


NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.

Only the most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC's office in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Cervantes DATE TYPED: 02/03/02 HB 300

 SHORT TITLE: Nursing Home Gross Receipts Deduction SB _____
 _____ ANALYST: Smith

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	FY03			
	(\$522.0)		Recurring	General Fund
	(\$442.0)		Recurring	Local Gov't

(Parenthesis () Indicate Revenue Decreases)

Duplicates SB 207

SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

This bill amends Section 7-9-77.1 NMSA 1978 to provide a gross receipts tax deduction to New Mexico-based nursing homes for receipts derived from Medicare payments. To qualify for the deduction, nursing homes must be licensed by the Department of Health.

FISCAL IMPLICATIONS

The Health Licensing and Certification Bureau of the Department of Health indicates there are 84 nursing homes currently licensed in New Mexico. According to the bureau, licensed nursing homes do not include residential mental health or substance abuse facilities, but do include some community care facilities for the elderly. Data from the 1997 Economic Census of Health Care and Social Assistance was used to derive a taxable gross receipts base of \$117 million for the FY 2003. Data from the Centers for Medicare and Medicaid Services (formerly the Health Care Financing Administration) indicate that of total money paid to nursing homes in New Mexico for 1998, 59.1% was derived from Medicaid, Medicare paid 14.8% and private pay and insurance paid 26.1%. Therefore, approximately \$17 million dollars in Medicare receipts will qualify for the deduction.

SS/ar