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SENATE BILL 242

54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020

INTRODUCED BY

Michael Padilla

AN ACT

RELATING TO TAXATION; ENACTING THE GROSS RECEIPTS TAXES ON
REMOTE PATIENT MONITORING EQUIPMENT ACT; ESTABLISHING A PILOT
PROGRAM FOR REMOTE PATIENT MONITORING; PROVIDING FOR
RULEMAKING; REQUIRING A STRATEGIC PLAN AND REPORT; MAKING AN
APPROPRIATION.

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

SECTION 1. [NEW MATERIAL] SHORT TITLE.--Sections 1
through 5 of this act may be cited as the "Gross Receipts Taxes
on Remote Patient Monitoring Equipment Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the
Gross Receipts Taxes on Remote Patient Monitoring Equipment
Act:

A. "engaging in business" means carrying on or
causing to be carried on the selling of remote patient

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1 monitoring equipment with the purpose of direct or indirect
2 benefit;

3 B. "remote patient monitoring equipment" means
4 equipment that can be used in a patient's home to determine
5 vital health indicators and to transmit those indicators to a
6 health care provider; and

7 C. "remote patient monitoring equipment gross
8 receipts" means the total amount of money or the value of other
9 consideration received from selling remote patient monitoring
10 equipment in New Mexico, or, if in an exchange in which the
11 money or other consideration received does not represent the
12 value of the remote patient monitoring equipment, "remote
13 patient monitoring equipment gross receipts" means the
14 reasonable value of the remote patient monitoring equipment.

15 "Remote patient monitoring equipment gross receipts" excludes:

- 16 (1) cash discounts allowed and taken;
- 17 (2) remote patient monitoring equipment gross
18 receipts tax payable on transactions for the reporting period;
- 19 (3) gross receipts tax payable pursuant to the
20 Gross Receipts and Compensating Tax Act on transactions for the
21 reporting period;
- 22 (4) taxes imposed pursuant to the provisions
23 of any local option gross receipts tax, as that term is defined
24 in the Tax Administration Act, that is payable for the
25 reporting period;

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1 (5) a time-price differential; and
2 (6) any gross receipts or sales taxes imposed
3 by an Indian nation, tribe or pueblo; provided that the tax is
4 approved, if approval is required by federal law or regulation,
5 by the United States secretary of the interior; and provided
6 further that the gross receipts or sales tax imposed by the
7 Indian nation, tribe or pueblo provides a reciprocal exclusion
8 from gross receipts, sales or gross receipts-based excise taxes
9 imposed by the state or its political subdivisions.

10 SECTION 3. [NEW MATERIAL] REMOTE PATIENT MONITORING
11 EQUIPMENT GROSS RECEIPTS TAX.--For the privilege of engaging in
12 business, an excise tax of three percent of remote patient
13 monitoring equipment gross receipts on the sale of remote
14 patient monitoring equipment is imposed on any person engaging
15 in business in New Mexico. The tax imposed by this section may
16 be cited as the "remote patient monitoring equipment gross
17 receipts tax".

18 SECTION 4. [NEW MATERIAL] EXEMPTIONS.--Exempted from the
19 remote patient monitoring equipment gross receipts tax are
20 receipts that are exempt from the gross receipts tax pursuant
21 to the Gross Receipts and Compensating Tax Act pursuant to
22 Sections 7-9-13, 7-9-13.1, 7-9-18.1, 7-9-28, 7-9-29 and
23 7-9-41.3 NMSA 1978.

24 SECTION 5. [NEW MATERIAL] DATE PAYMENT DUE.--The taxes
25 imposed by the Gross Receipts Taxes on Remote Patient

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1 Monitoring Equipment Act are to be paid on or before the
2 twenty-fifth day of the month following the month in which the
3 taxable event occurs.

