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AN ACT

RELATING TO TAXATION; EXTENDING A GROSS RECEIPTS TAX
DEDUCTION FOR DIALYSIS FACILITIES; AMENDING THE DEFINITION OF
"DIALYSIS FACILITY" IN THE DEDUCTION.

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

SECTION 1. Section 7-9-77.1 NMSA 1978 (being Laws 1998,
Chapter 96, Section 1, as amended by Laws 2021, Chapter 54,
Section 1 and by Laws 2021, Chapter 65, Section 24) is
amended to read:

"7-9-77.1. DEDUCTION--GROSS RECEIPTS TAX--CERTAIN
MEDICAL AND HEALTH CARE SERVICES.--

A. Receipts of a health care practitioner or an
association of health care practitioners from payments by the
United States government or any agency thereof for provision
of medical and other health services by a health care
practitioner or of medical or other health and palliative
services by hospices or nursing homes to medicare
beneficiaries pursuant to the provisions of Title 18 of the
federal Social Security Act may be deducted from gross
receipts.

B. Receipts of a health care practitioner or an
association of health care practitioners from payments by a
third-party administrator of the federal TRICARE program for
provision of medical and other health services by medical

1 doctors and osteopathic physicians to covered beneficiaries
2 may be deducted from gross receipts.

3 C. Receipts of a health care practitioner or an
4 association of health care practitioners from payments by or
5 on behalf of the Indian health service of the United States
6 department of health and human services for provision of
7 medical and other health services by medical doctors and
8 osteopathic physicians to covered beneficiaries may be
9 deducted from gross receipts.

10 D. Receipts of a clinical laboratory from payments
11 by the United States government or any agency thereof for
12 medical services provided by the clinical laboratory to
13 medicare beneficiaries pursuant to the provisions of Title 18
14 of the federal Social Security Act may be deducted from gross
15 receipts.

16 E. Receipts of a home health agency from payments
17 by the United States government or any agency thereof for
18 medical, other health and palliative services provided by the
19 home health agency to medicare beneficiaries pursuant to the
20 provisions of Title 18 of the federal Social Security Act may
21 be deducted from gross receipts.

22 F. Prior to July 1, 2032, receipts of a dialysis
23 facility from payments by the United States government or any
24 agency thereof for medical and other health services provided
25 by the dialysis facility to medicare beneficiaries pursuant

1 to the provisions of Title 18 of the federal Social Security
2 Act may be deducted from gross receipts.

3 G. A taxpayer allowed a deduction pursuant to this
4 section shall report the amount of the deduction separately
5 in a manner required by the department. A taxpayer who has
6 receipts that are deductible pursuant to this section and
7 Section 7-9-93 NMSA 1978 shall deduct the receipts under this
8 section prior to calculating the receipts that may be
9 deducted pursuant to Section 7-9-93 NMSA 1978.

10 H. The department shall compile an annual report
11 on the deductions created pursuant to this section that shall
12 include the number of taxpayers approved by the department to
13 receive each deduction, the aggregate amount of deductions
14 approved and any other information necessary to evaluate the
15 effectiveness of the deductions. The department shall
16 compile and present the annual reports to the revenue
17 stabilization and tax policy committee and the legislative
18 finance committee with an analysis of the effectiveness and
19 cost of the deductions and whether the deductions are
20 providing a benefit to the state.

21 I. For the purposes of this section:

22 (1) "association of health care
23 practitioners" means a corporation, unincorporated business
24 entity or other legal entity organized by, owned by or
25 employing one or more health care practitioners; provided

1 that the entity is not:

2 (a) an organization granted exemption
3 from the federal income tax by the United States commissioner
4 of internal revenue as organizations described in Section
5 501(c)(3) of the United States Internal Revenue Code of 1986,
6 as that section may be amended or renumbered; or

7 (b) a health maintenance organization,
8 hospital, hospice, nursing home or an entity that is solely
9 an outpatient facility or intermediate care facility licensed
10 pursuant to the Public Health Act;

11 (2) "clinical laboratory" means a laboratory
12 accredited pursuant to 42 USCA 263a;

13 (3) "dialysis facility" means a facility
14 that provides outpatient maintenance dialysis services or
15 home dialysis training and support services, including a
16 facility considered by the federal centers for medicare and
17 medicaid services to be an independent or hospital-based
18 facility that includes a self-care dialysis unit that
19 furnishes only self-dialysis services;

20 (4) "health care practitioner" means:

21 (a) an athletic trainer licensed
22 pursuant to the Athletic Trainer Practice Act;

23 (b) an audiologist licensed pursuant to
24 the Speech-Language Pathology, Audiology and Hearing Aid
25 Dispensing Practices Act;

1 (c) a chiropractic physician licensed
2 pursuant to the Chiropractic Physician Practice Act;

3 (d) a counselor or therapist
4 practitioner licensed pursuant to the Counseling and Therapy
5 Practice Act;

6 (e) a dentist licensed pursuant to the
7 Dental Health Care Act;

8 (f) a doctor of oriental medicine
9 licensed pursuant to the Acupuncture and Oriental Medicine
10 Practice Act;

11 (g) an independent social worker
12 licensed pursuant to the Social Work Practice Act;

13 (h) a massage therapist licensed
14 pursuant to the Massage Therapy Practice Act;

15 (i) a naprapath licensed pursuant to
16 the Naprapathic Practice Act;

17 (j) a nutritionist or dietitian
18 licensed pursuant to the Nutrition and Dietetics Practice
19 Act;

20 (k) an occupational therapist licensed
21 pursuant to the Occupational Therapy Act;

22 (l) an optometrist licensed pursuant to
23 the Optometry Act;

24 (m) an osteopathic physician licensed
25 pursuant to the Medical Practice Act;

1 (n) a pharmacist licensed pursuant to
2 the Pharmacy Act;

3 (o) a physical therapist licensed
4 pursuant to the Physical Therapy Act;

5 (p) a physician licensed pursuant to
6 the Medical Practice Act;

7 (q) a podiatrist licensed pursuant to
8 the Podiatry Act;

9 (r) a psychologist licensed pursuant to
10 the Professional Psychologist Act;

11 (s) a radiologic technologist licensed
12 pursuant to the Medical Imaging and Radiation Therapy Health
13 and Safety Act;

14 (t) a registered nurse licensed
15 pursuant to the Nursing Practice Act;

16 (u) a respiratory care practitioner
17 licensed pursuant to the Respiratory Care Act; and

18 (v) a speech-language pathologist
19 licensed pursuant to the Speech-Language Pathology, Audiology
20 and Hearing Aid Dispensing Practices Act;

21 (5) "home health agency" means a for-profit
22 entity that is licensed by the department of health and
23 certified by the federal centers for medicare and medicaid
24 services as a home health agency and certified to provide
25 medicare services;

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(6) "hospice" means a for-profit entity licensed by the department of health as a hospice and certified to provide medicare services;

(7) "nursing home" means a for-profit entity licensed by the department of health as a nursing home and certified to provide medicare services; and

(8) "TRICARE program" means the program defined in 10 U.S.C. 1072(7)."

SECTION 2. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2022. _____