

HOUSE BILL 249

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; CREATING THE ELECTRONIC MEDICAL RECORDS
TAX CREDIT.

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

SECTION 1. A new section of the Income Tax Act is enacted to read:

" [NEW MATERIAL] CREDIT--ELECTRONIC MEDICAL RECORDS TAX
CREDIT--

A. For a taxable year beginning on or after January 1, 2026 and prior to January 1, 2031, a taxpayer who files an individual New Mexico income tax return, is not a dependent of another individual and is a health care practitioner who makes payments for an electronic medical records system to use in the scope of the taxpayer's practice may claim a credit against the taxpayer's tax liability imposed pursuant to the provisions of

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1 the Income Tax Act. The credit authorized pursuant to this
2 section may be referred to as the "electronic medical records
3 tax credit".

4 B. The amount of the tax credit shall be in an
5 amount equal to the amount of payments made by a health care
6 practitioner for an electronic medical records system during a
7 taxable year for which the tax credit is claimed, not to exceed
8 six thousand dollars (\$6,000) for that taxable year.

9 C. To receive a tax credit, a health care
10 practitioner shall:

11 (1) provide health care for at least one
12 thousand five hundred eighty-four hours during a taxable year;

13 (2) provide services in a health care
14 institution employing ten or fewer health care practitioners;
15 and

16 (3) maintain a record of the payments made for
17 an electronic medical records system that shall be made
18 available for review at the request of the department of health
19 or the department.

20 D. A taxpayer shall apply for certification of
21 eligibility for the tax credit from the department of health on
22 forms and in the manner prescribed by that department. Except
23 as provided in Subsection G of this section, only one tax
24 credit shall be certified per taxpayer per taxable year per
25 electronic medical records system for which payments are being

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1 made. If the department of health determines that the taxpayer
2 meets the requirements of this section, that department shall
3 issue a dated certificate of eligibility to the taxpayer
4 providing the amount of tax credit for which the taxpayer is
5 eligible. The department of health shall provide the
6 department with certificates of eligibility issued pursuant to
7 this subsection in an electronic format at regularly agreed-
8 upon intervals.

9 E. A taxpayer who has claimed the rural health care
10 practitioner tax credit shall not be eligible for the
11 electronic medical records tax credit.

12 F. That portion of the tax credit that exceeds a
13 taxpayer's tax liability in the taxable year in which the tax
14 credit is claimed shall not be refunded and shall not be
15 carried forward to subsequent taxable years.

16 G. A taxpayer may be allocated the right to claim
17 the tax credit provided by this section in proportion to the
18 taxpayer's ownership interest if the taxpayer owns an interest
19 in a business entity that is taxed for federal income tax
20 purposes as a partnership or limited liability company and that
21 business entity has met all of the requirements to be eligible
22 for the credit. The total credit claimed by all members of the
23 partnership or limited liability company shall not exceed the
24 maximum amount of the credit allowed pursuant to this section.

25 H. A taxpayer allowed a tax credit pursuant to this

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1 section shall report the amount of the tax credit separately in
2 a manner required by the department.

3 I. The tax credit provided by this section shall be
4 included in the tax expenditure budget pursuant to Section
5 7-1-84 NMSA 1978, including the annual aggregate cost of the
6 tax credit.

7 J. As used in this section:

8 (1) "electronic medical records system" means
9 a digital records system used to document the health care
10 information of a health care practitioner's patients;

11 (2) "health care information" means
12 information related to the past, present or future physical or
13 mental health or condition of an individual; the provision of
14 health care to an individual; or the past, present or future
15 payment for the provision of health care to an individual;

16 (3) "health care institution" means an
17 institution, a facility or an agency licensed, certified or
18 otherwise authorized or permitted by law to provide health care
19 in the ordinary course of business; and

20 (4) "health care practitioner" means:

21 (a) a midwife that is a: 1) certified
22 nurse-midwife licensed by the board of nursing as a registered
23 nurse and licensed by the public health division of the
24 department of health to practice nurse-midwifery as a certified
25 nurse-midwife; or 2) licensed midwife licensed by the public

health division of the department of health to practice licensed midwifery;

(b) an osteopathic physician licensed pursuant to the provisions of the Medical Practice Act;

(c) a physician licensed pursuant to the provisions of the Medical Practice Act or a physician assistant licensed pursuant to the provisions of the Physician Assistant Act;

(d) a psychologist licensed pursuant to the provisions of the Professional Psychologist Act;

(e) a registered nurse licensed pursuant to the provisions of the Nursing Practice Act;

(f) a pharmacist licensed pursuant to the provisions of the Pharmacy Act;

(g) a licensed clinical social worker or a licensed independent social worker licensed pursuant to the provisions of the Social Work Practice Act;

(h) a professional mental health counselor, a professional clinical mental health counselor, a marriage and family therapist, an alcohol and drug abuse counselor or a professional art therapist licensed pursuant to the provisions of the Counseling and Therapy Practice Act; and

(i) a physical therapist licensed pursuant to the provisions of the Physical Therapy Act."

SECTION 2. APPLICABILITY.--The provisions of this act

1 apply to taxable years beginning on or after January 1, 2026.
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