4 SECTION 6. Section 7-1-2 NMSA 1978 (being Laws 1965,
5 Chapter 248, Section 2, as amended by Laws 2019, Chapter 47,
6 Section 1 and by Laws 2019, Chapter 53, Section 10 and also by
7 Laws 2019, Chapter 270, Section 1) is amended to read:

8 "7-1-2. APPLICABILITY.--The Tax Administration Act
9 applies to and governs:

10 A. the administration and enforcement of the
11 following taxes or tax acts as they now exist or may hereafter
12 be amended:

- 13 (1) Income Tax Act;
- 14 (2) Withholding Tax Act;
- 15 (3) Oil and Gas Proceeds and Pass-Through
16 Entity Withholding Tax Act;
- 17 (4) Gross Receipts and Compensating Tax Act,
18 Interstate Telecommunications Gross Receipts Tax Act and Leased
19 Vehicle Gross Receipts Tax Act;
- 20 (5) Liquor Excise Tax Act;
- 21 (6) Local Liquor Excise Tax Act;
- 22 (7) any municipal local option gross receipts
23 tax or municipal compensating tax;
- 24 (8) any county local option gross receipts tax
25 or county compensating tax;

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- 1 (9) Special Fuels Supplier Tax Act;
- 2 (10) Gasoline Tax Act;
- 3 (11) petroleum products loading fee, which fee
- 4 shall be considered a tax for the purpose of the Tax
- 5 Administration Act;
- 6 (12) Alternative Fuel Tax Act;
- 7 (13) Cigarette Tax Act;
- 8 (14) Estate Tax Act;
- 9 (15) Railroad Car Company Tax Act;
- 10 (16) Investment Credit Act, rural job tax
- 11 credit, Laboratory Partnership with Small Business Tax Credit
- 12 Act, Technology Jobs and Research and Development Tax Credit
- 13 Act, Film Production Tax Credit Act, Affordable Housing Tax
- 14 Credit Act and high-wage jobs tax credit;
- 15 (17) Corporate Income and Franchise Tax Act;
- 16 (18) Uniform Division of Income for Tax
- 17 Purposes Act;
- 18 (19) Multistate Tax Compact;
- 19 (20) Tobacco Products Tax Act;
- 20 (21) the telecommunications relay service
- 21 surcharge imposed by Section 63-9F-11 NMSA 1978, which
- 22 surcharge shall be considered a tax for the purposes of the Tax
- 23 Administration Act; ~~and~~
- 24 (22) the Insurance Premium Tax Act;
- 25 (23) the Health Care Quality Surcharge Act;

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1 and

2 (24) the Gross Receipts Taxes on Remote
3 Patient Monitoring Equipment Act;

4 B. the administration and enforcement of the
5 following taxes, surtaxes, advanced payments or tax acts as
6 they now exist or may hereafter be amended:

- 7 (1) Resources Excise Tax Act;
- 8 (2) Severance Tax Act;
- 9 (3) any severance surtax;
- 10 (4) Oil and Gas Severance Tax Act;
- 11 (5) Oil and Gas Conservation Tax Act;
- 12 (6) Oil and Gas Emergency School Tax Act;
- 13 (7) Oil and Gas Ad Valorem Production Tax Act;
- 14 (8) Natural Gas Processors Tax Act;
- 15 (9) Oil and Gas Production Equipment Ad

16 Valorem Tax Act;

- 17 (10) Copper Production Ad Valorem Tax Act;
- 18 (11) any advance payment required to be made
19 by any act specified in this subsection, which advance payment
20 shall be considered a tax for the purposes of the Tax
21 Administration Act;

- 22 (12) Enhanced Oil Recovery Act;
- 23 (13) Natural Gas and Crude Oil Production
24 Incentive Act; and

- 25 (14) intergovernmental production tax credit

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1 and intergovernmental production equipment tax credit;

2 C. the administration and enforcement of the
3 following taxes, surcharges, fees or acts as they now exist or
4 may hereafter be amended:

5 (1) Weight Distance Tax Act;

6 (2) the workers' compensation fee authorized
7 by Section 52-5-19 NMSA 1978, which fee shall be considered a
8 tax for purposes of the Tax Administration Act;

9 (3) Uniform Unclaimed Property Act (1995);

10 (4) 911 emergency surcharge and the network
11 and database surcharge, which surcharges shall be considered
12 taxes for purposes of the Tax Administration Act;

13 (5) the solid waste assessment fee authorized
14 by the Solid Waste Act, which fee shall be considered a tax for
15 purposes of the Tax Administration Act;

16 (6) the water conservation fee imposed by
17 Section 74-1-13 NMSA 1978, which fee shall be considered a tax
18 for the purposes of the Tax Administration Act; and

19 (7) the gaming tax imposed pursuant to the
20 Gaming Control Act; and

21 D. the administration and enforcement of all other
22 laws, with respect to which the department is charged with
23 responsibilities pursuant to the Tax Administration Act, but
24 only to the extent that the other laws do not conflict with the
25 Tax Administration Act."

