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SENATE JOINT MEMORIAL 19

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Sue Wilson Beffort

FOR THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE

A JOINT MEMORIAL

**REQUESTING THE NEW MEXICO HEALTH POLICY COMMISSION TO STUDY THE
IMPACT OF PROVIDING TAX CREDITS FOR LOW-INCOME PERSONS BASED ON
HEALTH INSURANCE COSTS.**

**WHEREAS, health insurance premiums have risen at a rate
that outpaces general inflation; and**

**WHEREAS, rates for health insurance vary significantly,
especially in the individual and small business markets; and**

**WHEREAS, affordability is the key purchasing consideration
for individual and most group health insurance purchasers; and**

**WHEREAS, approximately twenty-two percent of the
population of New Mexico is uninsured, in large part due to the
high cost of health insurance; and**

**WHEREAS, a refundable tax credit could make health
insurance premiums far more affordable and provide a**

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1 substantial incentive to uninsured people to purchase health
2 insurance, thereby reducing the number of uninsured in New
3 Mexico; and

4 WHEREAS, personal responsibility and involvement by
5 consumers in their health care is an important factor in
6 keeping costs affordable and ensuring continuing choice in
7 health insurance coverage; and

8 WHEREAS, there are many ways to structure a tax credit for
9 health insurance and many considerations regarding eligibility
10 for credits; and

11 WHEREAS, the potential cost to the state in lost revenue
12 is unknown;

13 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
14 STATE OF NEW MEXICO that the New Mexico health policy
15 commission, with the cooperation of the insurance division of
16 the public regulation commission and the taxation and revenue
17 department, be requested to conduct a study of the impact of
18 providing refundable tax credits for low-income persons based
19 on the amount spent for health insurance; and

20 BE IT FURTHER RESOLVED that the study evaluate the forms a
21 tax credit could take, who should be eligible for it, how large
22 it should be and whether tax credits should be available for
23 all health insurance premiums or restricted to certain types of
24 coverage or certain income levels; and

25 BE IT FURTHER RESOLVED that the study estimate the number

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1 of people who could benefit from a tax credit under various
2 scenarios, as well as the cost to the state of implementing
3 such a tax credit; and

4 BE IT FURTHER RESOLVED that the New Mexico health policy
5 commission report its findings to the interim legislative
6 health and human services committee at its October 2004
7 meeting; and

8 BE IT FURTHER RESOLVED that copies of this memorial be
9 transmitted to the New Mexico health policy commission, the
10 superintendent of insurance and the secretary of taxation and
11 revenue.