

LFC Requestor: Laird Graesar

2026 LEGISLATIVE SESSION  
AGENCY BILL ANALYSIS

Section I: General

Chamber: House  
Number: 90

Category: Bill  
Type: Introduced

Date (of THIS analysis): 01/23/2026

Sponsor(s): Anita Gonzales, Marianna Anaya, and Leo Jaramillo

Short Title: Health Care Preceptor Income Tax Credit

Reviewing Agency: Agency 665 - Department of Health

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Section II: Fiscal Impact

APPROPRIATION (dollars in thousands)

Appropriation Contained		Recurring or Nonrecurring	Fund Affected
FY 26	FY 27		
\$0	\$0	NA	NA

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY 26	FY 27	FY 28		
\$0	\$0	\$0	NA	NA

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY 26	FY 27	FY 28	3 Year Total Cost	Recurring or Non-recurring	Fund Affected
Total	\$0	\$0	\$0	\$0	NA	NA

While there will be no direct impact to NMDOH budget, the Tax and Revenue Department estimates a yearly decrease in

state revenue of state of \$1.39 million.

### Section III: Relationship to other legislation

Duplicates: None

Conflicts with: None

Companion to: None

Relates to: None

Duplicates/Relates to an Appropriation in the General Appropriation Act: None

### Section IV: Narrative

#### 1. BILL SUMMARY

a) Synopsis

House Bill 90 (HB 90) proposes to add a new section of the Income Tax Act to give a tax credit up to one thousand dollars (\$1,000) to an eligible preceptor enrolled at the graduate level at any New Mexico institution of higher education seeking a degree in the areas of doctor of medicine, doctor of osteopathy, advanced nursing practice, doctor of dental surgery, pharmacy, psychology, social work, dental medicine, or physician assistant.

An eligible preceptor is a taxpayer who is not a dependent of another individual and is employed by or a volunteer of an accredited New Mexico institution of higher education and who has performed a preceptorship of not less than four (4) weeks in New Mexico.

The provisions of this act would apply to taxable years beginning on or after January 1, 2026.

Is this an amendment or substitution?  Yes  No

Is there an emergency clause?  Yes  No

b) Significant Issues

There are at least eight states that have enacted legislation addressing preceptor tax incentives. (<https://www.healthworkforceta.org/wp-content/uploads/2023/12/Preceptor-Tax-Credits.pdf>). Three of the eight programs are administered as follows:

Georgia was the first state to establish a Preceptor Tax Incentive Program (PTIP) in 2014. Georgia providers are given tax credits **per rotation** of precepting. Physicians can earn a total of \$8,500 tax credits each calendar year while Advanced Practice

Registered Nurses (APRNs) and Physician Assistants (PAs) can earn up to \$6,375 in tax credits for the same period. Credits are accrued by providing a rotation (160 hours of training per credit) with a maximum of 10 possible credits earned. The first 3 rotations are rewarded with a \$500 tax credit (for each rotation) for physicians; APRN and PA's earn \$375 each for the first 3 rotations completed. Physicians earn \$1000 each for rotations 4-10 while APRNs and PAs earn \$750 each for rotations 4-10. To qualify for the tax credit, providers must complete rotations at a list of approved institutions. As a result of this initiative, Georgia has become the leading model for Preceptor Tax Credit programs nationwide. ([Preceptor Tax Incentive Program \(PTIP\)](#))

Colorado offers the Rural and Frontier Health Care Preceptor Tax Credit, a program similar to HB 90. However, this program is **limited to 300** primary healthcare preceptors. A tax credit of \$2,000 is allowed for each qualifying preceptorship. Credits are allowed for a maximum of three preceptorships and a total of \$6,000 for the tax year (<https://tax.colorado.gov/rural-and-frontier-health-care-preceptor-tax-credit>)

Importantly, there is no proportional tax credit award in HB 90. The proposed tax credit is the same for a clinician who acts as a preceptor for four weeks as for another who acts as a preceptor for 12 months. A sliding credit schedule based upon months spent precepting would be more equitable or, alternatively, implementing a tax credit model by hours such as Georgia's PTIP.

Some work has been done to assess the impact of preceptor tax credits. A five-year evaluation in Hawaii, where preceptors may claim up to five \$1000 tax credits per year, found that during the program the cadre of preceptors expanded by 75 providers to 871 total over five years [PTC2024-FINAL-Act-43-SLH-2018-Program-Eval.pdf](#).

However, a 2024 study at the University of Indianapolis looked at the impact of preceptor tax credits in Hawaii and also Colorado (<https://scholarworks.indianapolis.iu.edu/server/api/core/bitstreams/342b2708-db60-433e-bd9e-7e8f3e4bedba/content>). The study noted limited uptake of both programs. At the time, Colorado offered tax credits of \$1000. However, a 2022 study of the preceptor tax incentive offered in Georgia, which offers up to \$8,500 in tax credits per year, found that:

According to the Health Resources and Services Administration, when the strategy was implemented that year, the state of Georgia had 381 Primary Care Health Professional Shortage Areas. As of September 2021, nearly four years after the preceptor tax incentive program was established, Georgia dropped down to 243 HPSAs. In addition, starting in 2018, 1,262 preceptors in the state registered for the program; in 2019, 2,070 preceptors; and in 2020, 2,292 preceptors registered.

([A Geographically Targeted Approach for a Preceptor Tax Incentive Using Primary Care Health Professional Shortage Areas \(HPSAs\)](#))

Taken together, the evidence indicates that such tax credits could be effective in increasing the number of preceptors, although a higher rate of tax credit than that proposed in the bill could be more effective in terms of uptake of the program and its overall efficacy.

