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SENATE BILL 527

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

INTRODUCED BY

John Arthur Smith

AN ACT

RELATING TO TAXATION; PROVIDING A PHASED-IN 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 (a) on or after July 1, 2007 but before
9 July 1, 2008, in an amount equal to one and two hundred fifty-
10 eight thousandths percent of the hospital's taxable gross
11 receipts for that reporting period after all applicable
12 deductions have been taken;

13 (b) on or after July 1, 2008 but before
14 July 1, 2009, in an amount equal to two and five hundred
15 sixteen thousandths percent of the hospital's taxable gross
16 receipts for that reporting period after all applicable
17 deductions have been taken; and

18 (c) on or after July 1, 2009, in an
19 amount equal to three and seven hundred seventy-five
20 thousandths percent of the hospital's taxable gross receipts
21 for that reporting period after all applicable deductions have
22 been taken; and

23 (2) for a hospital located in the
24 unincorporated area of a county:

25 (a) on or after July 1, 2007 but before

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1 July 1, 2008, in an amount equal to one and sixty-seven
2 hundredths percent of the hospital's taxable gross receipts for
3 that reporting period after all applicable deductions have been
4 taken;

5 (b) on or after July 1, 2008 but before
6 July 1, 2009, in an amount equal to three and thirty-four
7 hundredths percent of the hospital's taxable gross receipts for
8 that reporting period after all applicable deductions have been
9 taken; and

10 (c) on or after July 1, 2009, in an
11 amount equal to five percent of the hospital's taxable gross
12 receipts for that reporting period after all applicable
13 deductions have been taken.

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

22 Section 3. APPLICABILITY.--The provisions of Section 2 of
23 this act apply to reporting periods beginning on or after July
24 1, 2006.