

FIFTY-SEVENTH LEGISLATURE
FIRST REGULAR SESSION, 2025

HB 14/a

March 18, 2025

Mr. President:

Your **TAX, BUSINESS AND TRANSPORTATION COMMITTEE**, to whom has been referred

**HOUSE TAXATION & REVENUE
COMMITTEE SUBSTITUTE FOR HOUSE BILL 14**

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. On page 1, line 17, before the period, insert "; CREATING THE VOLUNTEER EMERGENCY MEDICAL SERVICES INCOME TAX CREDIT AND THE VOLUNTEER FIREFIGHTER INCOME TAX CREDIT; CREATING THE VOLUNTEER SEARCH AND RESCUE INCOME TAX CREDIT; CREATING THE LOCAL JOURNALIST EMPLOYMENT INCOME TAX CREDIT AND LOCAL JOURNALIST EMPLOYMENT CORPORATE INCOME TAX CREDIT; CREATING THE LOCAL NEWS PRINTER INCOME TAX CREDIT AND LOCAL NEWS PRINTER CORPORATE INCOME TAX CREDIT; CREATING THE FOSTER PARENT AND GUARDIAN INCOME TAX CREDIT; CREATING THE QUANTUM FACILITY INFRASTRUCTURE INCOME TAX CREDIT AND QUANTUM FACILITY INFRASTRUCTURE CORPORATE INCOME TAX CREDIT; AMENDING A GROSS RECEIPTS TAX DEDUCTION FOR HEALTH CARE PRACTITIONERS TO INCLUDE COINSURANCE PAID BY A PATIENT; DISTRIBUTING A PORTION OF THE GOVERNMENTAL GROSS RECEIPTS TAX TO A NEW UNIVERSITY SCHOOL OF MEDICINE FUND; REQUIRING THE UNIVERSITY OF NEW MEXICO SCHOOL OF MEDICINE TO MAKE DEPOSITS TO THE UNIVERSITY SCHOOL OF MEDICINE FUND; INCREASING LIQUOR EXCISE TAX RATES; CREATING A GAMING TAX EXEMPTION FOR A GAMING OPERATOR LICENSEE LOCATED IN AN AREA DECLARED AS A DISASTER AREA DUE TO A WILDFIRE; AMENDING, REPEALING AND ENACTING SECTIONS OF THE NMSA".

2. On page 10, line 14, after "are", insert "oil and".

3. On page 10, line 19, after "value", insert ", as determined pursuant to Section 7-31-5 NMSA 1978,".

4. On page 18, between lines 10 and 11, insert:

"SECTION 9. A new section of the Income Tax Act is enacted to read:

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"[NEW MATERIAL] VOLUNTEER EMERGENCY MEDICAL SERVICES INCOME TAX CREDIT.--

A. For taxable years ending prior to January 1, 2030, a taxpayer who is not a dependent of another individual, is an eligible emergency medical services volunteer and volunteers in New Mexico with an emergency medical service agency or ambulance certified by the bureau at least fifty-two times in a taxable year may claim a tax credit against the taxpayer's tax liability for that taxable year imposed pursuant to the Income Tax Act. The tax credit provided in this section may be referred to as the "volunteer emergency medical services income tax credit".

B. The volunteer emergency medical services income tax credit shall be in an amount equal to five hundred dollars (\$500).

C. A taxpayer shall apply for certification of eligibility from the bureau on forms and in the manner prescribed by the bureau. The application shall include proof that the taxpayer was an active emergency medical services volunteer for the entire taxable year for which the credit is being claimed and volunteered in New Mexico with an emergency medical service agency or ambulance certified by the bureau at least fifty-two times in the taxable year.

D. If the bureau determines that a taxpayer meets the requirements to claim the tax credit, the bureau shall issue to the taxpayer a dated certificate of eligibility providing the amount of the tax credit for which the taxpayer is eligible and the taxable year in which the credit may be claimed. The aggregate amount of tax credits that may be certified for any calendar year is two million dollars (\$2,000,000). Completed applications shall be considered in the order received, and applications received after the limitation has been met in a calendar year shall not be approved. The bureau shall provide the department with the certificates of eligibility issued pursuant to this subsection in an electronic format at regularly agreed-upon intervals.

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E. A taxpayer allowed to claim the tax credit shall claim the tax credit in a manner prescribed by the department. A taxpayer shall not be allowed to claim the tax credit for the same taxable year the taxpayer has claimed the volunteer firefighter income tax credit.

F. That portion of the tax credit that exceeds a taxpayer's tax liability in the taxable year in which the tax credit is claimed shall be refunded to the taxpayer.

G. The tax credit provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the tax credit.

H. As used in this section:

(1) "bureau" means the emergency medical systems bureau of the public health division of the department of health;

(2) "eligible emergency medical services volunteer" means a person who is licensed by the bureau and who functions within the emergency medical services system to provide initial emergency medical services as an unpaid volunteer with an emergency medical service agency or ambulance certified by the bureau;

(3) "emergency medical services" means the services rendered in response to an individual's need for immediate medical care to prevent loss of life or aggravation of physical or psychological illness or injury;

(4) "emergency medical services system" means a coordinated system of health care delivery that responds to the needs of the sick and injured and includes emergency medical services and emergency medical dispatch; and

(5) "to volunteer" includes responding to requests for emergency medical service or providing in a day at least one

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hour of on-duty volunteer station time."

SECTION 10. A new section of the Income Tax Act is enacted to read:

"[NEW MATERIAL] VOLUNTEER FIREFIGHTER INCOME TAX CREDIT.--

A. For taxable years ending prior to January 1, 2030, a taxpayer who is not a dependent of another individual, is an eligible volunteer firefighter and volunteers in New Mexico with a fire department approved by the state fire marshal's office at least fifty-two times in a taxable year may claim a tax credit against the taxpayer's tax liability for that taxable year imposed pursuant to the Income Tax Act. The tax credit provided in this section may be referred to as the "volunteer firefighter income tax credit".

B. The volunteer firefighter income tax credit shall be in an amount equal to five hundred dollars (\$500).

C. A taxpayer shall apply for certification of eligibility from the state fire marshal's office on forms and in the manner prescribed by that office. The application shall include proof that the taxpayer was an active volunteer for the entire taxable year for which the credit is being claimed and volunteered in New Mexico with a fire department approved by the state fire marshal's office at least fifty-two times in the taxable year.

D. If the state fire marshal's office determines that a taxpayer meets the requirements to claim the tax credit, the office shall issue to the taxpayer a dated certificate of eligibility providing the amount of the tax credit for which the taxpayer is eligible and the taxable year in which the credit may be claimed. The aggregate amount of tax credits that may be certified for any calendar year is two million dollars (\$2,000,000). Completed applications shall be considered in the order received, and applications received after the limitation has been met shall not be approved. The state fire marshal's office shall provide the

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department with the certificates of eligibility issued pursuant to this subsection in an electronic format at regularly agreed-upon intervals.

