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SENATE BILL 27

**44TH LEGISLATURE - STATE OF NEW MEXICO - 2ND SPECIAL 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 percentage of medical care expenses paid during the taxable

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1 year based on the taxpayer's filing status and adjusted gross  
2 income as follows:

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

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

9 (2) for single individuals and married  
10 individuals filing separate returns:

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

15 and

16 (3) for heads of household:

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

21 C. As used in this section:

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

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

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

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

13 (b) prescribed drugs or insulin;

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

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

25 (e) nursing services, regardless of  
where the services are rendered, if provided by a practical  
nurse or a professional nurse licensed to practice in the

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1 state pursuant to the Nursing Practice Act;

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

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

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

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

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