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SENATE BILL 161

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

INTRODUCED BY

John Arthur Smith

FOR THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

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 eight hundred
10 eighty-eight thousandths percent of the hospital's taxable
11 gross receipts for that reporting period after all applicable
12 deductions have been taken; and

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

18 (2) for a hospital located in the
19 unincorporated area of a county:

20 (a) on or after July 1, 2007 but before
21 July 1, 2008, in an amount equal to two and one-half percent of
22 the hospital's taxable gross receipts for that reporting period
23 after all applicable deductions have been taken; and

24 (b) on or after July 1, 2008, in an
25 amount equal to five percent of the hospital's taxable gross

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1 receipts for that reporting period after all applicable
2 deductions have been taken.

3 B. For the purposes of this section, "hospital"
4 means a facility providing emergency or urgent care, inpatient
5 medical care and nursing care for acute illness, injury,
6 surgery or obstetrics and includes a facility licensed by the
7 department of health as a critical access hospital, general
8 hospital, long-term acute care hospital, psychiatric hospital,
9 rehabilitation hospital, limited services hospital and special
10 hospital."

11 Section 3. APPLICABILITY.--The provisions of Section 2 of
12 this act apply to reporting periods beginning on or after July
13 1, 2007.