E. A taxpayer allowed to claim the tax credit shall claim the tax credit in a manner prescribed by the department. A taxpayer shall not be allowed to claim the tax credit for the same taxable year the taxpayer has claimed the volunteer emergency medical services income tax credit.

F. That portion of the tax credit that exceeds a taxpayer's tax liability in the taxable year in which the tax credit is claimed shall be refunded to the taxpayer.

G. The tax credit provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the tax credit.

H. As used in this section:

(1) "eligible volunteer firefighter" means a firefighter who is listed as an active member on the rolls of a fire department certified by the state fire marshal's office and who provides firefighter services as an unpaid volunteer; and

(2) "to volunteer" includes responding to requests for a fire department service and providing in a day at least one hour of on-duty station time."".

5. On page 18, between lines 10 and 11, insert:

"SECTION 11. A new section of the Income Tax Act is enacted to read:

"[NEW MATERIAL] VOLUNTEER SEARCH AND RESCUE INCOME TAX CREDIT.--

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A. For taxable years ending prior to January 1, 2030, a taxpayer who is not a dependent of another individual and volunteers in New Mexico at least six times or for at least sixty hours in a taxable year may claim a tax credit against the taxpayer's tax liability for that taxable year imposed pursuant to the Income Tax Act. The tax credit provided in this section may be referred to as the "volunteer search and rescue income tax credit".

B. The volunteer search and rescue income tax credit shall be in an amount equal to:

(1) two hundred fifty dollars (\$250) if the taxpayer volunteers between six and eleven times or volunteers for a total of between sixty and one hundred twenty hours; or

(2) five hundred dollars (\$500) if the taxpayer volunteers twelve times or more or volunteers for a total of at least one hundred twenty hours.

C. A taxpayer shall apply for certification of eligibility from the resource officer on forms and in the manner prescribed by the resource officer. If the resource officer determines that a taxpayer meets the requirements to claim the tax credit, the resource officer shall issue to the taxpayer a dated certificate of eligibility providing the amount of the tax credit for which the taxpayer is eligible and the taxable year in which the credit may be claimed. The aggregate amount of tax credits that may be certified for any calendar year shall not exceed one million five hundred thousand dollars (\$1,500,000). Completed applications shall be considered in the order received, and applications received after the limitation has been met shall not be approved. The resource officer shall provide the department with the certificates of eligibility issued pursuant to this subsection in an electronic format at regularly agreed-upon intervals.

D. A taxpayer allowed to claim the tax credit shall claim the tax credit in a manner prescribed by the department.

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E. That portion of the tax credit that exceeds a taxpayer's tax liability in the taxable year in which the tax credit is claimed shall be refunded to the taxpayer.

F. Married individuals filing separate returns for a taxable year for which they could have filed a joint return may each claim only one-half of the volunteer search and rescue income tax credit that would have been claimed on a joint return.

G. The credit provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the credit.

H. As used in this section:

(1) "mission" means each separate group effort of search and rescue that is approved and issued a mission number by the New Mexico state police division of the department of public safety;

(2) "resource officer" means the state search and rescue resource officer in the department of public safety;

(3) "search and rescue" means the employment, coordination and utilization of available resources and personnel in searching for, rendering aid to and preserving the lives of people lost, stranded, entrapped, injured or in distress and removing these people from the site of a disaster, emergency or hazard to a place of safety; and

(4) "volunteer" means participating in a search and rescue mission as a nonsalaried volunteer."".

6. On page 18, between lines 10 and 11, insert:

"SECTION 12. A new section of the Income Tax Act is enacted to read:

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**"[NEW MATERIAL] LOCAL JOURNALIST EMPLOYMENT INCOME TAX
CREDIT.--**

A. For taxable years ending prior to January 1, 2030, a taxpayer who is not a dependent of another individual and is an owner of a local news organization that employs a journalist may claim a credit against the taxpayer's tax liability imposed pursuant to the Income Tax Act in an amount provided in Subsection B of this section. The tax credit provided by this section may be referred to as the "local journalist employment income tax credit".

B. The amount of tax credit shall be in an amount equal to fifteen percent of compensation paid to each journalist employed by a local news organization.

C. A taxpayer shall apply for certification of eligibility for the tax credit from the department on forms and in the manner prescribed by the department within one year following the end of the calendar year in which the compensation is paid. A taxpayer shall not be eligible to receive a tax credit for more than seventy-five journalists whom the taxpayer employs as a local news organization and, except as provided in Subsections G and H of this section, a taxpayer shall not claim a tax credit for the same journalist more than once per taxable year.

D. The total annual aggregate amount of local journalist employment income tax credits and local journalist employment corporate income tax credits that may be certified in a calendar year shall not exceed two million dollars (\$2,000,000). Completed applications shall be considered in the order received, and applications received after the limitation has been met shall not be approved.

E. If the department determines that the taxpayer meets the requirements of this section, the department shall issue a dated certificate of eligibility to the taxpayer providing the amount of

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tax credit for which the taxpayer is eligible and the taxable years in which the credit may be claimed.

F. That portion of tax credit that exceeds a taxpayer's income tax liability in the taxable year in which the credit is claimed shall be refunded to the taxpayer.

G. Married individuals filing separate returns for a taxable year for which they could have filed a joint return may each claim only one-half of the tax credit that would have been claimed on a joint return.

H. A taxpayer may be allocated the right to claim the tax credit in proportion to the taxpayer's ownership interest if the taxpayer owns an interest in a business entity that is taxed for federal income tax purposes as a partnership or limited liability company and the business entity has met all requirements to be eligible for the credit. The total credit claimed by all members of the partnership or limited liability company shall not exceed the allowable credit pursuant to this section.

I. A taxpayer allowed to claim a tax credit pursuant to this section shall claim the tax credit in a manner required by the department.

J. The tax credit provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the tax credit.

K. As used in this section:

(1) "compensation" means not more than fifty thousand dollars (\$50,000) in compensation paid by a local news organization to a journalist through the organization's payroll system, including that compensation that the journalist elects to defer or redirect or the journalist's contribution to a 401(k) or cafeteria plan program. "Compensation" does not mean benefits or the organization's share of

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payroll taxes, social security or medicare contributions, federal or state unemployment insurance contributions or workers' compensation;

(2) "journalist" means a person who:

(a) is paid by a local news organization to regularly gather, prepare, collect, photograph, record, direct the recording of, produce, write, edit, report or publish news or information that concerns state or local events or other matters of public interest for dissemination to the state or a local community through reporting activities, including conducting interviews, observing current events or analyzing documents;

(b) resides within fifty miles of the coverage area assigned by the local news organization; and

(c) works as a journalist for the local news organization for at least twenty-five percent of the taxable year in which the credit is claimed; and

(3) "local news organization" means an entity that:

