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SENATE BILL 282

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

Timothy Z. Jennings

AN ACT

RELATING TO TAXATION; PROVIDING A CREDIT AGAINST PERSONAL
INCOME TAX LIABILITIES FOR PHYSICIANS PARTICIPATING IN CANCER
TREATMENT CLINICAL TRIALS.

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

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

"~~[NEW MATERIAL]~~ CREDIT--PHYSICIAN PARTICIPATION IN CANCER
TREATMENT CLINICAL TRIALS.--

A. A taxpayer who files an individual New Mexico
income tax return, who is not a dependent of another taxpayer,
who is a physician licensed pursuant to the Medical Practice
Act and whose practice is located in rural New Mexico may
claim, and the department may allow, a tax credit of one
thousand dollars (\$1,000) for each patient participating in a

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1 cancer clinical trial under the taxpayer's supervision for a
2 maximum credit allowed for all cancer clinical trials conducted
3 by that taxpayer during the taxable year of four thousand
4 dollars (\$4,000). The tax credit provided in this section may
5 be referred to as the "cancer clinical trial tax credit".

6 B. The purpose of the cancer clinical trial tax
7 credit is to encourage physicians in New Mexico to participate
8 as clinical trial investigators by performing cancer clinical
9 trials of new cancer treatments in New Mexico and making cancer
10 clinical trials more readily available to cancer patients in
11 the state.

12 C. The cancer clinical trial tax credit may only be
13 claimed for the taxable year in which the physician
14 participates as an investigator in a clinical trial.

15 D. A partnership or business association in which
16 one or more members qualifies for a cancer clinical trial tax
17 credit may claim only one cancer clinical trial tax credit.
18 The total cancer clinical trial tax credit allowed by the
19 department for all the members of a partnership or business
20 association shall not exceed the amount of cancer clinical
21 trial tax credit that could have been claimed by one physician
22 conducting, supervising or participating in the cancer clinical
23 trial for which the credit is allowed.

24 E. A husband and wife who file separate returns for
25 a taxable year in which they could have filed a joint return

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1 may each claim only one-half of the cancer clinical trial tax
2 credit that would have been allowed on a joint return.

3 F. The department shall compile an annual report
4 that includes the number of taxpayers approved by the
5 department to receive a cancer clinical trial tax credit in the
6 taxable year, the amount of cancer clinical trial tax credits
7 allowed in the taxable year, the number of patients who
8 participated in the taxable year in cancer clinical trials and
9 the locations of the cancer clinical trials for which cancer
10 clinical trial tax credits were claimed.

11 G. As used in this section:

12 (1) "cancer clinical trial" means a clinical
13 trial:

14 (a) conducted for the purposes of the
15 prevention of or the prevention of reoccurrence of cancer or
16 the early detection or treatment of cancer for which no equally
17 or more effective standard cancer treatment exists;

18 (b) that is not designed exclusively to
19 test toxicity or disease pathophysiology and has a therapeutic
20 intent;

21 (c) provided in this state as part of a
22 scientific study of a new therapy or intervention and is for
23 the prevention, prevention of reoccurrence, early detection,
24 treatment or palliation of cancer in humans and in which the
25 scientific study includes all of the following: 1) specific

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1 goals; 2) a rationale and background for the study; 3) criteria
2 for patient selection; 4) specific direction for administering
3 the therapy or intervention and for monitoring patients; 5) a
4 definition of quantitative measures for determining treatment
5 response; 6) methods for documenting and treating adverse
6 reactions; and 7) a reasonable expectation that the treatment
7 will be at least as efficacious as standard cancer treatment;

8 (d) that is being conducted with
9 approval of at least one of the following: 1) one of the
10 federal national institutes of health; 2) a federal national
11 institutes of health cooperative group or center; 3) the United
12 States department of defense; 4) the federal food and drug
13 administration in the form of an investigational new drug
14 application; 5) the United States department of veterans
15 affairs; or 6) a qualified research entity that meets the
16 criteria established by the federal national institutes of
17 health for grant eligibility;

18 (e) that is considered part of a cancer
19 clinical trial;

20 (f) that has been reviewed and approved
21 by an institutional review board that has an active federal-
22 wide assurance of protection for human subjects; and

23 (g) in which the personnel conducting
24 the clinical trial are working within their scope of practice,
25 experience and training and are capable of providing the

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1 clinical trial because of their experience, training and volume
2 of patients treated to maintain their expertise; and

3 (2) "rural New Mexico" means a class B county
4 in which no municipality has a population of sixty thousand or
5 more according to the most recent federal decennial census and
6 includes the municipalities within that county."

7 SECTION 2. APPLICABILITY.--The provisions of this act
8 apply to taxable years beginning on or after January 1, 2012
9 but before January 1, 2015.

10 SECTION 3. EFFECTIVE DATE.--The effective date of the
11 provisions of this act is January 1, 2012.