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HOUSE BILL 38

56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

INTRODUCED BY

Miguel P. Garcia

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.

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
is an eligible health care practitioner and who has provided
health care services in New Mexico in a rural health care
underserved area in a taxable year may claim a credit against

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1 the tax liability imposed by the Income Tax Act. The credit
2 provided in this section may be referred to as the "rural
3 health care practitioner tax credit".

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

6 (1) five thousand dollars (\$5,000) for all
7 [eligible] physicians, osteopathic physicians, dentists,
8 clinical psychologists, podiatrists and optometrists who
9 qualify pursuant to the provisions of this section [~~except the~~
10 ~~credit shall not exceed~~]; and

11 (2) three thousand dollars (\$3,000) for all
12 [eligible] pharmacists, dental hygienists, physician
13 assistants, certified nurse-midwives, certified registered
14 nurse anesthetists, certified nurse practitioners, [~~and~~]
15 clinical nurse specialists, registered nurses, licensed
16 clinical social workers, licensed independent social workers,
17 professional mental health counselors, professional clinical
18 mental health counselors, marriage and family therapists,
19 professional art therapists, alcohol and drug abuse counselors
20 and physical therapists who qualify pursuant to the provisions
21 of this section.

22 C. To qualify for the rural health care
23 practitioner tax credit, an eligible health care practitioner
24 shall have provided health care during a taxable year for at
25 least two thousand eighty hours at a practice site located in

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1 an approved rural health care underserved area. An eligible
2 rural health care practitioner who provided health care
3 services for at least one thousand forty hours but less than
4 two thousand eighty hours at a practice site located in an
5 approved rural health care underserved area during a taxable
6 year is eligible for one-half of the credit amount.

7 D. Before an eligible health care practitioner may
8 claim the rural health care practitioner tax credit, the
9 practitioner shall submit an application to the department of
10 health that describes the practitioner's clinical practice and
11 contains additional information that the department of health
12 may require. The department of health shall determine whether
13 an eligible health care practitioner qualifies for the rural
14 health care practitioner tax credit and shall issue a
15 certificate to each qualifying eligible health care
16 practitioner. The department of health shall provide the
17 taxation and revenue department appropriate information for all
18 eligible health care practitioners to whom certificates are
19 issued.

20 E. A taxpayer claiming the credit provided by this
21 section shall submit a copy of the certificate issued by the
22 department of health with the taxpayer's New Mexico income tax
23 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 F. 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 G. 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.~~] H. 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;

6 (f) a podiatrist licensed pursuant to
7 the provisions of the Podiatry Act;

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

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

19 (i) a pharmacist licensed pursuant to
20 the provisions of the Pharmacy Act;

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

24 (k) a professional mental health
25 counselor, a professional clinical mental health counselor, a

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1 marriage and family therapist, an alcohol and drug abuse
2 counselor or a professional art therapist licensed pursuant to
3 the provisions of the Counseling and Therapy Practice Act; and

4 (1) a physical therapist licensed
5 pursuant to the provisions of the Physical Therapy Act;

6 (2) "health care underserved area" means a
7 geographic area or practice location in which it has been
8 determined by the department of health, through the use of
9 indices and other standards set by the department of health,
10 that sufficient health care services are not being provided;

11 (3) "practice site" means a private practice,
12 public health clinic, hospital, public or private nonprofit
13 primary care clinic or other health care service location in a
14 health care underserved area; and

15 (4) "rural" means an area or location
16 identified by the department of health as falling outside of an
17 urban area."

18 SECTION 2. APPLICABILITY.--The provisions of this act
19 apply to taxable years beginning on or after January 1, 2023.