(a) provides a print or digital publication that engages professionals who regularly gather, prepare, collect, photograph, record, direct the recording of, produce, write, edit, report or publish news or information that concerns events in New Mexico or a local community in New Mexico or other matters of public interest for dissemination to New Mexico or a local community in New Mexico through reporting activities, including conducting interviews, observing current events or analyzing documents;

(b) pays at least one individual, either through employment or by contract with the entity, as a journalist;

(c) in the case of print publications, has published at least one print publication per month over the previous twenty-four months and holds a valid United States postal service

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periodical permit or has at least thirty percent of its content dedicated to news concerning New Mexico or a local community in New Mexico;

(d) in the case of digital-only entities, has published at least four originally produced stories about New Mexico or a local community in New Mexico per week over the previous twenty-four months and has at least fifty percent of its digital audience in New Mexico, averaged over a twelve-month period;

(e) discloses in its print publication or on its website its beneficial ownership or, in the case of a not-for-profit entity, its board of directors;

(f) in the case of an organization that demonstrates to the department that the organization has been granted exemption from the federal income tax by the United States commissioner of internal revenue as organizations described in Section 501(c)(3) of the Internal Revenue Code, has declared the coverage of state or local news as the stated mission in its filings with the federal internal revenue service;

(g) has not received more than ten percent of its gross receipts for the previous year from political action committees or other entities described in Section 527 of the Internal Revenue Code, or from an organization that has been granted exemption from the federal income tax by the United States commissioner of internal revenue as an organization described in Section 501(c)(4) or 501(c)(6) of the Internal Revenue Code; and

(h) is not a publicly traded entity or is no more than forty-nine percent owned, directly or indirectly, by a publicly traded entity or subsidiary."

SECTION 13. A new section of the Corporate Income and Franchise Tax Act is enacted to read:

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**"[NEW MATERIAL] LOCAL JOURNALIST EMPLOYMENT CORPORATE INCOME
TAX CREDIT.--**

A. For taxable years ending prior to January 1, 2030, a taxpayer that is a local news organization that employs a journalist may claim a credit against the taxpayer's tax liability imposed pursuant to the Corporate Income and Franchise Tax Act in an amount provided in Subsection B of this section. The tax credit provided by this section may be referred to as the "local journalist employment corporate income tax credit".

B. The amount of tax credit shall be in an amount equal to fifteen percent of compensation paid to each journalist employed by a local news organization.

C. A taxpayer shall apply for certification of eligibility for the tax credit from the department on forms and in the manner prescribed by the department within one year following the end of the calendar year in which the compensation is paid. A taxpayer shall not be eligible to receive a tax credit for more than seventy-five journalists whom the taxpayer employs as a local news organization, and a taxpayer shall not claim a tax credit for the same journalist more than once per taxable year.

D. The total annual aggregate amount of local journalist employment corporate income tax credits and local journalist employment income tax credits that may be certified in a calendar year shall not exceed two million dollars (\$2,000,000). Completed applications shall be considered in the order received, and applications received after the limitation has been met shall not be approved.

E. If the department determines that the taxpayer meets the requirements of this section, the department shall issue a dated certificate of eligibility to the taxpayer providing the amount of tax credit for which the taxpayer is eligible and the taxable years in which the credit may be claimed.

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F. That portion of tax credit that exceeds a taxpayer's corporate income tax liability in the taxable year in which the credit is claimed shall be refunded to the taxpayer.

G. A taxpayer allowed to claim a tax credit pursuant to this section shall claim the tax credit in a manner required by the department.

H. The tax credit provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the tax credit.

I. As used in this section:

(1) "compensation" means not more than fifty thousand dollars (\$50,000) in compensation paid by a local news organization to a journalist through the organization's payroll system, including that compensation that the journalist elects to defer or redirect or the journalist's contribution to a 401(k) or cafeteria plan program. "Compensation" does not mean benefits or the organization's share of payroll taxes, social security or medicare contributions, federal or state unemployment insurance contributions or workers' compensation;

(2) "journalist" means a person who:

(a) is paid by a local news organization to regularly gather, prepare, collect, photograph, record, direct the recording of, produce, write, edit, report or publish news or information that concerns state or local events or other matters of public interest for dissemination to the state or a local community through reporting activities, including conducting interviews, observing current events or analyzing documents;

(b) resides within fifty miles of the coverage area assigned by the local news organization; and

(c) works as a journalist for the local news

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organization for at least twenty-five percent of the taxable year in which the credit is claimed; and

(3) "local news organization" means an entity that:

(a) provides a print or digital publication that engages professionals who regularly gather, prepare, collect, photograph, record, direct the recording of, produce, write, edit, report or publish news or information that concerns events in New Mexico or a local community in New Mexico or other matters of public interest for dissemination to New Mexico or a local community in New Mexico through reporting activities, including conducting interviews, observing current events or analyzing documents;

(b) pays at least one individual, either through employment or by contract with the entity, as a journalist;

(c) in the case of print publications, has published at least one print publication per month over the previous twenty-four months and holds a valid United States postal service periodical permit or has at least thirty percent of its content dedicated to news concerning New Mexico or a local community in New Mexico;

(d) in the case of digital-only entities, has published at least four originally produced stories about New Mexico or a local community in New Mexico per week over the previous twenty-four months and has at least fifty percent of its digital audience in New Mexico, averaged over a twelve- month period;

(e) discloses in its print publication or on its website its beneficial ownership or, in the case of a not-for-profit entity, its board of directors;

(f) in the case of an organization that demonstrates to the department that the organization has been granted exemption from the federal income tax by the United States

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commissioner of internal revenue as organizations described in Section 501(c)(3) of the Internal Revenue Code, has declared the coverage of state or local news as the stated mission in its filings with the federal internal revenue service;

(g) has not received more than ten percent of its gross receipts for the previous year from political action committees or other entities described in Section 527 of the Internal Revenue Code, or from an organization that has been granted exemption from the federal income tax by the United States commissioner of internal revenue as an organization described in Section 501(c)(4) or 501(c)(6) of the Internal Revenue Code; and

(h) is not a publicly traded entity or is no more than forty-nine percent owned, directly or indirectly, by a publicly traded entity or subsidiary."".

7. On page 18, between lines 10 and 11, insert:

"SECTION 14. A new section of the Income Tax Act is enacted to read:

"[NEW MATERIAL] LOCAL NEWS PRINTER INCOME TAX CREDIT.--

A. For taxable years ending prior to January 1, 2030, a taxpayer who is not a dependent of another individual and is an owner of a local news printer that employs a qualified employee may claim a credit against the taxpayer's tax liability imposed pursuant to the Income Tax Act in an amount provided in Subsection B of this section. The tax credit provided by this section may be referred to as the "local news printer income tax credit".

B. The amount of tax credit shall be in an amount equal to the compensation paid to each qualified employee employed by a local news printer in the taxable year for which the tax credit is claimed, not to exceed:

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(1) ten thousand dollars (\$10,000) for a qualified employee working an average of twenty hours or more per week in the taxable year; and

(2) five thousand dollars (\$5,000) for a qualified employee working an average of less than twenty hours per week in the taxable year.

