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HOUSE BILL 32

51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014

INTRODUCED BY

Roberto "Bobby" J. Gonzales

AN ACT

RELATING TO TAXATION; AMENDING A SECTION OF THE GROSS RECEIPTS
AND COMPENSATING TAX ACT TO PROVIDE FOR A DEDUCTION FROM GROSS
RECEIPTS OF PAYMENTS FOR SERVICES RENDERED BY DIALYSIS
FACILITIES.

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
physicians, doctors of oriental medicine, athletic trainers,
chiropractic physicians, counselor and therapist practitioners,

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

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

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

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

25 E. Receipts from payments by the United States

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

6 F. Receipts from payments by the United States
7 government or any agency thereof for medical and other health
8 services provided by a dialysis facility to medicare
9 beneficiaries pursuant to the provisions of Title 18 of the
10 federal Social Security Act may be deducted from gross receipts
11 according to the following schedule:

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

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

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

20 G. A taxpayer allowed a deduction pursuant to this
21 section shall report the amount of the deduction separately in
22 a manner required by the department.

23 H. The department shall compile an annual report on
24 the deductions created pursuant to this section that shall
25 include the number of taxpayers approved by the department to

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1 receive each deduction, the aggregate amount of deductions
2 approved and any other information necessary to evaluate the
3 effectiveness of the deductions. Beginning in 2020 and every
4 five years thereafter that this section is in effect, the
5 department shall compile and present the annual reports to the
6 revenue stabilization and tax policy committee and the
7 legislative finance committee with an analysis of the
8 effectiveness and cost of the deductions and whether the
9 deductions are providing a benefit to the state.

10 [~~F.~~] I. For the purposes of this section:

11 (1) "athletic trainer" means a person licensed
12 as an athletic trainer pursuant to the provisions of Chapter
13 61, Article 14D NMSA 1978;

14 (2) "chiropractic physician" means a person
15 who practices chiropractic as defined in the Chiropractic
16 Physician Practice Act;

17 (3) "clinical laboratory" means a laboratory
18 accredited pursuant to 42 USCA 263a;

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

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

25 (6) "dialysis facility" means an end-stage

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1 renal disease facility as defined pursuant to 42 C.F.R.
2 405.2102;

3 [~~6~~] (7) "doctor of oriental medicine" means
4 a person licensed as a physician to practice acupuncture or
5 oriental medicine pursuant to the provisions of Chapter 61,
6 Article 14A NMSA 1978;

7 [~~7~~] (8) "home health agency" means a for-
8 profit entity that is licensed by the department of health and
9 certified by the federal centers for medicare and medicaid
10 services as a home health agency and certified to provide
11 medicare services;

12 [~~8~~] (9) "hospice" means a for-profit entity
13 licensed by the department of health as a hospice and certified
14 to provide medicare services;

15 [~~9~~] (10) "massage therapist" means a person
16 licensed to practice massage therapy pursuant to the provisions
17 of Chapter 61, Article 12C NMSA 1978;

18 [~~10~~] (11) "medical doctor" means a person
19 licensed as a physician to practice medicine pursuant to the
20 provisions of the Medical Practice Act;

21 [~~11~~] (12) "naprapath" means a person
22 licensed as a naprapath pursuant to the provisions of Chapter
23 61, Article [~~12E~~] 12F NMSA 1978;

24 [~~12~~] (13) "nurse" means a person licensed as
25 a registered nurse pursuant to the provisions of Chapter 61,

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1 Article 3 NMSA 1978;

2 ~~[(13)]~~ (14) "nursing home" means a for-profit
3 entity licensed by the department of health as a nursing home
4 and certified to provide medicare services;

5 ~~[(14)]~~ (15) "nutritionist" or "dietitian"
6 means a person licensed as a nutritionist or dietitian pursuant
7 to the provisions of Chapter 61, Article 7A NMSA 1978;

8 ~~[(15)]~~ (16) "occupational therapist" means a
9 person licensed as an occupational therapist pursuant to the
10 provisions of Chapter 61, Article 12A NMSA 1978;

11 ~~[(16)]~~ (17) "osteopathic physician" means a
12 person licensed as an osteopathic physician pursuant to the
13 provisions of Chapter 61, Article 10 NMSA 1978;

14 ~~[(17)]~~ (18) "optometrist" means a person
15 licensed to practice optometry pursuant to the provisions of
16 Chapter 61, Article 2 NMSA 1978;

17 ~~[(18)]~~ (19) "pharmacist" means a person
18 licensed as a pharmacist pursuant to the provisions of Chapter
19 61, Article 11 NMSA 1978;

20 ~~[(19)]~~ (20) "physical therapist" means a
21 person licensed as a physical therapist pursuant to the
22 provisions of Chapter 61, Article 12D NMSA 1978;

23 ~~[(20)]~~ (21) "podiatrist" means a person
24 licensed as a podiatrist pursuant to the provisions of the
25 Podiatry Act;

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1 [~~(21)~~] (22) "psychologist" means a person
2 licensed as a psychologist pursuant to the provisions of
3 Chapter 61, Article 9 NMSA 1978;

4 [~~(22)~~] (23) "radiologic technologist" means a
5 person licensed as a radiologic technologist pursuant to the
6 provisions of Chapter 61, Article 14E NMSA 1978;

7 [~~(23)~~] (24) "respiratory care practitioner"
8 means a person licensed as a respiratory care practitioner
9 pursuant to the provisions of Chapter 61, Article 12B NMSA
10 1978;

11 [~~(24)~~] (25) "social worker" means a person
12 licensed as an independent social worker pursuant to the
13 provisions of Chapter 61, Article 31 NMSA 1978;

14 [~~(25)~~] (26) "speech-language pathologist"
15 means a person licensed as a speech-language pathologist
16 pursuant to the provisions of Chapter 61, Article 14B NMSA
17 1978; and

18 [~~(26)~~] (27) "TRICARE program" means the
19 program defined in 10 U.S.C. 1072(7)."

20 **SECTION 2. EFFECTIVE DATE.**--The effective date of the
21 provisions of this act is July 1, 2014.