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SENATE BILL

**55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021**

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO TAXATION; CREATING THE HEALTH CARE PRECEPTOR INCOME 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] HEALTH CARE PRECEPTOR INCOME TAX CREDIT.--

A. A taxpayer who is not a dependent of another individual, who is a preceptor employed by any accredited New Mexico institution of higher education and who has performed a preceptorship of not less than four weeks in New Mexico may apply for, and the department may allow, a credit against the taxpayer's tax liability imposed pursuant to the Income Tax Act. The tax credit provided by this section may be referred to as the "health care preceptor income tax credit".

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1           B. The health care preceptor income tax credit  
2 shall not exceed one thousand dollars (\$1,000) for up to five  
3 preceptorships performed in the taxable year in which the  
4 credit is claimed.

5           C. A taxpayer may claim a health care preceptor  
6 income tax credit for the taxable year in which the taxpayer  
7 performs a preceptorship. To receive the tax credit, a  
8 taxpayer shall apply to the department on forms and in the  
9 manner prescribed by the department. The application shall  
10 include a certification made by the institution for which the  
11 taxpayer is employed and for which the preceptorship was  
12 performed.

13           D. That portion of a health care preceptor income  
14 tax credit that exceeds a taxpayer's tax liability in the  
15 taxable year in which the credit is claimed may be carried  
16 forward and applied against the taxpayer's income tax liability  
17 in succeeding years until the credit is exhausted.

18           E. A taxpayer allowed a tax credit pursuant to this  
19 section shall report the amount of the credit to the department  
20 in a manner required by the department.

21           F. The department shall compile an annual report on  
22 the health care preceptor income tax credit that shall include  
23 the number of taxpayers approved by the department to receive  
24 the credit, the aggregate amount of credits approved and any  
25 other information necessary to evaluate the effectiveness of

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1 the credit. Each year that the credit is in effect, the  
2 department shall present the report to the revenue  
3 stabilization and tax policy committee and the legislative  
4 finance committee with an analysis of the effectiveness and  
5 cost of the tax credit.

6 G. As used in this section:

7 (1) "eligible graduate student" means an  
8 individual matriculating at the graduate level at any  
9 accredited New Mexico institution of higher education seeking a  
10 degree in the areas of doctor of medicine, doctor of  
11 osteopathy, advanced nursing practice, doctor of dental  
12 surgery, pharmacy, psychology, psychiatry or doctor of dental  
13 medicine or as a physician assistant;

14 (2) "eligible professional degree" means a  
15 degree or certificate that fulfills a requirement to practice  
16 as a medical doctor, osteopathic physician, advanced practice  
17 nurse, physician assistant, dentist, pharmacist, psychologist  
18 or psychiatrist;

19 (3) "preceptor" means an individual licensed  
20 as a medical doctor, osteopathic physician, advanced practice  
21 nurse, physician assistant, dentist, pharmacist, psychologist  
22 or psychiatrist; and

23 (4) "preceptorship" means an uncompensated  
24 period of supervised clinical training during which a preceptor  
25 provides a program of personalized instruction, training and

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1 supervision to an eligible graduate student to enable the  
2 student to obtain an eligible professional degree."

3 SECTION 2. APPLICABILITY.--The provisions of this act  
4 apply to taxable years beginning on or after January 1, 2021.

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