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SENATE BILL 373

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,
2000**

INTRODUCED BY

Timothy Z. Jennings

AN ACT

RELATING TO TAXATION; PROVIDING AN INCOME TAX DEDUCTION FOR
CERTAIN UNREIMBURSED OR UNCOMPENSATED MEDICAL CARE EXPENSES.

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] DEDUCTION--UNREIMBURSED OR UNCOMPENSATED
MEDICAL CARE EXPENSES.--

A. A taxpayer may claim a deduction from net
income in an amount determined pursuant to Subsection B of
this section for medical care expenses paid during the
taxable year for medical care of the taxpayer, the taxpayer's
spouse or a dependent if the expenses are not reimbursed or
compensated for by insurance or otherwise.

B. The deduction provided in Subsection A of this
section may be claimed in an amount equal to the following

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1 percentage of medical care expenses paid during the taxable
2 year based on the taxpayer's filing status and adjusted gross
3 income as follows:

4 (1) for surviving spouses and married
5 individuals filing joint returns:

6 If adjusted gross income is: The following percent of
7 medical care expenses
8 paid may be deducted:
9 Not over \$30,000 75 percent
10 More than \$30,000 but not more than \$70,000 50 percent
11 Over \$70,000 25 percent;

12 (2) for single individuals and married
13 individuals filing separate returns:

14 If adjusted gross income is: The following percent of
15 medical care expenses
16 paid may be deducted:
17 Not over \$15,000 75 percent
18 More than \$15,000 but not more than \$35,000 50 percent
19 Over \$35,000 25 percent;

20 and

21 (3) for heads of household:

22 If adjusted gross income is: The following percent of
23 medical care expenses
24 paid may be deducted:
25 Not over \$20,000 75 percent
More than \$20,000 but not more than \$50,000 50 percent
Over \$50,000 25 percent.

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C. As used in this section:

(1) "dependent" means dependent as defined in Section 152 of the Internal Revenue Code;

(2) "medical care" means the diagnosis, cure, mitigation, treatment or prevention of disease or for the purpose of affecting any structure or function of the body;

(3) "medical care expenses" means amounts paid for:

(a) the diagnosis, cure, mitigation, treatment or prevention of disease or for the purpose of affecting any structure or function of the body, if provided by a physician;

(b) prescribed drugs or insulin;

(c) qualified long-term care services as defined in Section 7702B(c) of the Internal Revenue Code;

(d) insurance covering medical care, including amounts paid as premiums under part B of Title XVIII of the Social Security Act or for a qualified long-term care insurance contract defined in Section 7702B(b) of the Internal Revenue Code, if the insurance or other amount is paid from income included in the taxpayer's adjusted gross income for the taxable year and has not been included in the taxpayer's itemized deductions, defined in Section 63 of the Internal Revenue Code, for the taxable year;

(e) nursing services, regardless of where the services are rendered, if provided by a practical

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1 nurse or a professional nurse licensed to practice in the
2 state pursuant to the Nursing Practice Act;

3 (f) specialized treatment or the use of
4 special therapeutic devices if the treatment or device is
5 prescribed by a physician and the patient can show that the
6 expense was incurred primarily for the prevention or
7 alleviation of a physical or mental defect or illness; and

8 (g) care in an institution other than a
9 hospital, such as a sanitarium or rest home, if the principal
10 reason for the presence of the person in the institution is
11 to receive the medical care available; provided that if the
12 meals and lodging are furnished as a necessary part of such
13 care, the cost of the meals and lodging are "medical care
14 expenses";

15 (4) "physician" means a medical
16 doctor, osteopathic physician, dentist, podiatrist,
17 chiropractic physician or psychologist licensed or certified
18 to practice in New Mexico; and

19 (5) "prescribed drug" means a drug or
20 biological that requires a prescription of a physician for
21 its use by an individual."

22 Section 2. APPLICABILITY.--The provisions of this act
23 apply to taxable years beginning on or after January 1, 2000.