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FISCAL IMPACT REPORT

ORIGINAL DATE 02/02/12

SPONSOR Ortiz y Pino LAST UPDATED _____ HB _____

SHORT TITLE Pharmacist & Clinician Tax Credit SB 203

ANALYST Smith

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY12	FY13	FY14		
	(600.0-3,000.0)		Recurring	General Fund
	(400.0-2,000.0)		Recurring	Local Governments

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

NO RESPONSE FROM TRD

Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Bill 203 (SB203) would amend Section 7-2-18.22 NMSA 1978, the statute authorizing the Rural Health Care Practitioner Tax Credit Program (RHCPTCP) to expand the eligible practitioners to include pharmacists and pharmacist clinicians. Pharmacists and pharmacist clinicians practicing in rural areas of New Mexico would be eligible for a tax credit of up to \$3,000 per year. The practitioner must have provided health care for 2,080 hours at a practice site in an approved area. If the practitioner provided health care for at least 1,040 hours, the practitioner is eligible for half the credit.

SIGNIFICANT ISSUES

- SB203 proposes to expand practitioner eligibility in the RHCPTCP to include pharmacists and pharmacist clinicians. Currently, the following categories of practitioner are eligible for a maximum tax credit of \$5,000 per year:
- Physicians licensed by the New Mexico Medical Board;
- Osteopathic physicians licensed by the New Mexico Board of Osteopathic Medical

Examiners;

- Dentists licensed by the New Mexico Board of Dental Health Care;
- Clinical psychologists licensed by the New Mexico Board of Psychologist Examiners;
- Podiatrists licensed by the New Mexico Board of Podiatry; and
- Optometrists licensed by the New Mexico Board of Examiners in Optometry.

Currently the following categories of practitioner are eligible for a maximum tax credit of \$3,000 per year:

- Dental hygienists licensed by the New Mexico Board of Dental Health Care;
- Physician assistants licensed by the New Mexico Medical Board;
- Nurse practitioners licensed/certified by the New Mexico Board of Nursing;
- Nurse-midwives licensed/certified by the New Mexico Board of Nursing and the New Mexico Department of Health;
- Nurse anesthetists licensed/certified by the New Mexico Board of Nursing; and
- Clinical nurse specialists licensed/certified by the New Mexico Board of Nursing.

Under the existing eligibility, for Tax Year 2010, over 1,700 rural practitioners were certified eligible for tax credits pursuant to the RHCPTCP.

PERFORMANCE IMPLICATIONS

The Department of Health reports that twenty-six of New Mexico's 33 counties are designated as rural or frontier (www.frontierus.org). Rural New Mexicans face more challenges and barriers to accessing appropriate, timely, and cost-effective care and have less access to specialized health care, in part due to fewer care providers in rural areas. (Johnson, Brems, Warner, & Roberts, 2006 Rural-Urban Health Care Provider Disparities in Alaska and New Mexico, Administration and Policy in Mental Health and Mental Health Services Research, 33(4), 504-507).

OTHER SUBSTANTIVE ISSUES

This bill may be counter to the LFC tax policy principle of adequacy. According to the LFC staff General Fund Recurring Appropriation Outlook for FY14 and FY15, December 2011 forecasted revenues will be insufficient to cover growing recurring appropriations.

Does the bill meet the Legislative Finance Committee tax policy principles?

1. **Adequacy:** Revenue should be adequate to fund needed government services.
2. **Efficiency:** Tax base should be as broad as possible and avoid excess reliance on one tax.
3. **Equity:** Different taxpayers should be treated fairly.
4. **Simplicity:** Collection should be simple and easily understood.
5. **Accountability:** Preferences should be easy to monitor and evaluate

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