C. A taxpayer shall apply for certification of eligibility for the tax credit from the department on forms and in the manner prescribed by the department within one year following the end of the calendar year in which the compensation is paid. A taxpayer shall not be eligible to receive a tax credit for more than one hundred qualified employees whom the taxpayer employs as a local news printer and, except as provided in Subsections G and H of this section, only one tax credit shall be certified for each qualified employee employed by a local news printer per taxable year.

D. The total annual aggregate amount of local news printer income tax credits and local news printer corporate income tax credits that may be certified in a calendar year shall not exceed one million dollars (\$1,000,000). Completed applications shall be considered in the order received, and applications received after the limitation has been met shall not be approved.

E. If the department determines that the taxpayer meets the requirements of this section, the department shall issue a dated certificate of eligibility to the taxpayer providing the amount of tax credit for which the taxpayer is eligible and the taxable years in which the credit may be claimed.

F. That portion of tax credit that exceeds a taxpayer's income tax liability in the taxable year in which the credit is claimed shall be refunded to the taxpayer.

G. Married individuals filing separate returns for a taxable year for which they could have filed a joint return may each

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claim only one-half of the tax credit that would have been claimed on a joint return.

H. A taxpayer may be allocated the right to claim the tax credit in proportion to the taxpayer's ownership interest if the taxpayer owns an interest in a business entity that is taxed for federal income tax purposes as a partnership or limited liability company and the business entity has met all requirements to be eligible for the credit. The total credit claimed by all members of the partnership or limited liability company shall not exceed the allowable credit pursuant to this section.

I. A taxpayer allowed to claim a tax credit pursuant to this section shall claim the tax credit in a manner required by the department.

J. The credit provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the credit.

K. As used in this section:

(1) "compensation" means compensation paid by a local news printer to a qualified employee through the organization's payroll system, including that compensation that the qualified employee elects to defer or redirect or the qualified employee's contribution to a 401(k) or cafeteria plan program. "Compensation" does not mean benefits or the organization's share of payroll taxes, social security or medicare contributions, federal or state unemployment insurance contributions or workers' compensation;

(2) "local news organization" means an entity that:

(a) provides a print or digital publication that engages professionals who regularly gather, prepare, collect, photograph, record, direct the recording of, produce, write, edit, report or publish news or information that concerns events in New

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Mexico or a local community in New Mexico or other matters of public interest for dissemination to New Mexico or a local community in New Mexico through reporting activities, including conducting interviews, observing current events or analyzing documents;

(b) pays at least one individual, either through employment or by contract with the entity, as a qualified employee;

(c) in the case of print publications, has published at least one print publication per month over the previous thirty-six months and holds a valid United States postal service periodical permit or has at least thirty percent of its content dedicated to news concerning New Mexico or a local community in New Mexico;

(d) in the case of digital-only entities, has published at least five originally produced stories about New Mexico or a local community in New Mexico per week over the previous thirty-six months and has at least fifty percent of its digital audience in New Mexico, averaged over a twelve-month period;

(e) discloses in its print publication or on its website its beneficial ownership or, in the case of a not-for-profit entity, its board of directors;

(f) in the case of an organization that demonstrates to the department that the organization has been granted exemption from the federal income tax by the United States commissioner of internal revenue as organizations described in Section 501(c)(3) of the Internal Revenue Code, has declared the coverage of state or local news as the stated mission in its filings with the federal internal revenue service;

(g) has not received more than ten percent of its gross receipts for the previous year from political action committees or other entities described in Section 527 of the Internal Revenue Code, or from an organization that has been granted

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exemption from the federal income tax by the United States commissioner of internal revenue as an organization described in Section 501(c)(4) or 501(c)(6) of the Internal Revenue Code; and

(h) is not a publicly traded entity or is no more than forty-nine percent owned, directly or indirectly, by a publicly traded entity or subsidiary;

(3) "local news printer" means an entity that:

(a) provides manufacturing, production and printing services using a web press designed and optimized for printing newspapers for a local news organization;

(b) has been engaging in the business of manufacturing, producing and printing newspapers for at least five years;

(c) employs at least five qualified employees;
and

(d) is not a publicly traded entity or is no more than forty-nine percent owned, directly or indirectly, by a publicly traded entity or subsidiary; and

(4) "qualified employee" means a person who:

(a) is paid by a local news printer to regularly perform duties related to pre-press, press and post-press newspaper production to prepare newspapers for transition to delivery and distribution personnel;

(b) works at a physical location in New Mexico;
and

(c) works as a qualified employee for the local news printer for at least twenty-five percent of the taxable year in

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which the credit is claimed."

SECTION 15. A new section of the Corporate Income and Franchise Tax Act is enacted to read:

"[NEW MATERIAL] LOCAL NEWS PRINTER CORPORATE INCOME TAX CREDIT.--

A. For taxable years ending prior to January 1, 2030, a taxpayer that is an owner of a local news printer that employs a qualified employee may claim a credit against the taxpayer's tax liability imposed pursuant to the Corporate Income and Franchise Tax Act in an amount provided in Subsection B of this section. The tax credit provided by this section may be referred to as the "local news printer corporate income tax credit".

B. The amount of tax credit shall be in an amount equal to the compensation paid to each qualified employee employed by a local news printer in the taxable year for which the tax credit is claimed, not to exceed:

(1) ten thousand dollars (\$10,000) for a qualified employee working an average of twenty hours or more per week in the taxable year; and

(2) five thousand dollars (\$5,000) for a qualified employee working an average of less than twenty hours per week in the taxable year.

C. A taxpayer shall apply for certification of eligibility for the tax credit from the department on forms and in the manner prescribed by the department within one year following the end of the calendar year in which the compensation is paid. A taxpayer shall not be eligible to receive a tax credit for more than one hundred qualified employees whom the taxpayer employs as a local news printer and only one tax credit shall be certified for each qualified employee employed by a local news printer per taxable

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year.

D. The total annual aggregate amount of local news printer corporate income tax credits and local news printer income tax credits that may be certified in a calendar year shall not exceed one million dollars (\$1,000,000). Completed applications shall be considered in the order received, and applications received after the limitation has been met shall not be approved.

E. If the department determines that the taxpayer meets the requirements of this section, the department shall issue a dated certificate of eligibility to the taxpayer providing the amount of tax credit for which the taxpayer is eligible and the taxable years in which the credit may be claimed.

F. That portion of tax credit that exceeds a taxpayer's income tax liability in the taxable year in which the credit is claimed shall be refunded to the taxpayer.

G. A taxpayer allowed to claim a tax credit pursuant to this section shall claim the tax credit in a manner required by the department.

