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SENATE BILL 655

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

John Arthur Smith

AN ACT

RELATING TO TAXATION; MAKING A DISTRIBUTION TO THE SAFETY NET CARE POOL FUND; REDUCING A TRANSFER OF LOCAL OPTION GROSS RECEIPTS TAX REVENUE TO CERTAIN COUNTIES; REDUCING A CREDIT AGAINST GROSS RECEIPTS TAX DUE FOR CERTAIN HOSPITALS; REPEALING THE DEDUCTION FROM GROSS RECEIPTS FOR CERTAIN HOSPITALS; MAKING AN APPROPRIATION.

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

SECTION 1. Section 7-1-6.13 NMSA 1978 (being Laws 1983, Chapter 211, Section 18, as amended) is amended to read:

"7-1-6.13. TRANSFER--REVENUES FROM COUNTY LOCAL OPTION GROSS RECEIPTS TAXES.--

A. Except as provided in Subsection B of this section, a transfer pursuant to Section 7-1-6.1 NMSA 1978 shall be made to each county for which the department is collecting a

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1 local option gross receipts tax imposed by that county in an
2 amount, subject to any increase or decrease made pursuant to
3 Section 7-1-6.15 NMSA 1978, equal to the net receipts
4 attributable to the local option gross receipts tax imposed by
5 that county, less:

6 (1) any deduction for administrative cost
7 determined and made by the department pursuant to the
8 provisions of the act authorizing imposition by that county of
9 the local option gross receipts tax and any additional
10 administrative fee withheld pursuant to Subsection C of Section
11 7-1-6.41 NMSA 1978; and

12 (2) for a county with a qualifying hospital
13 within its boundaries, an amount equal to ten percent of three-
14 fourths of the net receipts attributable to the first one-
15 eighth increment imposed pursuant to Subsection A of Section
16 7-20E-9 NMSA 1978; provided that the county has not pledged any
17 of the revenue from the first one-eighth increment for payment
18 of principal and interest due in connection with gross receipts
19 tax revenue bonds.

20 B. A transfer pursuant to this section may be
21 adjusted for a distribution made to a tax increment development
22 district with respect to a portion of a gross receipts tax
23 increment dedicated by a county pursuant to the Tax Increment
24 for Development Act.

25 C. As used in this section, "qualifying hospital"

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1 means an acute care general hospital licensed by the department
2 of health that is qualified to receive payments from the safety
3 net care pool pursuant to an agreement with the federal centers
4 for medicare and medicaid services."

5 SECTION 2. A new section of the Tax Administration Act is
6 enacted to read:

7 "[NEW MATERIAL] DISTRIBUTION--SAFETY NET CARE POOL FUND.--
8 A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be
9 made to the safety net care pool fund in an amount equal to
10 eight hundred thirty-three thousand three hundred thirty-three
11 dollars (\$833,333)."

12 SECTION 3. Section 7-9-96.1 NMSA 1978 (being Laws 2007,
13 Chapter 361, Section 7) is amended to read:

14 "7-9-96.1. CREDIT--GROSS RECEIPTS TAX--RECEIPTS OF
15 CERTAIN HOSPITALS.--

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

19 (1) for a hospital that is not a qualifying
20 hospital and that is located in a municipality,

21 [~~(a) on or after July 1, 2007 but before~~
22 ~~July 1, 2008, in an amount equal to seven hundred fifty-five~~
23 ~~thousandths percent of the hospital's taxable gross receipts~~
24 ~~for that reporting period after all applicable deductions have~~
25 ~~been taken;~~

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1 ~~(b) on or after July 1, 2008 but before~~
2 ~~July 1, 2009, in an amount equal to one and fifty-one~~
3 ~~hundredths percent of the hospital's taxable gross receipts for~~
4 ~~that reporting period after all applicable deductions have been~~
5 ~~taken;~~

6 ~~(c) on or after July 1, 2009 but before~~
7 ~~July 1, 2010, in an amount equal to two and two hundred sixty-~~
8 ~~five thousandths percent of the hospital's taxable gross~~
9 ~~receipts for that reporting period after all applicable~~
10 ~~deductions have been taken;~~

11 ~~(d) on or after July 1, 2010 but before~~
12 ~~July 1, 2011, in an amount equal to three and two hundredths~~
13 ~~percent of the hospital's taxable gross receipts for that~~
14 ~~reporting period after all applicable deductions have been~~
15 ~~taken; and~~

16 ~~(e) on or after July 1, 2011]~~ in an
17 amount equal to three and seven hundred seventy-five
18 thousandths percent of the hospital's taxable gross receipts
19 for that reporting period after all applicable deductions have
20 been taken; [and]

21 (2) for a hospital that is not a qualifying
22 hospital and that is located in the unincorporated area of a
23 county,

24 ~~[(a) on or after July 1, 2007 but before~~
25 ~~July 1, 2008, in an amount equal to one percent of the~~

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1 ~~hospital's taxable gross receipts for that reporting period~~
2 ~~after all applicable deductions have been taken;~~

3 ~~(b) on or after July 1, 2008, but before~~
4 ~~July 1, 2009, in an amount equal to two percent of the~~
5 ~~hospital's taxable gross receipts for that reporting period~~
6 ~~after all applicable deductions have been taken;~~

7 ~~(c) on or after July 1, 2009 but before~~
8 ~~July 1, 2010, in an amount equal to three percent of the~~
9 ~~hospital's taxable gross receipts for that reporting period~~
10 ~~after all applicable deductions have been taken;~~

11 ~~(d) on or after July 1, 2010 but before~~
12 ~~July 1, 2011, in an amount equal to four percent of the~~
13 ~~hospital's taxable gross receipts for that reporting period~~
14 ~~after all applicable deductions have been taken; and~~

15 ~~(e) on or after July 1, 2011]~~ in an
16 amount equal to five percent of the hospital's taxable gross
17 receipts for that reporting period after all applicable
18 deductions have been taken; and

19 (3) for a qualifying hospital, in an amount
20 equal to two percent of the hospital's taxable gross receipts
21 for that reporting period after all applicable deductions have
22 been taken.

23 B. For the purposes of this section:

24 (1) "hospital" means a facility providing
25 emergency or urgent care, inpatient medical care and nursing

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1 care for acute illness, injury, surgery or obstetrics and
2 includes a facility licensed by the department of health as a
3 critical access hospital, general hospital, long-term acute
4 care hospital, psychiatric hospital, rehabilitation hospital,
5 limited services hospital and special hospital; and

6 (2) "qualifying hospital" means an acute care
7 general hospital licensed by the department of health that is
8 qualified to receive payments from the safety net care pool
9 pursuant to an agreement with the federal centers for medicare
10 and medicaid services."

11 SECTION 4. REPEAL.--Section 7-9-73.1 NMSA 1978 (being
12 Laws 1991, Chapter 8, Section 3, as amended) is repealed.

13 SECTION 5. EFFECTIVE DATE.--The effective date of the
14 provisions of this act is July 1, 2015.