

HOUSE BILL 351

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

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; AMENDING ELIGIBILITY REQUIREMENTS AND THE DEFINITION OF "RURAL" IN 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 the tax liability imposed by the Income Tax Act. The credit

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1 provided in this section may be referred to as the "rural  
2 health care practitioner tax credit".

3 B. The rural health care practitioner tax credit  
4 may be claimed and allowed in an amount that shall not exceed  
5 five thousand dollars (\$5,000) for all eligible physicians,  
6 osteopathic physicians, dentists, clinical psychologists,  
7 podiatrists and optometrists who qualify pursuant to the  
8 provisions of this section, except the credit shall not exceed  
9 three thousand dollars (\$3,000) for all eligible dental  
10 hygienists, physician assistants, certified nurse-midwives,  
11 certified registered nurse anesthetists, certified nurse  
12 practitioners and clinical nurse specialists.

13 C. To qualify for the rural health care  
14 practitioner tax credit, an eligible health care practitioner  
15 shall have provided health care during [a] the taxable year for  
16 which the credit is claimed for at least [~~two thousand eighty~~]  
17 one thousand five hundred eighty-four hours at a practice site  
18 located in an approved, rural health care underserved area. An  
19 eligible rural health care practitioner who provided health  
20 care services for at least [~~one thousand forty~~] seven hundred  
21 ninety-two hours but less than [~~two thousand eighty~~] one  
22 thousand five hundred eighty-four hours at a practice site  
23 located in an approved rural health care underserved area  
24 during [a] the taxable year for which the credit is claimed is  
25 eligible for one-half of the credit amount.

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

14           E. A taxpayer claiming the credit provided by this  
15 section shall submit a copy of the certificate issued by the  
16 department of health with the taxpayer's New Mexico income tax  
17 return for the taxable year. If the amount of the credit  
18 claimed exceeds a taxpayer's tax liability for the taxable year  
19 in which the credit is being claimed, the excess may be carried  
20 forward for three consecutive taxable years.

21           F. As used in this section:

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

23                           (a) a certified nurse-midwife licensed  
24 by the board of nursing as a registered nurse and licensed by  
25 the public health division of the department of health to

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1 practice nurse-midwifery as a certified nurse-midwife;

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

4 (c) an optometrist licensed pursuant to  
5 the provisions of the Optometry Act;

6 (d) an osteopathic physician [~~licensed~~  
7 ~~pursuant to the provisions of Chapter 61, Article 10 NMSA 1978~~  
8 ~~or an osteopathic physician assistant~~] licensed pursuant to the  
9 provisions of the [~~Osteopathic Physicians' Assistants~~] Medical  
10 Practice Act;

11 (e) a physician or physician assistant  
12 licensed pursuant to the provisions of [~~Chapter 61, Article 6~~  
13 ~~NMSA 1978~~] the Medical Practice Act;

14 (f) a podiatrist licensed pursuant to  
15 the provisions of the Podiatry Act;

16 (g) a clinical psychologist licensed  
17 pursuant to the provisions of the Professional Psychologist  
18 Act; and

19 (h) a registered nurse in advanced  
20 practice who has been prepared through additional formal  
21 education as provided in Sections 61-3-23.2 through 61-3-23.4  
22 NMSA 1978 to function beyond the scope of practice of  
23 professional registered nursing, including certified nurse  
24 practitioners, certified registered nurse anesthetists and  
25 clinical nurse specialists;

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

6 (3) "practice site" means a private practice,  
7 public health clinic, hospital, public or private nonprofit  
8 primary care clinic or other health care service location in a  
9 health care underserved area; and

10 (4) "rural" means ~~[an area or location~~  
11 ~~identified by the department of health as falling outside of an~~  
12 ~~urban area]~~ a rural county or an unincorporated area of a  
13 partially rural county, as designated by the health resources  
14 and services administration of the United States department of  
15 health and human services."

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