

LFC Requester:

Jennifer Faubion

**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

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(Analysis must be uploaded as a PDF)**

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date Prepared:** 1/27/26 **Bill Number:** SB0133 **Original**  **Amendment**  **Substitute**   
**Short Title:** GROSS RECEIPTS DEDUCTION AND HOLD-HARMLESS FOR MEDICAL IN-OFFICE EQUIPMENT

**Sponsor:** Sen. Steinborn

**Name and Code Number:** HCA 630

**Person Writing:** Carlos Ulibarri

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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
\$0	\$0	-	-

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
\$0	\$0	\$0	-	-

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	\$0	\$0	\$0	\$0	-	-

(Parenthesis ( ) Indicate Expenditure Decreases)

**SECTION III: NARRATIVE**

**BILL SUMMARY**

SB 133 (the Bill) provides a Gross Receipts Tax deduction for sales of in-office medical equipment and in-office medication sold to healthcare practitioners. In addition, the Bill provides for a “hold harmless” distribution to municipalities and counties from the applicable GRT deductions. The effective date of the provisions of the Bill is July 1, 2026.

**FISCAL IMPLICATIONS**

SB133 does not have a direct fiscal impact on the expenditures or operating budget of the Health Care Authority, including its Medical Assistance/Behavioral Health Divisions. The GRT deductions would have a beneficial impact on healthcare practitioners, while the “hold harmless” provision would ensure counties and municipalities are not adversely affected revenue losses from the GRT deductions.

**SIGNIFICANT ISSUES**

None for HCA

**PERFORMANCE IMPLICATIONS**

None for HCA

**ADMINISTRATIVE IMPLICATIONS**

The Bill’s “hold harmless” provisions are structured for municipalities and counties based on the following distribution rules:

“A. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to a municipality in an amount, subject to any increase or decrease made pursuant to Section 7-1-6.15 NMSA .1978, equal to the total deductions claimed pursuant to Section 2 of this 2026 act for the month by taxpayers from business locations in the municipality multiplied by the sum of the combined rate of all municipal local option gross receipts taxes in effect in the municipality for the month plus one and two hundred twenty-five thousandths percent.

B. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to a county in an amount, subject to any increase or decrease made pursuant to Section 7-1-6.15 NMSA 1978, equal to the total deductions claimed pursuant to Section 2 of this 2026 act for the month by taxpayers from business locations: (1) within a municipality in the county multiplied by the combined rate of all county local option gross receipts taxes in effect for the month that are imposed throughout the county; and (2) in the county but not within a municipality multiplied by the combined rate of all county local option gross receipts taxes in effect for the month that are imposed in the county area

not within a municipality."

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None at present.

**TECHNICAL ISSUES**

None at present.

**OTHER SUBSTANTIVE ISSUES**

None at present.

**ALTERNATIVES**

None at present.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Not enacting SB133 would maintain the status quo GRT applicable in the purchases of in-house equipment/medications by health care practitioners while maintaining the status quo GRT distributions across municipalities/counties.

**AMENDMENTS**

None