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SENATE BILL 207

47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006

INTRODUCED BY

John Arthur Smith

FOR THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

AN ACT

RELATING TO TAXATION; PROVIDING A CREDIT FOR THE STATE PORTION OF GROSS RECEIPTS TAX FOR HOSPITALS LICENSED BY THE DEPARTMENT OF HEALTH.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Tax Administration Act is enacted to read:

"[NEW MATERIAL] DISTRIBUTION ADJUSTMENT--TAX ADMINISTRATION SUSPENSE FUND--CREDIT FOR RECEIPTS OF HOSPITALS.--Distributions from the tax administration suspense fund of revenue attributable to the gross receipts tax shall be adjusted for the full cost of credits issued pursuant to the Gross Receipts and Compensating Tax Act for receipts of hospitals licensed by the department of health."

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] CREDIT--GROSS RECEIPTS TAX--RECEIPTS OF
3 CERTAIN HOSPITALS.--

4 A. A hospital licensed by the department of health
5 may claim a credit for each reporting period against the gross
6 receipts tax due for that reporting period as follows:

7 (1) for a hospital located in a municipality,
8 in an amount equal to three and seven hundred seventy-five
9 thousandths percent of the hospital's taxable gross receipts
10 for that reporting period after the deduction pursuant to
11 Section 7-9-73.1 NMSA 1978 has been taken; and

12 (2) for a hospital located in the
13 unincorporated area of a county, in an amount equal to five
14 percent of the hospital's taxable gross receipts for that
15 reporting period after the deduction pursuant to Section
16 7-9-73.1 NMSA 1978 has been taken.

17 B. For the purposes of this section, "hospital"
18 means a facility providing emergency or urgent care, in-patient
19 medical care and nursing care for acute illness, injury,
20 surgery or obstetrics and includes a facility licensed by the
21 department of health as a critical access hospital, general
22 hospital, long-term acute care hospital, psychiatric hospital,
23 rehabilitation hospital, limited services hospital and special
24 hospital."

25 Section 3. APPLICABILITY.--The provisions of Section 2
.159130.3

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1 this act apply to reporting periods beginning on or after July
2 1, 2006.

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