F I S C A L   I M P A C T   R E P O R T

SPONSOR   Larranaga   **DATE TYPED** 02-06-04   **HB** 385

SHORT TITLE   Certain Physician Services Gross Receipts   **SB**

ANALYST Taylor

REVENUE

Estimated Revenue		Subsequent	Recurring	Fund
FY04	**FY05**	**Years Impact**	**or Non-Rec**	**Affected**
(2.5)	(26,500.0)	Increasing	Recurring	General Fund
(1.5)	(23,100.0)	Increasing	Recurring	Local Governments

(Parenthesis ( ) Indicate Revenue Decreases)

Relates to: HB 17, HB 154 and SB 179

SOURCES OF INFORMATION
LFC Files

Responses Received From
Taxation and Revenue Department (TRD)

SUMMARY

HB 385 provides a gross receipts tax deduction for receipts from the provision of services by a physician, osteopathic physician or podiatrist that are not otherwise deductible.

FISCAL IMPLICATIONS

TRD reports that this bill would exempt approximately $810 million in gross receipts in 2005. Applying an average gross receipts tax rate of 6.1 percent implies a gross receipts revenue loss of $49.6 million, which is divided between state and local governments.

This estimate is based on various reports generated by the department, the Census of Healthcare Services in New Mexico and data from the Centers for Medicare and Medicaid Services and financial statements from selected managed care organization.

ADMINISTRATIVE IMPLICATIONS

TRD reports moderate administrative impacts that can be absorbed with existing resources.

BT/dm