

1 HOUSE BILL 226  
2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY  
4 Alan T. Martinez  
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9  
10 AN ACT  
11 RELATING TO TAXATION; INCREASING THE RURAL HEALTH CARE  
12 PRACTITIONER TAX CREDIT.  
13

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

15 SECTION 1. Section 7-2-18.22 NMSA 1978 (being Laws 2007,  
16 Chapter 361, Section 2, as amended) is amended to read:

17 "7-2-18.22. RURAL HEALTH CARE PRACTITIONER TAX CREDIT.--

18 A. A taxpayer who files an individual New Mexico  
19 tax return, who is not a dependent of another individual, who  
20 is an eligible health care practitioner and who has provided  
21 health care services in New Mexico in a rural health care  
22 underserved area in a taxable year may claim a credit against  
23 the tax liability imposed by the Income Tax Act. The credit  
24 provided in this section may be referred to as the "rural  
25 health care practitioner tax credit".

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1           B. The rural health care practitioner tax credit  
2 may be claimed and allowed in an amount that shall not exceed:

3                   (1) [~~five thousand dollars (\$5,000)~~] fifteen  
4 thousand dollars (\$15,000) for all physicians, osteopathic  
5 physicians, dentists, psychologists, podiatric physicians and  
6 optometrists who qualify pursuant to the provisions of this  
7 section and have provided health care during a taxable year for  
8 at least one thousand five hundred eighty-four hours at a  
9 practice site located in an approved rural health care  
10 underserved area. Eligible health care practitioners listed in  
11 this paragraph who provided health care services for at least  
12 seven hundred ninety-two hours but less than one thousand five  
13 hundred eighty-four hours at a practice site located in an  
14 approved rural health care underserved area during a taxable  
15 year are eligible for one-half of the tax credit amount; and

16                   (2) [~~three thousand dollars (\$3,000)~~] nine  
17 thousand dollars (\$9,000) for all pharmacists, dental  
18 hygienists, physician assistants, certified registered nurse  
19 anesthetists, certified nurse practitioners, clinical nurse  
20 specialists, registered nurses, midwives, licensed clinical  
21 social workers, licensed independent social workers,  
22 professional mental health counselors, professional clinical  
23 mental health counselors, marriage and family therapists,  
24 professional art therapists, alcohol and drug abuse counselors  
25 and physical therapists who qualify pursuant to the provisions

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1 of this section and have provided health care during a taxable  
2 year for at least one thousand five hundred eighty-four hours  
3 at a practice site located in an approved rural health care  
4 underserved area. Eligible health care practitioners listed in  
5 this paragraph who provided health care services for at least  
6 seven hundred ninety-two hours but less than one thousand five  
7 hundred eighty-four hours at a practice site located in an  
8 approved rural health care underserved area during a taxable  
9 year are eligible for one-half of the tax credit amount.

10 C. Before an eligible health care practitioner may  
11 claim the rural health care practitioner tax credit, the  
12 practitioner shall submit an application to the department of  
13 health that describes the practitioner's clinical practice and  
14 contains additional information that the department of health  
15 may require. The department of health shall determine whether  
16 an eligible health care practitioner qualifies for the rural  
17 health care practitioner tax credit and shall issue a  
18 certificate to each qualifying eligible health care  
19 practitioner. The department of health shall provide the  
20 taxation and revenue department appropriate information for all  
21 eligible health care practitioners to whom certificates are  
22 issued in a secure manner on regular intervals agreed upon by  
23 both the taxation and revenue department and the department of  
24 health.

25 D. A taxpayer claiming the credit provided by this

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1 section shall submit a copy of the certificate issued by the  
2 department of health with the taxpayer's New Mexico income tax  
3 return for the taxable year. If the amount of the credit  
4 claimed exceeds a taxpayer's tax liability for the taxable year  
5 in which the credit is being claimed, the excess may be carried  
6 forward for three consecutive taxable years.

7 E. A taxpayer allowed a tax credit pursuant to this  
8 section shall report the amount of the credit to the department  
9 in a manner required by the department.

10 F. ~~[The department shall compile an annual report~~  
11 ~~on the tax credit provided by this section that shall include~~  
12 ~~the number of taxpayers approved by the department to receive~~  
13 ~~the credit, the aggregate amount of credits approved and any~~  
14 ~~other information necessary to evaluate the credit. The~~  
15 ~~department shall present the report to the revenue~~  
16 ~~stabilization and tax policy committee and the legislative~~  
17 ~~finance committee with an analysis of the cost of the tax~~  
18 ~~credit]~~ The credit provided by this section shall be included  
19 in the tax expenditure budget pursuant to Section 7-1-84 NMSA  
20 1978, including the total annual aggregate cost of the credit.

21 G. As used in this section:  
22 (1) "eligible health care practitioner" means:  
23 (a) a dentist or dental hygienist  
24 licensed pursuant to the Dental Health Care Act;  
25 (b) a midwife that is a: 1) certified

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1 nurse-midwife licensed by the board of nursing as a registered  
2 nurse and licensed by the public health division of the  
3 department of health to practice nurse-midwifery as a certified  
4 nurse-midwife; or 2) licensed midwife licensed by the public  
5 health division of the department of health to practice  
6 licensed midwifery;

7 (c) an optometrist licensed pursuant to  
8 the provisions of the Optometry Act;

9 (d) an osteopathic physician licensed  
10 pursuant to the provisions of the Medical Practice Act;

11 (e) a physician licensed pursuant to the  
12 provisions of the Medical Practice Act or a physician assistant  
13 licensed pursuant to the provisions of the Physician Assistant  
14 Act;

15 (f) a podiatric physician licensed  
16 pursuant to the provisions of the Podiatry Act;

17 (g) a psychologist licensed pursuant to  
18 the provisions of the Professional Psychologist Act;

19 (h) a registered nurse licensed pursuant  
20 to the provisions of the Nursing Practice Act;

21 (i) a pharmacist licensed pursuant to  
22 the provisions of the Pharmacy Act;

23 (j) a licensed clinical social worker or  
24 a licensed independent social worker licensed pursuant to the  
25 provisions of the Social Work Practice Act;

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1 (k) a professional mental health  
2 counselor, a professional clinical mental health counselor, a  
3 marriage and family therapist, an alcohol and drug abuse  
4 counselor or a professional art therapist licensed pursuant to  
5 the provisions of the Counseling and Therapy Practice Act; and

6 (1) a physical therapist licensed  
7 pursuant to the provisions of the Physical Therapy Act;

8 (2) "health care underserved area" means a  
9 geographic area or practice location in which it has been  
10 determined by the department of health, through the use of  
11 indices and other standards set by the department of health,  
12 that sufficient health care services are not being provided;

13 (3) "practice site" means a private practice,  
14 public health clinic, hospital, public or private nonprofit  
15 primary care clinic or other health care service location in a  
16 health care underserved area; and

17 (4) "rural" means a rural county or an  
18 unincorporated area of a partially rural county, as designated  
19 by the health resources and services administration of the  
20 United States department of health and human services."

21 SECTION 2. APPLICABILITY.--The provisions of this act  
22 apply to taxable years beginning on or after January 1, 2025.