H. The credit provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the credit.

I. As used in this section:

(1) "compensation" means compensation paid by a local news printer to a qualified employee through the organization's payroll system, including that compensation that the qualified employee elects to defer or redirect or the qualified employee's contribution to a 401(k) or cafeteria plan program. "Compensation" does not mean benefits or the organization's share of payroll taxes, social security or medicare contributions, federal or state unemployment insurance contributions or workers' compensation;

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(2) "local news organization" means an entity that:

(a) provides a print or digital publication that engages professionals who regularly gather, prepare, collect, photograph, record, direct the recording of, produce, write, edit, report or publish news or information that concerns events in New Mexico or a local community in New Mexico or other matters of public interest for dissemination to New Mexico or a local community in New Mexico through reporting activities, including conducting interviews, observing current events or analyzing documents;

(b) pays at least one individual, either through employment or by contract with the entity, as a qualified employee;

(c) in the case of print publications, has published at least one print publication per month over the previous thirty-six months and holds a valid United States postal service periodical permit or has at least thirty percent of its content dedicated to news concerning New Mexico or a local community in New Mexico;

(d) in the case of digital-only entities, has published at least five originally produced stories about New Mexico or a local community in New Mexico per week over the previous thirty-six months and has at least fifty percent of its digital audience in New Mexico, averaged over a twelve- month period;

(e) discloses in its print publication or on its website its beneficial ownership or, in the case of a not-for-profit entity, its board of directors;

(f) in the case of an organization that demonstrates to the department that the organization has been granted exemption from the federal income tax by the United States commissioner of internal revenue as organizations described in Section 501(c)(3) of the Internal Revenue Code, has declared the coverage of state or local news as the stated mission in its filings

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with the federal internal revenue service;

(g) has not received more than ten percent of its gross receipts for the previous year from political action committees or other entities described in Section 527 of the Internal Revenue Code, or from an organization that has been granted exemption from the federal income tax by the United States commissioner of internal revenue as an organization described in Section 501(c)(4) or 501(c)(6) of the Internal Revenue Code; and

(h) is not a publicly traded entity or is no more than forty-nine percent owned, directly or indirectly, by a publicly traded entity or subsidiary;

(3) "local news printer" means an entity that:

(a) provides manufacturing, production and printing services using a web press designed and optimized for printing newspapers for a local news organization;

(b) has been engaging in the business of manufacturing, producing and printing newspapers for at least five years;

(c) employs at least five qualified employees;
and

(d) is not a publicly traded entity or is no more than forty-nine percent owned, directly or indirectly, by a publicly traded entity or subsidiary; and

(4) "qualified employee" means a person who:

(a) is paid by a local news printer to regularly perform duties related to pre-press, press and post-press newspaper production to prepare newspapers for transition to delivery and distribution personnel;

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(b) works at a physical location in New Mexico;
and

(c) works as a qualified employee for the local news printer for at least twenty-five percent of the taxable year in which the credit is claimed."".

8. On page 18, between lines 10 and 11, insert:

"SECTION 16. A new section of the Income Tax Act is enacted to read:

"[NEW MATERIAL] CREDIT--FOSTER PARENT AND GUARDIAN INCOME TAX CREDIT.--

A. For taxable years ending prior to January 1, 2030, a taxpayer who is a resident, who is not a dependent of another individual and who is a foster parent or a guardian of a child may claim a credit against the taxpayer's tax liability imposed pursuant to the Income Tax Act. The credit authorized pursuant to this section may be referred to as the "foster parent and guardian income tax credit".

B. The amount of the tax credit shall be in an amount equal to two hundred fifty dollars (\$250) for each month the taxpayer is a foster parent or guardian of a child in the taxable year in which the tax credit is claimed; provided that the taxpayer shall be a foster parent or guardian for more than fifty percent of that month; and provided further that the maximum amount of credit that may be claimed by a taxpayer in a taxable year is three thousand dollars (\$3,000).

C. A taxpayer shall apply for certification of eligibility for the tax credit from the children, youth and families department on forms and in the manner prescribed by that department. Except as provided in Subsection E of this section, only one tax credit shall be certified per taxpayer per taxable year. If the children, youth

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and families department determines that the taxpayer meets the requirements of this section, that department shall issue a dated certificate of eligibility to the taxpayer providing the amount of tax credit for which the taxpayer is eligible and the taxable years in which the credit may be claimed. The children, youth and families department shall provide the department with the certificates of eligibility issued pursuant to this subsection in an electronic format at regularly agreed upon intervals.

D. That portion of the tax credit that exceeds a taxpayer's income tax liability in the taxable year in which the credit is claimed shall be refunded to the taxpayer.

E. Married individuals filing separate returns for a taxable year for which they could have filed a joint return may each claim only one-half of the tax credit that would have been claimed on a joint return.

F. A taxpayer allowed to claim a tax credit pursuant to this section shall claim the tax credit in a manner required by the department. The credit shall be claimed within one taxable year of the end of the year in which the children, youth and families department certifies the credit.

G. The credit provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the credit.

H. As used in this section:

(1) "child" means an unemancipated individual who has not reached eighteen years of age;

(2) "foster parent" means a person licensed or certified by the children, youth and families department or a child placement agency to provide care for children in the custody of the department or agency; and

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(3) "guardian" means a person appointed as a guardian by a court or an Indian tribal authority pursuant to the Kinship Guardianship Act, but does not include a person appointed as a guardian ad litem."".

9. On page 18, between lines 10 and 11, insert:

"SECTION 17. A new section of the Income Tax Act is enacted to read:

"[NEW MATERIAL] QUANTUM FACILITY INFRASTRUCTURE INCOME TAX CREDIT.--

A. For taxable years beginning on or after January 1, 2026 and ending prior to January 1, 2031, a taxpayer who is not a dependent of another individual and who makes at least three million dollars (\$3,000,000) in qualified expenditures for infrastructure for a quantum facility located in New Mexico may claim a credit against the taxpayer's tax liability imposed pursuant to the Income Tax Act in the amount provided in Subsection B of this section. The credit provided by this section may be referred to as the "quantum facility infrastructure income tax credit".

B. Subject to the total aggregate amount allowed pursuant to Subsection D of this section, the amount of credit shall be in an amount equal to fifteen percent of the amount of the qualified expenditures made by the taxpayer for infrastructure for a quantum facility, not to exceed ten million dollars (\$10,000,000) per quantum facility.

C. Prior to incurring a qualified expenditure, a taxpayer shall apply for preliminary certification of eligibility for the credit from the economic development department on forms and in the manner prescribed by that department. Such preliminary certification shall be limited to confirming that the qualified expenditures proposed to be made by the taxpayer will in whole or in part be used to provide infrastructure for a quantum facility and

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providing an estimate of the amount of credit for which the taxpayer may be eligible. Only one certificate of eligibility shall be issued for a quantum facility, regardless of ownership of the facility.

