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HOUSE BILL 443

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Debbie A. Rodella

AN ACT

RELATING TO THE PRACTICE OF MEDICINE; PROVIDING AN INCOME TAX EXEMPTION AND A GROSS RECEIPTS TAX EXEMPTION FOR CERTAIN STIPENDS AND AWARDS RECEIVED BY CERTAIN HEALTH PROFESSIONALS; AMENDING THE HEALTH PROFESSIONAL LOAN REPAYMENT ACT TO INCREASE THE SCOPE OF THE ACT; MAKING AN APPROPRIATION.

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] EXEMPTION-- CERTAIN STIPENDS AND AWARDS RECEIVED BY HEALTH PROFESSIONALS. -- Stipends received from the New Mexico health service corps pursuant to the Health Service Corps Act and awards received pursuant to the Health Professional Loan Repayment Act are exempt from taxation."

Section 2. A new section of the Gross Receipts and

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1 Compensating Tax Act is enacted to read:

2 "[NEW MATERIAL] EXEMPTION-- GROSS RECEIPTS-- CERTAIN
3 STIPENDS AND AWARDS RECEIVED BY HEALTH PROFESSIONALS. -- Exempted
4 from the gross receipts tax are the receipts of a health
5 professional received as a stipend pursuant to the Health
6 Service Corps Act or as an award pursuant to the Health
7 Professional Loan Repayment Act. "

8 Section 3. Section 21-1-26. 8 NMSA 1978 (being Laws 1995,
9 Chapter 144, Section 1) is amended to read:

10 "21-1-26. 8. HEALTH PROFESSION ADVISORY COMMITTEE--
11 CREATED-- DUTIES. --

12 A. The "health profession advisory committee" is
13 created to advise the commission on higher education on matters
14 relating to the administration of student loan programs for
15 health professionals. The health profession advisory committee
16 replaces the medical shortage area committee.

17 B. The health profession advisory committee shall
18 be composed of a representative of the department of health; a
19 representative of the New Mexico health policy commission; and
20 representatives of public post-secondary health and medical
21 training programs, underserved health and medical area
22 providers, recruiting and placement organizations and
23 professional health and medical associations. Members shall be
24 appointed by the commission on higher education pursuant to the
25 policies and procedures of the commission.

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1 C. The health profession advisory committee shall:

2 (1) designate health professional shortage
3 areas of the state;

4 (2) designate acute shortage areas in which
5 the state is suffering an acute shortage of specific fields of
6 specialization within the practice of medicine;

7 [~~(2)~~] (3) make recommendations to the
8 commission on higher education on applicants for medical,
9 osteopathic, nursing and allied health loan for service
10 programs and loan repayment programs; and

11 [~~(3)~~] (4) give advice or other assistance to
12 the commission as requested. "

13 Section 4. Section 21-22D-3 NMSA 1978 (being Laws 1995,
14 Chapter 144, Section 18) is amended to read:

15 "21-22D-3. DEFINITIONS. -- As used in the Health
16 Professional Loan Repayment Act:

17 A. "commission" means the commission on higher
18 education;

19 B. "health professional" means a [~~primary care~~]
20 physician, optometrist, podiatrist, physician's assistant,
21 dentist, nurse, member of an allied health profession as
22 defined in the Allied Health Student Loan for Service Act or a
23 licensed or certified health professional as determined by the
24 commission; and

25 C. "loan" means a grant of money to defray the

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1 costs incidental to a health education, under a contract
2 between the federal government or a commercial lender and a
3 health professional, requiring either repayment of principal
4 and interest or repayment in services. "

5 Section 5. Section 21-22D-4 NMSA 1978 (being Laws 1995,
6 Chapter 144, Section 19) is amended to read:

7 "21-22D-4. COMMISSION POWERS AND DUTIES-- PARTICIPANT
8 ELIGIBILITY-- QUALIFICATIONS. --

9 A. The commission may grant an award to repay loans
10 obtained for health [~~educational~~] education expenses of a
11 health professional upon such terms and conditions as may be
12 imposed by regulations of the commission.

13 B. Applicants shall be licensed or certified to
14 practice in New Mexico as health professionals and shall be
15 bona fide citizens and residents of the United States and of
16 New Mexico. Applicants shall declare their intent to practice
17 as health professionals within designated health professional
18 shortage areas or acute shortage areas of the state.

19 C. The commission shall make a full and careful
20 investigation of the ability, character and qualifications of
21 each applicant and determine fitness to become a health
22 professional in the health professional loan repayment program.

23 D. The commission shall assist selected health
24 professionals in locating practice positions in designated
25 health professional shortage areas or acute shortage areas. "

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Section 6. APPROPRIATION. --Five hundred thousand dollars (\$500,000) is appropriated from the general fund to the health professional loan repayment fund for expenditure in fiscal year 2005 and subsequent fiscal years for the purpose of making awards pursuant to the Health Professional Loan Repayment Act. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

Section 7. APPLICABILITY. --The provisions of Section 1 of this 2004 act apply to taxable years beginning on or after January 1, 2004.

Section 8. EFFECTIVE DATE. --The effective date of the provisions of this act is July 1, 2004.