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SENATE BILL 341

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

INTRODUCED BY

Joseph J. Carraro

AN ACT

RELATING TO TAXATION; PROVIDING GROSS RECEIPTS TAX DEDUCTIONS FOR THE SERVICES OF MEDICAL DOCTORS AND OSTEOPATHIC PHYSICIANS AND THE RECEIPTS OF FOR-PROFIT HOSPITALS, NURSING HOMES AND SIMILAR RESIDENTIAL CARE FACILITIES; AUTHORIZING IMPOSITION OF AN ADDITIONAL INCREMENT OF THE MUNICIPAL INFRASTRUCTURE GROSS RECEIPTS TAX AND A NEW SUPPLEMENTAL COUNTY GROSS RECEIPTS TAX; AMENDING AND ENACTING SECTIONS OF THE NMSA 1978.

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

Section 1. A new section of the Gross Receipts and Compensating Tax Act is enacted to read:

"[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS TAX--NURSING HOMES AND RESIDENTIAL CARE FACILITIES.--The receipts of for-profit entities that are licensed by the department of health

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1 as nursing homes, adult residential care facilities or
2 intermediate care facilities for the mentally retarded may be
3 deducted from gross receipts. "

4 Section 2. Section 7-9-73.1 NMSA 1978 (being Laws 1991,
5 Chapter 8, Section 3, as amended) is amended to read:

6 "7-9-73.1. DEDUCTION--GROSS RECEIPTS--HOSPITALS.-- [~~Fifty~~
7 ~~percent of~~] The receipts of hospitals licensed by the
8 department of health may be deducted from gross receipts;
9 provided, this deduction may be applied only to the taxable
10 gross receipts remaining after all other appropriate
11 deductions have been taken. "

12 Section 3. Section 7-9-77.1 NMSA 1978 (being Laws 1998,
13 Chapter 96, Section 1, as amended) is amended to read:

14 "7-9-77.1. DEDUCTION--GROSS RECEIPTS TAX--CERTAIN
15 MEDICAL AND HEALTH CARE SERVICES.--

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

23 B. Receipts for services provided by medical
24 doctors and osteopathic physicians may be deducted from gross
25 receipts.

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

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

(2) "medical doctors ~~[and osteopaths]~~" means ~~[persons]~~ physicians licensed to practice ~~[under Section 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 4. Section 7-19D-11 NMSA 1978 (being Laws 1991, Chapter 9, Section 3, as amended) is amended to read:

"7-19D-11. MUNICIPAL INFRASTRUCTURE GROSS RECEIPTS TAX--AUTHORITY BY MUNICIPALITY TO IMPOSE--ORDINANCE REQUIREMENTS--ELECTION.--

A. A majority of the members of the governing body of a municipality may enact an ordinance imposing an excise tax on any person engaging in business in the municipality for the privilege of engaging in business. The rate of the tax shall not exceed ~~[one-fourth]~~ three-eighths of one percent of the gross receipts of the person engaging in business and may be imposed in one-sixteenth of one percent increments by separate ordinances. Any ordinance enacting any increment of the first one-eighth or third one-eighth of one percent of the

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1 tax is not subject to a referendum of any kind,
2 notwithstanding any requirement of any charter municipality,
3 except that an increment that is imposed after July 1, 1998
4 for economic development purposes set forth in Paragraph (5)
5 of Subsection C of this section shall be subject to a
6 referendum as provided in Subsection D of this section.

7 B. The tax imposed pursuant to Subsection A of
8 this section may be referred to as the "municipal
9 infrastructure gross receipts tax".

10 C. The governing body of a municipality, at the
11 time of enacting any ordinance imposing the rate of the tax
12 authorized in Subsection A of this section, may dedicate the
13 revenue for:

14 (1) payment of special obligation bonds
15 issued pursuant to a revenue bond act;

16 (2) repair, replacement, construction or
17 acquisition of infrastructure improvements, including [~~but not~~
18 ~~limited to~~] sanitary sewer lines, storm sewers and other
19 drainage improvements, water, water rights, water lines and
20 utilities, streets, alleys, rights of way, easements,
21 international ports of entry and land within the municipality
22 or within the extraterritorial zone of the municipality;

23 (3) municipal general purposes;

24 (4) acquiring, constructing, extending,
25 bettering, repairing or otherwise improving or operating or

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1 maintaining public transit systems or regional transit systems
2 or authorities; and

3 (5) furthering or implementing economic
4 development plans and projects as defined in the Local
5 Economic Development Act, and use of not more than the greater
6 of fifty thousand dollars (\$50,000) or ten percent of the
7 revenue collected for promotion and administration of or
8 professional services contracts related to implementation of
9 an economic development plan adopted by the governing body
10 pursuant to the Local Economic Development Act and in
11 accordance with law.

12 D. An ordinance imposing any increment of the
13 municipal infrastructure gross receipts tax in excess of the
14 first one-eighth of one percent or any increment imposed after
15 July 1, 1998 for economic development purposes set forth in
16 Paragraph (5) of Subsection C of this section shall not go
17 into effect until after an election is held and a majority of
18 the voters of the municipality voting in the election votes in
19 favor of imposing the tax. The governing body shall adopt a
20 resolution calling for an election within seventy-five days of
21 the date the ordinance is adopted on the question of imposing
22 the tax. The question shall be submitted to the voters of the
23 municipality as a separate question at a regular municipal
24 election or at a special election called for that purpose by
25 the governing body. A special municipal election shall be

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1 called, conducted and canvassed as provided in the Municipal
2 Election Code. If a majority of the voters voting on the
3 question approves the ordinance imposing the municipal
4 infrastructure gross receipts tax, then the ordinance shall
5 become effective in accordance with the provisions of the
6 Municipal Local Option Gross Receipts Taxes Act. If the
7 question of imposing the municipal infrastructure gross
8 receipts tax fails, the governing body shall not again propose
9 the imposition of any increment of the tax in excess of the
10 first one-eighth of one percent for a period of one year from
11 the date of the election. "

12 Section 5. A new section of the County Local Option
13 Gross Receipts Taxes Act is enacted to read:

14 "[NEW MATERIAL] SUPPLEMENTAL COUNTY GROSS RECEIPTS TAX--
15 AUTHORITY TO IMPOSE--RATE--USE OF PROCEEDS.--

16 A. The majority of the members of the governing
17 body of a county may enact an ordinance imposing an excise tax
18 at a rate of one-sixteenth of one percent of the gross
19 receipts of any person engaging in business in the county for
20 the privilege of engaging in business in the county. The
21 ordinance imposing an excise tax pursuant to this section
22 shall not be subject to a referendum.

23 B. The tax imposed pursuant to Subsection A of
24 this section may be referred to as the "supplemental county
25 gross receipts tax".

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