## 2. PERFORMANCE IMPLICATIONS

- Does this bill impact the current delivery of NMDOH services or operations?

Yes  No

### 3. FISCAL IMPLICATIONS

- If there is an appropriation, is it included in the Executive Budget Request?  
 Yes  No  N/A
- If there is an appropriation, is it included in the LFC Budget Request?  
 Yes  No  N/A
- Does this bill have a fiscal impact on NMDOH?  Yes  No

### 4. ADMINISTRATIVE IMPLICATIONS

Will this bill have an administrative impact on NMDOH?  Yes  No

### 5. DUPLICATION, CONFLICT, COMPANIONSHIP OR RELATIONSHIP

None

### 6. TECHNICAL ISSUES

Are there technical issues with the bill?  Yes  No

There is no proportional tax credit award based on time spent on precepting. The credit is the same for a clinician who acts as a preceptor for four weeks as for another who acts as a preceptor for 12 months. A sliding credit schedule based upon the number months precepting would be more equitable. If the legislative intent is to apply an across the board tax credit on anyone who precepts NMDOH recommends changing language in [Section 1] On page 2, lines 2 -5, this credit specifies that the credit cannot be more than \$1,000 but does not provide a way to calculate a credit for less than that amount. If the intent of this bill is to provide a \$1,000 tax credit, Tax & Rev suggests replacing “shall not exceed” with “shall be” on page 2, line 2.

This bill defines preceptorship as "*...uncompensated clinical training and supervision of an eligible graduate student to enable the student to obtain an eligible professional degree*" (page 3, lines 19-21). This would appear to **exclude** preceptors working with post-graduate residency programs, such as medical residency programs, **including rural residencies**. It would also exclude preceptors who receive any monetary incentive for acting as preceptors. Expanding the eligibility to cover residency precepting, including compensated precepting, would expand the incentive to these efforts.

There is broad language that states, “A taxpayer shall not claim more than one tax credit per taxable year” (page 2, lines 8-9). However, there are many other tax credits offered that are not health care related and this language could prevent a taxpayer from receiving those tax credits. If HB 90 refers to a taxpayer not receiving another health care tax credit such as the Rural Health Care Practitioner Tax Credit, there should be specific language stating a taxpayer cannot receive both the Rural Health Care Practitioner Tax Credit and proposed HB 90 Health Care Preceptor Income Tax Credit. Under the Rural Health Care Practitioner Tax Credit, these same providers could qualify.

The administrative burden on the preceptor described in the bill is not insignificant. They must apply: “on forms and in the manner prescribed by the department. The application shall include

a certification made by the institution for which the taxpayer is employed or volunteers and for which the preceptorship was performed.” Moreover they must, “report the amount of the credit to the department in a manner required by the department.”

## 7. LEGAL/REGULATORY ISSUES (OTHER SUBSTANTIVE ISSUES)

- Will administrative rules need to be updated or new rules written?  Yes  No
- Have there been changes in federal/state/local laws and regulations that make this legislation necessary (or unnecessary)?  Yes  No
- Does this bill conflict with federal grant requirements or associated regulations?  
 Yes  No
- Are there any legal problems or conflicts with existing laws, regulations, policies, or programs?  Yes  No

## 8. DISPARITIES ISSUES

Rural areas struggle with a shortage of healthcare professionals, including administrative staff. The New Mexico Healthcare Workforce Committee 2025 Annual Report documents the shortage of physicians, nurses, pharmacists, physician assistances, certified nurse practitioners, and dentists in New Mexico and offers recommendations for recruitment, retention, and increasing the health care workforce. [https://digitalrepository.unm.edu/cgi/viewcontent.cgi?article=1013&context=nmhc\\_workforce](https://digitalrepository.unm.edu/cgi/viewcontent.cgi?article=1013&context=nmhc_workforce). However, the limitation in this report is that it shows only those who are licensed and does not provide data on percent of those who are currently practicing medicine.

## 9. HEALTH IMPACT(S)

Geographically, New Mexico is a largely rural state. The state’s median county is 3,758 square miles – one and one-half times the size of Delaware – and requiring more than 45 minutes to traverse by car at highway speeds. The median county population density is 6.95 people per square mile, just above the six-people-per-square-mile criterion for frontier status. Thirty percent of the state’s 2.1 million residents reside in rural or frontier counties. ([https://digitalrepository.unm.edu/cgi/viewcontent.cgi?article=1013&context=nmhc\\_workforce](https://digitalrepository.unm.edu/cgi/viewcontent.cgi?article=1013&context=nmhc_workforce))

New Mexico furthermore faces substantial health disparities related to income inequality and other social determinants of health. For example, in 2023 the state was ranked third in the nation for poverty rate (17.5 %) among adults, and 22.6% of children under the age of 18 are living in poverty. It ranked first for the percent of non-elderly population insured by Medicaid (38.5%), first for percentage of adults without a personal doctor (26.5%), 12th for uninsured non-elderly population (11.0%), and ninth for adults reporting fair or poor health status (23.2%). As a result, the need to determine the health care workforce necessary to meet the state’s needs is all the more pressing at this time. ([https://digitalrepository.unm.edu/cgi/viewcontent.cgi?article=1013&context=nmhc\\_workforce](https://digitalrepository.unm.edu/cgi/viewcontent.cgi?article=1013&context=nmhc_workforce))

## 10. ALTERNATIVES

None

## 11. WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

If HB 90 is not enacted, a new section of the Income Tax Act will not be added for a doctor of medicine, doctor of osteopathy, advanced nursing practice, doctor of dental surgery, pharmacy, psychology, social work, dental medicine, or physician assistant to receive a tax credit.

**12. AMENDMENTS**

None