

Restaurant Industry Facts

New Mexico

Locations3,500
Employees 83,000
Employees by 2020 90,900

NM Restaurant-Industry

Job Growth by 2020.....9.5%
Restaurant jobs represent 10% of total employment in New Mexico.

2010 Industry Sales

Projection.....\$2.7 Billion

National

Locations 945,000
Employees 12.7 Million

2010 Industry Sales

Projection.....\$580.1 Billion

Did you know...

- The restaurant industry provides work for more than 10% of those employed in New Mexico?
- The restaurant industry equals more than 4% of the US Gross Domestic Product?
- Every \$1 spent in restaurants in New Mexico generates an additional \$0.95 in sales for other industries in the state
- More than 1/3 of all adults have worked in the restaurant industry at some time during their life?



Reinstate Gross Receipts Tax on Groceries

BOTTOM LINE MESSAGE:

Removing the GRT deduction would significantly bolster the state's budget without putting a burden on any one industry or citizen group. This simple repeal would allow for fewer budget cuts affecting the poor. NMRA believes deferential treatment of food purchases for the home as opposed to food purchased at a restaurant puts restaurants at a competitive disadvantage. Restaurants employ 85,000 New Mexicans, 70% are employed by locally owned and operated businesses. To give preference to foods sold in grocery stores is unfair and destabilizing to the restaurant industry.

TALKING POINTS:

New Mexico's broad gross receipts tax base allowed the state to keep the gross receipts tax rate low compared to surrounding states. Exempting food from gross receipts tax narrowed this tax base and has led to higher gross receipts tax rates on other goods and services in order to adequately fund state government. The consideration should not be to continue to increase the tax on these "other goods and services" but to reinstate the tax on groceries.

Although this is considered a regressive tax, food purchased with food stamps is already exempt from the gross receipts tax. Roughly 179,000 New Mexicans now receive \$140 million in food stamps annually.

Broad-based taxes have the least impact on business and consumer decisions when the tax rate is kept low. The problem with the decision by the legislature to repeal this tax is that it is now not broad-based enough and is an exceptional tax burden on other industries.

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