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HOUSE BILL 212

52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016

INTRODUCED BY

Jane E. Powdrell-Culbert and Debbie A. Rodella and Nick L.
Salazar

AN ACT

RELATING TO TAXATION; CREATING A DEDUCTION FROM GROSS RECEIPTS
FOR PAYMENTS FROM A COMPENSATION PROGRAM ESTABLISHED BY THE
FEDERAL ENERGY EMPLOYEES OCCUPATIONAL ILLNESS COMPENSATION
PROGRAM ACT OF 2000 FOR SERVICES PROVIDED BY A HOME HEALTH
AGENCY; PHASING IN THE DEDUCTION OVER FOUR YEARS.

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

SECTION 1. Section 7-9-77.1 NMSA 1978 (being Laws 1998,
Chapter 96, Section 1, as amended) is amended to read:

"7-9-77.1. DEDUCTION--GROSS RECEIPTS TAX--CERTAIN MEDICAL
AND HEALTH CARE SERVICES.--

A. Receipts from payments by the United States
government or any agency thereof for provision of medical and
other health services by medical doctors, osteopathic

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1 physicians, doctors of oriental medicine, athletic trainers,
2 chiropractic physicians, counselor and therapist practitioners,
3 dentists, massage therapists, naprapaths, nurses,
4 nutritionists, dietitians, occupational therapists,
5 optometrists, pharmacists, physical therapists, psychologists,
6 radiologic technologists, respiratory care practitioners,
7 audiologists, speech-language pathologists, social workers and
8 podiatrists or of medical and other health and palliative
9 services by hospices or nursing homes to medicare beneficiaries
10 pursuant to the provisions of Title 18 of the federal Social
11 Security Act may be deducted from gross receipts.

12 B. Receipts from payments by a third-party
13 administrator of the federal TRICARE program for provision of
14 medical and other health services by medical doctors and
15 osteopathic physicians to covered beneficiaries may be deducted
16 from gross receipts.

17 C. Receipts from payments by or on behalf of the
18 Indian health service of the United States department of health
19 and human services for provision of medical and other health
20 services by medical doctors and osteopathic physicians to
21 covered beneficiaries may be deducted from gross receipts.

22 D. Receipts from payments by the United States
23 government or any agency thereof for medical services provided
24 by a clinical laboratory to medicare beneficiaries pursuant to
25 the provisions of Title 18 of the federal Social Security Act

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1 may be deducted from gross receipts.

2 E. Receipts from payments by the United States
3 government or any agency thereof for medical, other health and
4 palliative services provided by a home health agency to
5 medicare beneficiaries pursuant to the provisions of Title 18
6 of the federal Social Security Act may be deducted from gross
7 receipts.

8 F. Prior to July 1, 2026, receipts from payments
9 from a compensation program established by the federal Energy
10 Employees Occupational Illness Compensation Program Act of 2000
11 for provision of medical and other health and palliative
12 services provided by a home health agency to covered
13 beneficiaries may be deducted from gross receipts according to
14 the following schedule:

15 (1) from July 1, 2017 through June 30, 2018,
16 twenty-five percent of the receipts may be deducted;

17 (2) from July 1, 2018 through June 30, 2019,
18 fifty percent of the receipts may be deducted;

19 (3) from July 1, 2019 through June 30, 2020,
20 seventy-five percent of the receipts may be deducted; and

21 (4) after June 30, 2020, one hundred percent
22 of the receipts may be deducted.

23 ~~[F.]~~ G. Prior to July 1, 2024, receipts from
24 payments by the United States government or any agency thereof
25 for medical and other health services provided by a dialysis

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1 facility to medicare beneficiaries pursuant to the provisions
2 of Title 18 of the federal Social Security Act may be deducted
3 from gross receipts according to the following schedule:

4 (1) from July 1, 2014 through June 30, 2015,
5 thirty-three and one-third percent of the receipts may be
6 deducted;

7 (2) from July 1, 2015 through June 30, 2016,
8 sixty-six and two-thirds percent of the receipts may be
9 deducted; and

10 (3) after June 30, 2016, one hundred percent
11 of the receipts may be deducted.

12 [~~G.~~] H. A taxpayer allowed a deduction pursuant to
13 this section shall report the amount of the deduction
14 separately in a manner required by the department.

15 [~~H.~~] I. The department shall compile an annual
16 report on the deductions created pursuant to this section that
17 shall include the number of taxpayers approved by the
18 department to receive each deduction, the aggregate amount of
19 deductions approved and any other information necessary to
20 evaluate the effectiveness of the deductions. Beginning in
21 2020 and every five years thereafter that this section is in
22 effect, the department shall compile and present the annual
23 reports to the revenue stabilization and tax policy committee
24 and the legislative finance committee with an analysis of the
25 effectiveness and cost of the deductions and whether the

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1 deductions are providing a benefit to the state.