D. Within twelve months of completion of construction of a quantum facility, the taxpayer shall seek final certification from the economic development department. The total annual aggregate amount of quantum facility infrastructure income tax credits and quantum facility infrastructure corporate income tax credits that may be certified in any calendar year shall not exceed fifteen million dollars (\$15,000,000). Completed applications shall be considered in the order received, and applications received after the limitation has been met shall not be approved. An application for final certification shall include information required by the economic development department to determine eligibility for the credit, including information substantiating qualified expenditures. If that department determines that the taxpayer meets the requirements of this section, that department shall issue a dated certificate of eligibility to the taxpayer providing the amount of credit for which the taxpayer is eligible and the taxable years in which the credit may be claimed. The economic development department shall provide the department with the certificates of eligibility issued pursuant to this subsection in secure electronic format at regularly agreed-upon intervals.

E. A taxpayer allowed to claim the credit shall claim the credit in a manner required by the department. The credit shall be claimed within one year of receiving final certification from the economic development department. The taxpayer shall claim the amount certified and approved against the taxpayer's income tax liability. Any amount of credit that exceeds the taxpayer's income tax liability shall be refunded to the taxpayer.

F. Married individuals filing separate returns for a taxable year for which they could have filed a joint return may each claim only one-half of the credit that would have been claimed on a

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joint return.

G. A taxpayer may be allocated the right to claim the credit in a proportion to the taxpayer's ownership interest if the taxpayer owns an interest in a business entity that is taxed for federal income tax purposes as a partnership or limited liability company and that business entity has met all of the requirements to be eligible for the credit. The total credit claimed by all members of the partnership or limited liability company shall not exceed the allowable credit pursuant to this section.

H. The tax credit provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the tax credit.

I. As used in this section:

(1) "qualified expenditure" means an expenditure made by a taxpayer for land and rent paid or incurred for land, improvements, buildings or infrastructure required for a quantum facility, but not including any expenditure for property that is owned by a municipality or county in connection with an industrial revenue bond project, property for which the taxpayer has received any credit pursuant to the Investment Credit Act or property that was owned by the taxpayer or an affiliate before January 1, 2025. If a "qualified expenditure" is an allocation of an expenditure, the cost accounting methodology used for the allocation of the expenditure shall be the same cost accounting methodology used by the taxpayer in its other business activities;

(2) "quantum facility" means a facility in New Mexico at which research and development in quantum technology is conducted, other than a facility operated by a taxpayer for the United States or any agency, department or instrumentality thereof; and

(3) "quantum technology" means technology that relies

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on quantum superposition or quantum entanglement or innovations that enable those technologies."

SECTION 18. A new section of the Corporate Income and Franchise Tax Act is enacted to read:

"[NEW MATERIAL] QUANTUM FACILITY INFRASTRUCTURE CORPORATE INCOME TAX CREDIT.--

A. For taxable years beginning on or after January 1, 2026 and ending prior to January 1, 2031, a taxpayer that makes at least three million dollars (\$3,000,000) in qualified expenditures for infrastructure for a quantum facility located in New Mexico may claim a credit against the taxpayer's tax liability imposed pursuant to the Corporate Income and Franchise Tax Act in the amount provided in Subsection B of this section. The credit provided by this section may be referred to as the "quantum facility infrastructure corporate income tax credit".

B. Subject to the total aggregate amount allowed pursuant to Subsection D of this section, the amount of credit shall be in an amount equal to fifteen percent of the amount of the qualified

expenditures made by the taxpayer for infrastructure for a quantum facility, not to exceed ten million dollars (\$10,000,000) per quantum facility.

C. Prior to incurring a qualified expenditure, a taxpayer shall apply for preliminary certification of eligibility for the credit from the economic development department on forms and in the manner prescribed by that department. Such preliminary certification shall be limited to confirming that the qualified expenditures proposed to be made by the taxpayer will in whole or in part be used to provide infrastructure for a quantum facility and providing an estimate of the amount of credit for which the taxpayer may be eligible. Only one certificate of eligibility shall be issued for a quantum facility, regardless of ownership of the

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facility.

D. Within twelve months of completion of construction of a quantum facility, the taxpayer shall seek final certification from the economic development department. The total annual aggregate amount of quantum facility infrastructure income tax credits and quantum facility infrastructure corporate income tax credits that may be certified in any calendar year shall not exceed fifteen million dollars (\$15,000,000). Completed applications shall be considered in the order received, and applications received after the limitation has been met shall not be approved. An application for final certification shall include information required by the economic development department to determine eligibility for the credit, including information substantiating qualified expenditures. If that department determines that the taxpayer meets the requirements of this section, that department shall issue a dated certificate of eligibility to the taxpayer providing the amount of credit for which the taxpayer is eligible and the taxable years in which the credit may be claimed. The economic development department shall provide the department with the certificates of eligibility issued pursuant to this subsection in secure electronic format at regularly agreed-upon intervals.

E. A taxpayer allowed to claim the credit shall claim the credit in a manner required by the department. The credit shall be claimed within one year of receiving final certification from the economic development department. The taxpayer shall claim the amount certified and approved against the taxpayer's income tax liability. Any amount of credit that exceeds the taxpayer's income tax liability shall be refunded to the taxpayer.

F. The tax credit provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the tax credit.

G. As used in this section:

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(1) "qualified expenditure" means an expenditure made by a taxpayer for land and rent paid or incurred for land, improvements, buildings or infrastructure required for a quantum facility, but not including any expenditure for property that is owned by a municipality or county in connection with an industrial revenue bond project, property for which the taxpayer has received any credit pursuant to the Investment Credit Act or property that was owned by the taxpayer or an affiliate before January 1, 2025. If a "qualified expenditure" is an allocation of an expenditure, the cost accounting methodology used for the allocation of the expenditure shall be the same cost accounting methodology used by the taxpayer in its other business activities;

(2) "quantum facility" means a facility in New Mexico at which research and development in quantum technology is conducted, other than a facility operated by a taxpayer for the United States or any agency, department or instrumentality thereof; and

(3) "quantum technology" means technology that relies on quantum superposition or quantum entanglement or innovations that enable those technologies."".

10. On page 18, between lines 10 and 11, insert:

"SECTION 19. Section 7-9-93 NMSA 1978 (being Laws 2004, Chapter 116, Section 6, as amended) is amended to read:

"7-9-93. DEDUCTION--GROSS RECEIPTS--CERTAIN RECEIPTS FOR SERVICES PROVIDED BY HEALTH CARE PRACTITIONER OR ASSOCIATION OF HEALTH CARE PRACTITIONERS.--

A. Receipts of a health care practitioner or an association of health care practitioners for commercial contract services or medicare part C services paid by a managed care organization or health care insurer may be deducted from gross receipts if the services are within the scope of practice of the

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health care practitioner providing the service. Receipts from fee-for-service payments by a health care insurer may not be deducted from gross receipts.

B. Prior to July 1, ~~[2028]~~ 2030, receipts from coinsurance, a copayment or a deductible paid by an insured or enrollee to a health care practitioner or an association of health care practitioners for commercial contract services pursuant to the terms of the insured's health insurance plan or enrollee's managed care health plan may be deducted from gross receipts if the services are within the scope of practice of the health care practitioner providing the service.

