

LFC Requestor: Norton Francis

2026 LEGISLATIVE SESSION
AGENCY BILL ANALYSIS

Section I: General

Chamber: Senate

Category: Bill

Number: 12

Type: Introduced

Date (of THIS analysis): 01/21/2026

Sponsor(s): Katy Duhigg, Cindy Nava, Heather Berghmans, and Martin Hickey

Short Title: Physician 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		
\$ 0.00	\$ 0.00	N/A	N/A

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY 26	FY 27	FY 28		
\$ 0.00	\$ 0.00	\$ 0.00	N/A	N/A

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	\$ 0.00	\$ 0	\$ 0	\$ 0	N/A	N/A

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

Senate Bill 12 (SB12) would create a tax credit for physicians who provides health care in New Mexico for at least 1,584 hours per tax year of up to \$4,000. DOH would be responsible for certifying eligibility of the physician.

Is this an amendment or substitution? Yes No

Is there an emergency clause? Yes No

b) Significant Issues

As demands for healthcare services and providers continue to increase, providing incentives, such as income tax exemptions to health care providers, may help stabilize and improve healthcare services.

New Mexico continues to experience a shortage of medical providers, particularly in rural areas. According to the most recent report 2025 study by the University of New Mexico, the state needs an additional 334 primary care providers, 59 OB-GYNs, 10 general surgeons, and 119 psychiatrists to meet national benchmarks for provider-to-population ratios (["New Mexico Health Care Workforce Committee 2025 Annual Report" by University of New Mexico](#)). SB12 could incentivize physicians to stay and provide services in New Mexico through a tax credit.

Currently, there are no states that offer income tax credits specifically for physicians who are not practicing in rural areas. SB12 may offer a more competitive environment for recruiting health professionals from out-of-state as well as incentivize current residents and students to remain in New Mexico. Healthcare practitioners are specifically defined in SB12 as primarily doctoral level practitioners.

2. PERFORMANCE IMPLICATIONS

- Does this bill impact the current delivery of NMDOH services or operations?
 Yes No
If yes, describe how.
- Is this proposal related to the NMDOH Strategic Plan? 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

NMDOH will be responsible for reviewing materials to provide a certificate verifying that a physician is eligible for the tax credit.

5. DUPLICATION, CONFLICT, COMPANIONSHIP OR RELATIONSHIP

None

6. TECHNICAL ISSUES

Are there technical issues with the bill? Yes No

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

None

9. HEALTH IMPACT(S)

None

10. ALTERNATIVES

None

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

If SB 12 is not enacted physicians will not receive this tax credit.

12. AMENDMENTS

None