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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 in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Pa	pen	DATE TYPED:	2/4/03	HB	
SHORT TITLE: Nursing Home Gross Receipts Deduction			SB	166	
	ANALYS			YST:	Smith

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected	
FY03	FY04				
	(615.0)	(670.0)	Recurring	General Fund	
	(415.0)	(450.0)	Recurring	Local Governments	

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Responses Received From

TRD

SUMMARY

Synopsis of Bill

Senate Bill 166 provides a gross receipts tax deduction to for-profit nursing homes for receipts derived from Medicare payments. To qualify for the deduction, nursing homes must be licensed by the Department of Health. This bill also makes a minor change in terminology from "osteopaths" to "osteopathic physicians".

FISCAL IMPLICATIONS

TRD relied on numbers provide by the Health Licensing and Certification Bureau of the Department of Health. They note there were 84 nursing homes licensed in New Mexico in 2002. 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 and the department's "Analysis of Gross Receipts by Standard Industrial Classification" were used to estimate a taxable gross

Senate Bill 166 -- Page 2

receipts base of \$125 million for FY 2004. Data from the Centers for Medicare and Medicaid Services indicate that Medicare accounts for approximately 14.8% of New Mexico nursing home receipts. Thus the fiscal impact is based on \$18.5 million of Medicare receipts that would qualify for deduction.

SS/njw