C. The deductions provided by this section shall be applied only to gross receipts remaining after all other allowable deductions available under the Gross Receipts and Compensating Tax Act have been taken.

D. A taxpayer allowed a deduction pursuant to this section shall report the amount of the deduction separately in a manner required by the department.

E. ~~[The department shall compile an annual report on the deductions provided by this section that shall include the number of taxpayers that claimed the deductions, the aggregate amount of deductions claimed and any other information necessary to evaluate the effectiveness of the deductions. The department shall present the report to the revenue stabilization and tax policy committee and the legislative finance committee with an analysis of the cost of the deductions]~~ The tax deductions provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the deductions.

F. As used in this section:

(1) "association of health care practitioners" means a corporation, unincorporated business entity or other legal entity

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organized by, owned by or employing one or more health care practitioners; provided that the entity is not:

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

(b) a health maintenance organization or a hospital, hospice, nursing home or an entity that is solely an outpatient facility or intermediate care facility licensed [pursuant to the Public Health Act] by the health care authority;

(2) "commercial contract services" means health care services performed by a health care practitioner pursuant to a contract with a managed care organization or health care insurer other than those health care services provided for medicare patients pursuant to Title 18 of the federal Social Security Act or for medicaid patients pursuant to Title 19 or Title 21 of the federal Social Security Act;

(3) "copayment" or "coinsurance" means [~~a fixed dollar~~] an amount that a health care insurer or managed care health plan requires an insured or enrollee to pay upon incurring an expense for receiving medical services;

(4) "deductible" means the amount of covered charges an insured or enrollee is required to pay in a plan year for commercial contract services before the insured's health insurance plan or enrollee's managed care health plan begins to pay for applicable covered charges;

(5) "fee-for-service" means payment for health care services by a health care insurer for covered charges under an indemnity insurance plan;

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(6) "health care insurer" means a person that:

(a) has a valid certificate of authority in good standing pursuant to the New Mexico Insurance Code to act as an insurer, health maintenance organization or nonprofit health care plan or prepaid dental plan; and

(b) contracts to reimburse licensed health care practitioners for providing basic health services to enrollees at negotiated fee rates;

(7) "health care practitioner" means:

(a) a chiropractic physician licensed pursuant to the provisions of the Chiropractic Physician Practice Act;

(b) a dentist or dental hygienist licensed pursuant to the Dental Health Care Act;

(c) a doctor of oriental medicine licensed pursuant to the provisions of the Acupuncture and Oriental Medicine Practice Act;

(d) an optometrist licensed pursuant to the provisions of the Optometry Act;

(e) an osteopathic physician licensed pursuant to the provisions of the Medical Practice Act;

(f) a physical therapist licensed pursuant to the provisions of the Physical Therapy Act;

(g) a physician or physician assistant licensed pursuant to the provisions of the Medical Practice Act;

(h) a podiatric physician licensed pursuant to

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the provisions of the Podiatry Act;

(i) a psychologist licensed pursuant to the provisions of the Professional Psychologist Act;

(j) a registered lay midwife registered by the department of health;

(k) a registered nurse or licensed practical nurse licensed pursuant to the provisions of the Nursing Practice Act;

(l) a registered occupational therapist licensed pursuant to the provisions of the Occupational Therapy Act;

(m) a respiratory care practitioner licensed pursuant to the provisions of the Respiratory Care Act;

(n) a speech-language pathologist or audiologist licensed pursuant to the Speech-Language Pathology, Audiology and Hearing Aid Dispensing Practices Act;

(o) a professional clinical mental health counselor, marriage and family therapist or professional art therapist licensed pursuant to the provisions of the Counseling and Therapy Practice Act who has obtained a master's degree or a doctorate;

(p) an independent social worker licensed pursuant to the provisions of the Social Work Practice Act; and

(q) a clinical laboratory that is accredited pursuant to 42 U.S.C. Section 263a but that is not a laboratory in a physician's office or in a hospital defined pursuant to 42 U.S.C. Section 1395x;

(8) "managed care health plan" means a health care

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plan offered by a managed care organization that provides for the delivery of comprehensive basic health care services and medically necessary services to individuals enrolled in the plan other than those services provided to medicare patients pursuant to Title 18 of the federal Social Security Act or to medicaid patients pursuant to Title 19 or Title 21 of the federal Social Security Act;

(9) "managed care organization" means a person that provides for the delivery of comprehensive basic health care services and medically necessary services to individuals enrolled in a plan through its own employed health care providers or by contracting with selected or participating health care providers. "Managed care organization" includes only those persons that provide comprehensive basic health care services to enrollees on a contract basis, including the following:

- (a) health maintenance organizations;
- (b) preferred provider organizations;
- (c) individual practice associations;
- (d) competitive medical plans;
- (e) exclusive provider organizations;
- (f) integrated delivery systems;
- (g) independent physician-provider organizations;
- (h) physician hospital-provider organizations;

and

- (i) managed care services organizations; and

(10) "medicare part C services" means services performed pursuant to a contract with a managed health care provider

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for medicare patients pursuant to Title 18 of the federal Social Security Act."".

11. On page 18, between lines 10 and 11, insert:

"SECTION 20. Section 7-1-6.38 NMSA 1978 (being Laws 1994, Chapter 145, Section 1, as amended) is amended to read:

"7-1-6.38. DISTRIBUTION--GOVERNMENTAL GROSS RECEIPTS TAX.--

A. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made in amounts equal to the following percentages of the net receipts attributable to the governmental gross receipts tax, less the net receipts attributable to a hospital licensed by the [~~department of~~] health care authority:

(1) seventy-five percent to the public project revolving fund administered by the New Mexico finance authority;

(2) twenty-four percent to the energy, minerals and natural resources department; provided that forty-one and two-thirds percent of the distribution is appropriated to the energy, minerals and natural resources department to implement the provisions of the New Mexico Youth Conservation Corps Act and fifty-eight and one-third percent of the distribution is appropriated to the energy, minerals and natural resources department for state park and recreation area capital improvements, including the costs of planning, engineering, design, construction, renovation, repair, equipment and furnishings; and

(3) one percent to the cultural affairs department for capital improvements at state museums and monuments administered by the cultural affairs department.

B. The state pledges to and agrees with the holders of any bonds or notes issued by the New Mexico finance authority or by the energy, minerals and natural resources department and payable from

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the net receipts attributable to the governmental gross receipts tax distributed to the New Mexico finance authority or the energy, minerals and natural resources department pursuant to this section that the state will not limit, reduce or alter the distribution of the net receipts attributable to the governmental gross receipts tax to the New Mexico finance authority or the energy, minerals and natural resources department or limit, reduce or alter the rate of imposition of the governmental gross receipts tax until the bonds or notes together with the interest thereon are fully met and discharged. The New Mexico finance authority and the energy, minerals and natural resources department are authorized to include this pledge and agreement of the state in any agreement with the holders of the bonds or notes.