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1 SECTION 7. A new section of the Department of Health Act
2 is enacted to read:

3 "[NEW MATERIAL] REMOTE PATIENT MONITORING PILOT PROGRAM
4 CREATED--DUTIES--STRATEGIC PLAN AND REPORT.--

5 A. The department shall develop and implement a
6 remote patient monitoring pilot program beginning in fiscal
7 year 2021 for two counties with significant populations of
8 eligible remote patients who have increased health risk due to
9 chronic illness as well as alcohol or substance abuse. The
10 department shall use the pilot program to create a baseline for
11 the public health benefits and the costs of establishing a
12 statewide program to provide remote monitoring of vital health
13 indicators for at-risk patients.

14 B. The department shall establish by rule:

15 (1) a definition of "at-risk patient" based on
16 health conditions, including substance use disorders, that can
17 be addressed with significant benefits to the patient through
18 intermittent remote reporting of vital health indicators to the
19 patient's health care provider;

20 (2) a definition of "remote patient" based on
21 the physical distance of a patient's residence from health care
22 facilities or other factors that physically limit a patient's
23 access to health care services;

24 (3) a definition of "eligible remote patient"
25 based on a patient's physical access to health care services

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1 and the patient's level of at-risk health conditions;

2 (4) a list of vital health indicators that may
3 be determined by an average person without medical training
4 through the use of electronic or mechanical equipment and that
5 would allow a medical professional to determine if a remote
6 patient needs to visit a health care facility; and

7 (5) the requirements for equipment that could
8 be used by a patient in the patient's home to determine vital
9 health indicators and to transmit those indicators to a health
10 care provider.

11 C. The department may provide equipment for the
12 remote monitoring, transmittal and reception of vital health
13 indicators to eligible at-risk patients either through the
14 county governments participating in the remote patient
15 monitoring pilot program or directly to program participants;
16 provided that:

17 (1) the department shall retain ownership of
18 the equipment; and

19 (2) provision of the equipment shall be by a
20 contract with the recipient that provides for its timely return
21 to the department. The department shall establish by rule the
22 requirements for return of the equipment, including the
23 condition in which the recipient must maintain the equipment
24 until it is returned.

25 D. The department shall develop a statewide

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1 strategic plan to provide remote monitoring of vital health
2 indicators for at-risk patients who live in remote locations or
3 otherwise lack immediate access to health care services. The
4 department shall provide a report summarizing the plan to the
5 legislative finance committee and the legislative health and
6 human services committee by November 30, 2020. The report
7 shall include:

8 (1) the administrative structure required to
9 implement a statewide remote patient monitoring program in
10 partnership with medical professionals for remote at-risk
11 patients;

12 (2) the staffing requirements needed to
13 implement a statewide remote patient monitoring program,
14 including expertise and professional requirements as well as
15 the numbers of full-time-equivalent employees;

16 (3) the types and numbers of monitoring,
17 transmitting and receiving equipment that would be required by
18 patients and health care providers to enable remote monitoring
19 of vital health indicators; and

20 (4) the varying costs and public health
21 benefits of establishing a program that would serve fifty
22 percent, seventy-five percent and one hundred percent of the
23 estimated population of eligible remote at-risk patients."

24 SECTION 8. APPROPRIATION.--

25 A. The following amounts are appropriated from the

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1 general fund to the department of health for expenditure in
2 fiscal year 2021 for the following purposes:

3 (1) three million four hundred thousand
4 dollars (\$3,400,000) to develop and implement a pilot program
5 for remote monitoring of vital health indicators for eligible
6 at-risk patients in two counties;

7 (2) three hundred thousand dollars (\$300,000)
8 to develop a strategic plan and report for statewide remote
9 monitoring of vital health indicators for at-risk patients; and

10 (3) six million five hundred thousand dollars
11 (\$6,500,000) to purchase equipment to remotely monitor,
12 transmit and receive vital health indicators for eligible at-
13 risk patients in two counties; provided that if severance tax
14 bond funding is provided for this purpose, the amount of this
15 appropriation shall be reduced by the same amount as provided
16 in the severance tax bond legislation.

17 B. Any unexpended or unencumbered balance remaining
18 at the end of fiscal year 2021 shall revert to the general
19 fund.

20 **SECTION 9. EFFECTIVE DATE.**--The effective date of the
21 provisions of this act is July 1, 2020.

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