

1 SENATE BILL 133

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026**

3 INTRODUCED BY

4 Jeff Steinborn and Martin Hickey and Rex Wilson
5 and Carrie Hamblen

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10 AN ACT

11 RELATING TO TAXATION; PROVIDING A GROSS RECEIPTS TAX DEDUCTION
12 FOR THE SALE OF CERTAIN EQUIPMENT AND MEDICATION DISPENSED BY A
13 HEALTH CARE PRACTITIONER IN A PRACTICE SETTING; PROVIDING A
14 HOLD HARMLESS DISTRIBUTION TO MUNICIPALITIES AND COUNTIES.

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

17 SECTION 1. A new section of the Tax Administration Act is
18 enacted to read:

19 "[NEW MATERIAL] DISTRIBUTION TO HOLD HARMLESS
20 MUNICIPALITIES AND COUNTIES FROM GROSS RECEIPTS TAX DEDUCTIONS
21 FOR RECEIPTS FOR THE SALE OF CERTAIN IN-OFFICE EQUIPMENT AND
22 MEDICATIONS TO HEALTH CARE PRACTITIONERS.--

23 A. A distribution pursuant to Section 7-1-6.1 NMSA
24 1978 shall be made to a municipality in an amount, subject to
25 any increase or decrease made pursuant to Section 7-1-6.15 NMSA
.232772.1

underscored material = new
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[bracketed material] = delete

1 1978, equal to the total deductions claimed pursuant to Section
2 of this 2026 act for the month by taxpayers from business
3 locations in the municipality multiplied by the sum of the
4 combined rate of all municipal local option gross receipts
5 taxes in effect in the municipality for the month plus one and
6 two hundred twenty-five thousandths percent.

7 B. A distribution pursuant to Section 7-1-6.1 NMSA
8 1978 shall be made to a county in an amount, subject to any
9 increase or decrease made pursuant to Section 7-1-6.15 NMSA
10 1978, equal to the total deductions claimed pursuant to Section
11 2 of this 2026 act for the month by taxpayers from business
12 locations:

13 (1) within a municipality in the county
14 multiplied by the combined rate of all county local option
15 gross receipts taxes in effect for the month that are imposed
16 throughout the county; and

17 (2) in the county but not within a
18 municipality multiplied by the combined rate of all county
19 local option gross receipts taxes in effect for the month that
20 are imposed in the county area not within a municipality."

21 SECTION 2. A new section of the Gross Receipts and
22 Compensating Tax Act is enacted to read:

23 "[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS--IN-OFFICE
24 EQUIPMENT AND IN-OFFICE MEDICATION SOLD TO A HEALTH CARE
25 PRACTITIONER.--

.232772.1

1 A. Except for receipts that may be deducted
2 pursuant to Section 7-9-73.3 NMSA 1978, receipts from the sale
3 of in-office equipment to a health care practitioner or an
4 association of health care practitioners may be deducted from
5 gross receipts if the in-office equipment is used during a
6 service that is within the scope of practice of the health care
7 practitioner.

8 B. Except for receipts that may be deducted
9 pursuant to Section 7-9-73.2 NMSA 1978, receipts from the sale
10 of in-office medication to a health care practitioner or an
11 association of health care practitioners may be deducted from
12 gross receipts if the in-office medication is used for the
13 treatment of patients within the scope of practice of the
14 health care practitioner providing the treatment.

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

18 D. The deductions provided by this section shall be
19 included in the tax expenditure budget pursuant to Section
20 7-1-84 NMSA 1978, including the annual aggregate cost of the
21 deductions.

22 E. As used in this section:

23 (1) "association of health care practitioners"
24 means a corporation, an unincorporated business entity or other
25 legal entity organized by, owned by or employing one or more

health care practitioners; provided that the entity is not:

(a) an organization granted exemption from the federal income tax by the United States commissioner of internal revenue as organizations described in Section 501(c)(3) of the United States Internal Revenue Code of 1986, as that section may be amended or renumbered; or

(b) a health maintenance organization or a hospital, a hospice, a nursing home or an entity that is solely an outpatient facility or intermediate care facility licensed by the health care authority;

(2) "health care practitioner" means:

(a) a chiropractic physician licensed pursuant to the provisions of the Chiropractic Physician Practice Act;

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

(c) a doctor of oriental medicine licensed pursuant to the provisions of the Acupuncture and Oriental Medicine Practice Act;

(d) an optometrist licensed pursuant to the provisions of the Optometry Act;

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

(f) a physical therapist licensed pursuant to the provisions of the Physical Therapy Act;

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

(h) a podiatric physician licensed pursuant to the provisions of the Podiatry Act;

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

(j) a registered lay midwife registered by the department of health;

(k) a registered nurse or licensed practical nurse licensed pursuant to the provisions of the Nursing Practice Act;

(1) a registered occupational therapist licensed pursuant to the provisions of the Occupational Therapy Act;

(m) a respiratory care practitioner licensed pursuant to the provisions of the Respiratory Care Act;

(n) a speech-language pathologist or audiologist licensed pursuant to the Speech-Language Pathology, Audiology and Hearing Aid Dispensing Practices Act;

(o) a professional clinical mental health counselor, marriage and family therapist or professional art therapist licensed pursuant to the provisions of the Counseling and Therapy Practice Act who has obtained a master's

degree or a doctorate;

(p) an independent social worker

licensed pursuant to the provisions of the Social Work Practice Act;

(q) a clinical laboratory that is accredited pursuant to 42 U.S.C. Section 263a but that is not a laboratory in a physician's office or in a hospital defined pursuant to 42 U.S.C. Section 1395x; and

(r) a naturopathic doctor licensed pursuant to the provisions of the Naturopathic Doctors' Practice Act;

(3) "in-office equipment" means equipment used by a health care practitioner primarily to provide medical treatment to patients in the health care practitioner's practice setting. "In-office equipment" does not mean office furniture that is not primarily used to provide medical treatment, including desks, desk chairs, computers and software; and

(4) "in-office medication" means saline or other non-prescription substance dispensed by a health care practitioner to a patient in the health care practitioner's practice setting to treat the patient's specific illness, injury or other medical necessity."

SECTION 3. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2026.