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HOUSE BILL 524

**48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007**

INTRODUCED BY

Roberto "Bobby" J. Gonzales

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 twenty-six  
10 hundredths percent of the hospital's taxable gross receipts for  
11 that reporting period after all applicable deductions have been  
12 taken;

13 (b) on or after July 1, 2008 but before  
14 July 1, 2009, in an amount equal to two and fifty-three  
15 hundredths percent of the hospital's taxable gross receipts for  
16 that reporting period after all applicable deductions have been  
17 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-five  
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-five  
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, 2008, 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, inpatient  
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, 2007.