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HOUSE BILL 370

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

John A. Sanchez

AN ACT

**RELATING TO TAXATION; PHASING IN A GROSS RECEIPTS TAX
DEDUCTION FOR ALL SERVICES PROVIDED BY MEDICAL DOCTORS AND
OSTEOPATHIC PHYSICIANS.**

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

**Section 1. Section 7-9-77.1 NMSA 1978 (being Laws 1998,
Chapter 96, Section 1, as amended) is amended to read:**

**"7-9-77.1. DEDUCTION--GROSS RECEIPTS TAX--CERTAIN
MEDICAL AND HEALTH CARE SERVICES.--**

**A. Receipts from payments by the United States
government or any agency thereof for provision of medical and
other health services by medical doctors and osteopaths or of
medical, other health and palliative services by a hospice to
medicare beneficiaries pursuant to the provisions of Title
[~~XVIII~~] 18 of the federal Social Security Act may be deducted**

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1 from gross receipts.

2 B. Receipts from services provided by medical
3 doctors and osteopathic physicians that are not otherwise
4 deductible under Subsection A of this section may be deducted
5 from gross receipts as follows:

6 (1) from July 1, 2001 through June 30, 2002,
7 twenty percent of the receipts may be deducted from gross
8 receipts;

9 (2) from July 1, 2002 through June 30, 2003,
10 forty percent of the receipts may be deducted from gross
11 receipts;

12 (3) from July 1, 2003 through June 30, 2004,
13 sixty percent of the receipts may be deducted from gross
14 receipts;

15 (4) from July 1, 2004 through June 30, 2005,
16 eighty percent of the receipts may be deducted from gross
17 receipts; and

18 (5) after June 30, 2005, all of the receipts
19 may be deducted from gross receipts.

20 ~~[B.]~~ C. For the purposes of this section:

21 (1) "hospice" means a for-profit entity
22 licensed and certified by the department of health as a
23 hospice; ~~[and]~~

24 (2) "medical doctors ~~[and osteopaths]~~" means
25 ~~[persons]~~ physicians licensed to practice ~~[under Section~~

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~~61-6-11 or 61-10-11 NMSA 1978]~~ medicine pursuant to the provisions of the Medical Practice Act; and

(3) "osteopathic physicians" means persons licensed to practice as osteopathic physicians pursuant to the provisions of Chapter 61, Article 10 NMSA 1978. "

Section 2. EFFECTIVE DATE. --The effective date of the provisions of this act is July 1, 2001.