2 [~~F.~~] J. For the purposes of this section:

3 (1) "athletic trainer" means a person licensed
4 as an athletic trainer pursuant to the provisions of Chapter
5 61, Article 14D NMSA 1978;

6 (2) "chiropractic physician" means a person
7 who practices chiropractic as defined in the Chiropractic
8 Physician Practice Act;

9 (3) "clinical laboratory" means a laboratory
10 accredited pursuant to 42 USCA 263a;

11 (4) "counselor and therapist practitioner"
12 means a person licensed to practice as a counselor or therapist
13 pursuant to the provisions of Chapter 61, Article 9A NMSA 1978;

14 (5) "dentist" means a person licensed to
15 practice as a dentist pursuant to the provisions of Chapter 61,
16 Article 5A NMSA 1978;

17 (6) "dialysis facility" means an end-stage
18 renal disease facility as defined pursuant to 42 C.F.R.
19 405.2102;

20 (7) "doctor of oriental medicine" means a
21 person licensed as a physician to practice acupuncture or
22 oriental medicine pursuant to the provisions of Chapter 61,
23 Article 14A NMSA 1978;

24 (8) "home health agency" means a for-profit
25 entity that is licensed by the department of health and

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1 certified by the federal centers for medicare and medicaid
2 services as a home health agency and certified to provide
3 medicare services;

4 (9) "hospice" means a for-profit entity
5 licensed by the department of health as a hospice and certified
6 to provide medicare services;

7 (10) "massage therapist" means a person
8 licensed to practice massage therapy pursuant to the provisions
9 of Chapter 61, Article 12C NMSA 1978;

10 (11) "medical doctor" means a person licensed
11 as a physician to practice medicine pursuant to the provisions
12 of the Medical Practice Act;

13 (12) "naprapath" means a person licensed as a
14 naprapath pursuant to the provisions of Chapter 61, Article 12F
15 NMSA 1978;

16 (13) "nurse" means a person licensed as a
17 registered nurse pursuant to the provisions of Chapter 61,
18 Article 3 NMSA 1978;

19 (14) "nursing home" means a for-profit entity
20 licensed by the department of health as a nursing home and
21 certified to provide medicare services;

22 (15) "nutritionist" or "dietitian" means a
23 person licensed as a nutritionist or dietitian pursuant to the
24 provisions of Chapter 61, Article 7A NMSA 1978;

25 (16) "occupational therapist" means a person

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1 licensed as an occupational therapist pursuant to the
2 provisions of Chapter 61, Article 12A NMSA 1978;

3 (17) "osteopathic physician" means a person
4 licensed as an osteopathic physician pursuant to the provisions
5 of Chapter 61, Article 10 NMSA 1978;

6 (18) "optometrist" means a person licensed to
7 practice optometry pursuant to the provisions of Chapter 61,
8 Article 2 NMSA 1978;

9 (19) "pharmacist" means a person licensed as a
10 pharmacist pursuant to the provisions of Chapter 61, Article 11
11 NMSA 1978;

12 (20) "physical therapist" means a person
13 licensed as a physical therapist pursuant to the provisions of
14 Chapter 61, Article 12D NMSA 1978;

15 (21) "podiatrist" means a person licensed as a
16 podiatrist pursuant to the provisions of the Podiatry Act;

17 (22) "psychologist" means a person licensed as
18 a psychologist pursuant to the provisions of Chapter 61,
19 Article 9 NMSA 1978;

20 (23) "radiologic technologist" means a person
21 licensed as a radiologic technologist pursuant to the
22 provisions of Chapter 61, Article 14E NMSA 1978;

23 (24) "respiratory care practitioner" means a
24 person licensed as a respiratory care practitioner pursuant to
25 the provisions of Chapter 61, Article 12B NMSA 1978;

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1 (25) "social worker" means a person licensed
2 as an independent social worker pursuant to the provisions of
3 Chapter 61, Article 31 NMSA 1978;

4 (26) "speech-language pathologist" means a
5 person licensed as a speech-language pathologist pursuant to
6 the provisions of Chapter 61, Article 14B NMSA 1978; and

7 (27) "TRICARE program" means the program
8 defined in 10 U.S.C. 1072(7)."

9 **SECTION 2. EFFECTIVE DATE.**--The effective date of the
10 provisions of this act is July 1, 2017.