
\$3,100 to \$5,600 Increase in Wages 36,000 Jobs Protected

WAGES, TAKE-HOME PAY, AND DISPOSABLE INCOME

CEA finds that the OBBB will raise wages in New Mexico by an inflation-adjusted range of about \$3100 to \$5600 over the next four years.

A typical family with two children in New Mexico can expect to see higher take-home pay of about \$6700 to \$9300 with OBBB compared to if it was not passed.

Around 5% of the labor force is employed in occupations that would likely benefit from the no taxes on tips provision of the OBBB.

Around 400 thousand seniors in New Mexico could benefit from the no taxes on social security provision of the OBBB.

Around 19% of all employees in New Mexico regularly work overtime and could benefit from the no tax on overtime provision of the OBBB. An even larger 66% of workers in New Mexico are in occupations that are likely eligible for overtime and could also benefit.

JOBS, BUSINESSES, AND HOUSING

CEA finds that the OBBB will protect about 36 thousand full-time equivalent jobs in New Mexico over the next four years relative to if the TCJA had been allowed to expire.

There are several provisions in the OBBB that will boost the manufacturing industry. In New Mexico, about 4% of firms, 3% of establishments, and 5% of employment is in the manufacturing sector.

The OBBB extends the 199A passthrough deduction for small businesses. There are about 27 thousand firms in New Mexico which could be eligible for the deduction, or about 43% of all firms.

The OBBB enhances Opportunity Zones incentives and makes the policy permanent. In New Mexico, there are 63 Opportunity Zones. CEA finds that Opportunity Zones created an estimated 9 thousand jobs following the passage of the TCJA through 2021 and led to the construction of about 1900 housing units in New Mexico through the third quarter of 2024.

