch a news story ([Albuquerque Journal](http://www.abqjournal.com/letters/new) • [Rio Rancho Observer](https://www.rrobserver.com/site/forms/online_services/letter/) • [Santa Fe New Mexican](letters@sfnewmexican.com) • [Las Cruces Sun-News](http://static.lcsun-news.com/lettertoeditor/) • [Silver City Sun-News](http://static.scsun-news.com/lettertoeditor/) • [KOAT TV](505-884-6324) • [KOB TV](505-764-2453) • [KRQE/KASA TV](505-764-5240) • [KUNM FM](505-277-8015) • [KSFR FM](505-428-1527)

**Arm yourself with talking points:**
- Legislators should be solving problems for their constituents not exacerbating problems.
- New Mexico nonprofits provide services on behalf of government to fulfill their obligations to their constituents.
- Taxing nonprofits will result in fewer people served.