

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?



RESTAURANT ASSOCIATION

Position on Liquor Taxes

BOTTOM LINE MESSAGE:

Restaurants struggle to serve affordable alcoholic beverage choices to their customers. Between the cost of a liquor license, the cost of staff training, incomprehensible regulations, taxes and wholesale costs, restaurants serving alcohol are finding fewer of their patrons willing to purchase alcohol. A glass of wine usually costs the same as an appetizer or dinner entrée in a restaurant. Restaurants can't afford an increase in this tax.

TALKING POINTS:

New Mexico Spirits Tax = \$6.06/gallon

Texas Spirits Tax = \$2.40/gallon

Colorado Spirits Tax = \$2.28/ gallon

Arizona Spirits Tax = \$3.00/gallon

Alcohol taxes are regressive. Lower-income households pay a larger share of their income in these taxes than do higher-income households.

Increasing the liquor tax as a "sin tax" seems to poll well but New Mexicans were not told the whole story when surveyed. If they were given complete information and had they known that NM is 6th highest in the nation for liquor taxes, the poll may have turned out quite different.

There is no evidence of high liquor taxes correlating with decreased rates of DWI and liquor related social problems. People do not stop drinking when liquor costs go up. They trade down to less expensive brands and quit drinking in restaurants.

For those restaurants and retailers close to state borders an increase in liquor tax will send customers across state borders to make purchases. Usually large purchases make the differential worth the trip. By doing this, patrons inadvertently hurt New Mexico restaurants and retailers near border cities who have made large investments in NM, employ hundreds of New Mexicans and pay NM tax. This cross-border effect is already prevalent in New Mexico. Increasing taxes would exacerbate the problem.

Liquor taxes contribute to the tax pyramiding problem in New Mexico.

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