C. Prior to July 1, 2032, a distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the university school of medicine fund in an amount equal to twenty-five percent of the net receipts attributable to the governmental gross receipts tax that are attributable to a hospital licensed by the health care authority."

SECTION 21. [NEW MATERIAL] DEPOSITS TO UNIVERSITY SCHOOL OF MEDICINE FUND.--On each July 1 of 2025 through 2032, the university of New Mexico school of medicine shall deposit four million dollars (\$4,000,000) in the university school of medicine fund; provided that the revenue used to make the deposit shall not be attributable to appropriations from state funds.

SECTION 22. [NEW MATERIAL] UNIVERSITY SCHOOL OF MEDICINE FUND.--The "university school of medicine fund" is created as a nonreverting fund in the state treasury. The fund consists of distributions, appropriations, gifts, grants, donations and income from investment of the fund. The health care authority shall administer the fund. Money in the fund is subject to appropriation by the legislature to provide funding for construction and reconstruction of the university of New Mexico school of medicine. Expenditures from the fund shall be by warrant of the secretary of

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finance and administration pursuant to vouchers signed by the secretary of health care authority or the secretary's authorized representative."

12. On page 18, between lines 10 and 11, insert:

"SECTION 23. Section 7-17-5 NMSA 1978 (being Laws 1993, Chapter 65, Section 8, as amended) is amended to read:

"7-17-5. IMPOSITION AND RATE OF LIQUOR EXCISE TAX.--

A. There is imposed on a wholesaler who sells alcoholic beverages on which the tax imposed by this section has not been paid an excise tax, to be referred to as the "liquor excise tax", at the following rates on alcoholic beverages sold:

(1) on spirituous liquors, except as provided in Paragraph (9) of this subsection, [~~one dollar sixty cents (\$1.60)~~] one dollar ninety-two cents (\$1.92) per liter;

(2) on beer, except as provided in Paragraph (5) of this subsection, [~~forty-one cents (\$.41)~~] forty-nine cents (\$.49) per gallon;

(3) on wine, except as provided in Paragraphs (4) and (6) of this subsection, [~~forty-five cents (\$.45)~~] fifty-four cents (\$.54) per liter;

(4) on fortified wine, [~~one dollar fifty cents (\$1.50)~~] one dollar eighty cents (\$1.80) per liter;

(5) on beer manufactured or produced by a microbrewer and sold in this state, provided that proof is furnished to the department that the beer was manufactured or produced by a microbrewer, eight cents (\$.08) per gallon on the first thirty thousand barrels sold, twenty-eight cents (\$.28) per gallon for all barrels sold over thirty thousand barrels but less than sixty

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thousand barrels and forty-one cents (\$.41) per gallon for sixty thousand or more barrels sold;

(6) on wine manufactured or produced by a small winegrower and sold in this state, provided that proof is furnished to the department that the wine was manufactured or produced by a small winegrower:

(a) ten cents (\$.10) per liter on the first eighty thousand liters sold;

(b) twenty cents (\$.20) per liter on each liter sold over eighty thousand liters but not over nine hundred fifty thousand liters; and

(c) thirty cents (\$.30) per liter on each liter sold over nine hundred fifty thousand liters but not over one million five hundred thousand liters;

(7) on cider, except as provided in Paragraph (8) of this subsection, [~~forty-one cents (\$.41)~~] forty-nine cents (\$.49) per gallon;

(8) on cider manufactured or produced by a small winegrower and sold in this state, provided that proof is furnished to the department that the cider was manufactured or produced by a small winegrower, eight cents (\$.08) per gallon on the first thirty thousand barrels sold, twenty-eight cents (\$.28) per gallon for all barrels sold over thirty thousand barrels but less than sixty thousand barrels and forty-one cents (\$.41) per gallon for sixty thousand or more barrels sold; and

(9) on spirituous liquors manufactured or produced by a craft distiller licensed pursuant to Section 60-6A-6.1 NMSA 1978, provided that proof is provided to the department that the spirituous liquors were manufactured or produced by a craft distiller, for products up to ten percent alcohol by volume, eight

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cents (\$.08) per liter for the first two hundred fifty thousand liters sold and twenty-eight cents (\$.28) per liter for the next two hundred fifty thousand liters sold and for products over ten percent alcohol by volume, thirty-two cents (\$.32) per liter on the first one hundred seventy-five thousand liters sold and sixty-five cents (\$.65) per liter on the next two hundred thousand liters sold.

B. The volume of wine transferred from one winegrower to another winegrower for processing, bottling or storage and subsequent return to the transferor shall be excluded pursuant to Section 7-17-6 NMSA 1978 from the taxable volume of wine of the transferee. Wine transferred from an initial winegrower to a second winegrower remains a tax liability of the transferor, provided that if the wine is transferred to the transferee for the transferee's use or for resale, the transferee then assumes the liability for the tax due pursuant to this section.

C. A transfer of wine from a winegrower to a wholesaler for distribution of the wine transfers the liability for payment of the liquor excise tax to the wholesaler upon the sale of the wine by the wholesaler."".

13. On page 18, between lines 10 and 11, insert:

"SECTION 24. A new section of the Gaming Control Act is enacted to read:

"[NEW MATERIAL] EXEMPTION--LICENSEES OPERATING IN A DECLARED DISASTER AREA.--

A. Prior to July 1, 2029, a gaming operator licensee operating in an area declared in June 2024 as a disaster area by the governor due to a wildfire shall be exempted from the gaming tax.

B. The exemption provided by this section shall be included in the tax expenditure budget pursuant to Section 7-1-84 NMSA 1978, including the annual aggregate cost of the exemption.

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Claiming the exemption provided by this section is authorization by the taxpayer claiming the exemption for the department to reveal return information necessary to comply with the requirements of Section 7-1-84 NMSA 1978."".

14. On page 18, strike lines 11 through 15 and insert in lieu thereof:

"SECTION 25. DELAYED REPEALS.--

A. Sections 9 through 16 of this act are repealed effective January 1, 2030.

B. Sections 17 and 18 of this act are repealed effective January 1, 2031.

C. Section 24 of this act is repealed effective July 1, 2029.

SECTION 26. APPLICABILITY.--

A. The provisions of Sections 8 through 16 of this act apply to taxable years beginning on or after January 1, 2025.

B. The provisions of Sections 17 and 18 of this act apply to taxable years beginning on or after January 1, 2026.

SECTION 27. EFFECTIVE DATE.--The effective date of the provisions of Sections 1 through 7 and 19 through 24 of this act is July 1, 2025."

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FIFTY-SEVENTH LEGISLATURE
FIRST REGULAR SESSION, 2025

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Respectfully submitted,

Senator Carrie Hamblen, Chair

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 6 For 4 Against
Yes: Berghmans, Figueroa, Hamblen, Jaramillo, O'Malley, Wirth
No: Paul, Ramos, Sanchez, Sharer
Excused: None
Absent: None

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