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AN ACT
RELATING TO TAXATION; PROVIDING A DEDUCTION FROM GROSS
RECEIPTS AND GOVERNMENTAL GROSS RECEIPTS FOR SALES OR RENTALS
OF DURABLE MEDICAL EQUIPMENT AND MEDICAL SUPPLIES.

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

SECTION 1. A new section of Chapter 7, Article 9 NMSA
1978 is enacted to read:

"DEDUCTION--GROSS RECEIPTS TAX AND GOVERNMENTAL GROSS
RECEIPTS TAX--DURABLE MEDICAL EQUIPMENT--MEDICAL SUPPLIES.--

A. Receipts from transactions occurring prior to
July 1, 2020 that are from the sale or rental of durable
medical equipment and medical supplies may be deducted from
gross receipts and governmental gross receipts.

B. The purpose of the deduction provided in this
section is to help protect jobs and retain businesses in
New Mexico that sell or rent durable medical equipment and
medical supplies.

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

D. The deduction provided in this section shall be
taken only by a taxpayer participating in the New Mexico
medicaid program whose gross receipts are no less than ninety
percent derived from the sale or rental of durable medical
equipment, medical supplies or infusion therapy services,
including the medications used in infusion therapy services.

E. Acceptance of a deduction provided by this
section is authorization by the taxpayer receiving the
deduction for the department to reveal information to the

1 revenue stabilization and tax policy committee and the
2 legislative finance committee necessary to analyze the
3 effectiveness and cost of the deduction and whether the
4 deduction is performing the purpose for which it was created.

5 F. The department shall compile an annual report
6 on the deduction provided by this section that shall include
7 the number of taxpayers approved by the department to receive
8 the deduction, the aggregate amount of deductions approved
9 and any other information necessary to evaluate the
10 effectiveness of the deduction. Beginning in 2019 and every
11 five years thereafter, the department shall compile and
12 present the annual reports to the revenue stabilization and
13 tax policy committee and the legislative finance committee
14 with an analysis of the effectiveness and cost of the
15 deduction and whether the deduction is performing the purpose
16 for which it was created.

17 G. As used in this section:

18 (1) "durable medical equipment" means a
19 medical assistive device or other equipment that:

20 (a) can withstand repeated use;

21 (b) is primarily and customarily used
22 to serve a medical purpose and is not useful to an individual
23 in the absence of an illness, injury or other medical
24 necessity, including improved functioning of a body part;

25 (c) is appropriate for use at home
exclusively by the eligible recipient for whom the durable
medical equipment is prescribed; and

(d) is prescribed by a physician or
other person licensed by the state to prescribe durable
medical equipment;

