

1 SENATE BILL 12

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026**

3 INTRODUCED BY

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10 AN ACT

11 RELATING TO TAXATION; CREATING THE PHYSICIAN TAX CREDIT
12 PURSUANT TO THE INCOME TAX ACT.

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

15 SECTION 1. A new section of the Income Tax Act is enacted
16 to read:

17 "[NEW MATERIAL] PHYSICIAN TAX CREDIT.--

18 A. A taxpayer who files an individual New Mexico
19 tax return, is not a dependent of another individual, is a
20 physician and provides health care in New Mexico for at least
21 one thousand five hundred eighty-four hours during a taxable
22 year may claim a credit against the tax liability imposed by
23 the Income Tax Act in an amount equal to four thousand dollars
24 (\$4,000). The credit provided in this section may be referred
25 to as the "physician tax credit".

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1 B. A taxpayer shall apply for certification of
2 eligibility for the tax credit from the department of health on
3 forms and in the manner prescribed by that department.
4 Completed applications shall be considered in the order
5 received. For a taxpayer approved to receive the credit, the
6 department of health shall issue a certificate of eligibility
7 to the qualifying physician. The department of health shall
8 provide the department with certificates of eligibility issued
9 pursuant to this subsection in an electronic format at
10 regularly agreed-upon intervals.

11 C. That portion of a tax credit that exceeds a
12 taxpayer's tax liability in the taxable year in which the
13 credit is being claimed may be carried forward for up to three
14 consecutive taxable years.

15 D. A taxpayer allowed a tax credit pursuant to this
16 section shall claim the credit on forms and in a manner
17 required by the department.

18 E. A taxpayer who claims a rural health care
19 practitioner tax credit shall be eligible to claim the tax
20 credit provided by this section.

21 F. The tax credit provided by this section shall be
22 included in the tax expenditure budget pursuant to Section
23 7-1-84 NMSA 1978, including the annual aggregate cost of the
24 tax credit.

25 G. As used in this section, "physician" means a

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health professional who is a medical physician or an osteopathic physician licensed to practice medicine in New Mexico pursuant to the Medical Practice Act."

SECTION 2. APPLICABILITY.--The provisions of this act apply to taxable years beginning on or after January 1, 2026.

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