

Summary of SB151 - Google AI

[New Mexico](#) Governor [Michelle Lujan Grisham](#) signed an omnibus tax bill (**SB 151**) on March 11, 2026, which decouples the state from several corporate tax breaks in the federal "One Big Beautiful Bill" (OBBBA) while adopting new levies on foreign corporate income.

Key Tax Changes

- **Foreign Income Levy:** The legislation permits the state to tax a larger share of foreign corporate income, aimed at cracking down on corporations shifting profits to tax havens.
- **Decoupling from Federal Law:** New Mexico rejected three primary corporate tax cuts from the 2025 federal tax law to safeguard an estimated **\$120 million** in annual state revenue.
- **Conformity Shifts:** As a "rolling conformity" state, New Mexico typically adopts federal tax changes automatically; this bill explicitly disconnects from specific federal provisions to prevent large corporate tax breaks at the state level.
- **New State Credits:** The bill introduced or expanded tax credits for local news organizations, physicians, and developers of affordable housing.

Broader Context

- **Prior Reforms:** These changes follow 2024 legislation (**HB 252**) that established a flat **5.9% corporate income tax rate** and restructured personal income tax brackets to benefit low- and middle-income earners.
- **Response to Federal Cuts:** State leaders have characterized these moves as a defense against federal spending cuts to Medicaid, food assistance (SNAP), and education.