

HOUSE BILL 163

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

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FOR THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE

AN ACT

RELATING TO TAXATION; ADDING CERTAIN PHARMACISTS, REGISTERED NURSES, SOCIAL WORKERS, BEHAVIORAL HEALTH COUNSELORS AND THERAPISTS AND PHYSICAL THERAPISTS TO THE RURAL HEALTH CARE PRACTITIONER TAX CREDIT; MODIFYING THE REQUIREMENTS FOR RECEIVING THE RURAL HEALTH CARE PRACTITIONER TAX CREDIT; INCREASING DATA COLLECTION AND REPORTING REQUIREMENTS FOR THE TAXATION AND REVENUE DEPARTMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 7-2-18.22 NMSA 1978 (being Laws 2007, Chapter 361, Section 2) is amended to read:

"7-2-18.22. [~~TAX CREDIT~~] RURAL HEALTH CARE PRACTITIONER TAX CREDIT.--

A. A taxpayer who files an individual New Mexico tax return, who is not a dependent of another individual, who

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1 is an eligible health care practitioner and who has provided
2 health care services in New Mexico in a rural health care
3 underserved area in a taxable year may claim a credit against
4 the tax liability imposed by the Income Tax Act. The credit
5 provided in this section may be referred to as the "rural
6 health care practitioner tax credit".

7 B. The rural health care practitioner tax credit
8 may be claimed and allowed in an amount that shall not exceed:

9 (1) five thousand dollars (\$5,000) for all
10 [~~eligible~~] physicians, osteopathic physicians, dentists,
11 clinical psychologists, podiatrists and optometrists who
12 qualify pursuant to the provisions of this section [~~except the~~
13 ~~credit shall not exceed~~] and have provided health care during a
14 taxable year for at least one thousand five hundred eighty-four
15 hours at a practice site located in an approved rural health
16 care underserved area. Eligible health care practitioners
17 listed in this paragraph who provided health care services for
18 at least seven hundred ninety-two hours but less than one
19 thousand five hundred eighty-four hours at a practice site
20 located in an approved rural health care underserved area
21 during a taxable year are eligible for one-half of the tax
22 credit amount; and

23 (2) three thousand dollars (\$3,000) for all
24 [~~eligible~~] pharmacists, dental hygienists, physician
25 assistants, certified nurse-midwives, certified registered

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1 nurse anesthetists, certified nurse practitioners, ~~[and]~~
2 clinical nurse specialists, registered nurses, licensed
3 clinical social workers, licensed independent social workers,
4 professional mental health counselors, professional clinical
5 mental health counselors, marriage and family therapists,
6 professional art therapists, alcohol and drug abuse counselors
7 and physical therapists who qualify pursuant to the provisions
8 of this section and have provided health care during a taxable
9 year for at least one thousand five hundred eighty-four hours
10 at a practice site located in an approved rural health care
11 underserved area. Eligible health care practitioners listed in
12 this paragraph who provided health care services for at least
13 seven hundred ninety-two hours but less than one thousand five
14 hundred eighty-four hours at a practice site located in an
15 approved rural health care underserved area during a taxable
16 year are eligible for one-half of the tax credit amount.

17 ~~[C. To qualify for the rural health care~~
18 ~~practitioner tax credit, an eligible health care practitioner~~
19 ~~shall have provided health care during a taxable year for at~~
20 ~~least two thousand eighty hours at a practice site located in~~
21 ~~an approved rural health care underserved area. An eligible~~
22 ~~rural health care practitioner who provided health care~~
23 ~~services for at least one thousand forty hours but less than~~
24 ~~two thousand eighty hours at a practice site located in an~~
25 ~~approved rural health care underserved area during a taxable~~

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1 ~~year is eligible for one-half of the credit amount.~~

2 ~~D.]~~ C. Before an eligible health care practitioner
3 may claim the rural health care practitioner tax credit, the
4 practitioner shall submit an application to the department of
5 health that describes the practitioner's clinical practice and
6 contains additional information that the department of health
7 may require. The department of health shall determine whether
8 an eligible health care practitioner qualifies for the rural
9 health care practitioner tax credit and shall issue a
10 certificate to each qualifying eligible health care
11 practitioner. The certification shall include the
12 practitioner's taxpayer identification number and first
13 eligible tax year and shall be numbered for identification and
14 declare the date of issuance and the amount of tax credit
15 allowed. The department of health shall provide the taxation
16 and revenue department appropriate information for all eligible
17 health care practitioners to whom certificates are issued in a
18 secure manner on regular intervals agreed upon by both the
19 taxation and revenue department and the department of health.

20 ~~[E.]~~ D. A taxpayer claiming the credit provided by
21 this section shall submit a copy of the certificate issued by
22 the department of health with the taxpayer's New Mexico income
23 tax return for the taxable year. If the amount of the credit
24 claimed exceeds a taxpayer's tax liability for the taxable year
25 in which the credit is being claimed, the excess may be carried

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1 forward for three consecutive taxable years.

2 E. A taxpayer allowed a tax credit pursuant to this
3 section shall report the amount of the credit to the department
4 in a manner required by the department.

5 F. The department shall compile an annual report on
6 the tax credit provided by this section that shall include the
7 number of taxpayers approved by the department to receive the
8 credit, the aggregate amount of credits approved and any other
9 information necessary to evaluate the credit. The department
10 shall present the report to the revenue stabilization and tax
11 policy committee and the legislative finance committee with an
12 analysis of the cost of the tax credit.

13 ~~[F.]~~ G. As used in this section:

14 (1) "eligible health care practitioner" means:

15 (a) a certified nurse-midwife licensed
16 by the board of nursing as a registered nurse and licensed by
17 the public health division of the department of health to
18 practice nurse-midwifery as a certified nurse-midwife;

19 (b) a dentist or dental hygienist
20 licensed pursuant to the Dental Health Care Act;

21 (c) an optometrist licensed pursuant to
22 the provisions of the Optometry Act;

23 (d) an osteopathic physician [~~licensed~~
24 ~~pursuant to the provisions of Chapter 61, Article 10 NMSA 1978~~
25 ~~or an osteopathic physician assistant~~] licensed pursuant to the

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1 provisions of the [~~Osteopathic Physicians' Assistants~~] Medical
2 Practice Act;

3 (e) a physician [~~or physician assistant~~]
4 licensed pursuant to the provisions of [~~Chapter 61, Article 6~~
5 ~~NMSA 1978~~] the Medical Practice Act or a physician assistant
6 licensed pursuant to the provisions of the Physician Assistant
7 Act;

8 (f) a podiatrist licensed pursuant to
9 the provisions of the Podiatry Act;

10 (g) a clinical psychologist licensed
11 pursuant to the provisions of the Professional Psychologist
12 Act; [and]

13 (h) a registered nurse [~~in advanced~~
14 ~~practice who has been prepared through additional formal~~
15 ~~education as provided in Sections 61-3-23.2 through 61-3-23.4~~
16 ~~NMSA 1978 to function beyond the scope of practice of~~
17 ~~professional registered nursing, including certified nurse~~
18 ~~practitioners, certified registered nurse anesthetists and~~
19 ~~clinical nurse specialists~~] licensed pursuant to the provisions
20 of the Nursing Practice Act;

21 (i) a pharmacist licensed pursuant to
22 the provisions of the Pharmacy Act;

23 (j) a licensed clinical social worker or
24 a licensed independent social worker licensed pursuant to the
25 provisions of the Social Work Practice Act;

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