

SENATE FLOOR SUBSTITUTE FOR
SENATE BILL 341

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

AN ACT

RELATING TO TAXATION; PROVIDING A GROSS RECEIPTS TAX DEDUCTION
FOR CERTAIN RECEIPTS OF LICENSED HEALTH PRACTITIONERS;
INCREASING CERTAIN DISTRIBUTIONS TO MUNICIPALITIES.

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

Section 1. Section 7-1-6.4 NMSA 1978 (being Laws 1983,
Chapter 211, Section 9, as amended) is amended to read:

"7-1-6.4. DISTRIBUTION--MUNICIPALITY FROM GROSS RECEIPTS
TAX. --

A. Except as provided in Subsection B of this
section, a distribution pursuant to Section 7-1-6.1 NMSA 1978
shall be made to each municipality in an amount, subject to
any increase or decrease made pursuant to Section 7-1-6.15
NMSA 1978, equal to the product of the quotient of one and
[two hundred twenty-five thousandths] twenty-four hundredths

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1 percent divided by the tax rate imposed by Section 7-9-4 NMSA
2 1978 times the net receipts for the month attributable to the
3 gross receipts tax from business locations:

4 (1) within that municipality;

5 (2) on land owned by the state, commonly
6 known as the "state fair grounds", within the exterior
7 boundaries of that municipality;

8 (3) outside the boundaries of any municipality
9 on land owned by that municipality; and

10 (4) on an Indian reservation or pueblo grant
11 in an area that is contiguous to that municipality and in
12 which the municipality performs services pursuant to a
13 contract between the municipality and the Indian tribe or
14 Indian pueblo if:

15 (a) the contract describes an area in
16 which the municipality is required to perform services and
17 requires the municipality to perform services that are
18 substantially the same as the services the municipality
19 performs for itself; and

20 (b) the governing body of the
21 municipality has submitted a copy of the contract to the
22 secretary.

23 B. If the reduction made by Laws 1991, Chapter 9,
24 Section 9 to the distribution under this section impairs the
25 ability of a municipality to meet its principal or interest

1 payment obligations for revenue bonds outstanding prior to
2 July 1, 1991 that are secured by the pledge of all or part of
3 the municipality's revenue from the distribution made under
4 this section, then the amount distributed pursuant to this
5 section to that municipality shall be increased by an amount
6 sufficient to meet any required payment, provided that the
7 distribution amount does not exceed the amount that would have
8 been due that municipality under this section as it was in
9 effect on June 30, 1992. "

10 Section 2. A new section of the Gross Receipts and
11 Compensating Tax Act is enacted to read:

12 "[NEW MATERIAL] DEDUCTION--GROSS RECEIPTS TAX--CERTAIN
13 RECEIPTS OF LICENSED HEALTH PRACTITIONERS.--

14 A. Receipts of licensed health practitioners paid
15 by managed health care providers for the commercial portion of
16 contract services provided by the taxpayer may be deducted
17 from gross receipts.

18 B. As used in this section:

19 (1) "commercial portion of contract services"
20 means services performed pursuant to a contract with a managed
21 health care provider other than those provided for medicare
22 patients pursuant to Title 18 of the federal Social Security
23 Act or for medicaid patients pursuant to Title 19 of the
24 federal Social Security Act;

25 (2) "licensed health practitioner" means:

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1 (a) a chiropractic physician licensed
2 pursuant to the provisions of the Chiropractic Physician
3 Practice Act;

4 (b) a dentist or dental hygienist
5 licensed pursuant to the provisions of the Dental Health Care
6 Act;

7 (c) a physician or physician assistant
8 licensed pursuant to the provisions of Chapter 61, Article 6
9 NMSA 1978;

10 (d) an osteopathic physician licensed
11 pursuant to the provisions of Chapter 61, Article 10 NMSA 1978
12 or an osteopathic physician's assistant licensed pursuant to
13 the provisions of the Osteopathic Physicians' Assistants Act;

14 (e) a doctor of oriental medicine
15 licensed pursuant to the provisions of the Acupuncture and
16 Oriental Medicine Practice Act;

17 (f) a podiatrist licensed pursuant to
18 the provisions of the Podiatry Act;

19 (g) a psychologist licensed pursuant to
20 the provisions of the Professional Psychologist Act;

21 (h) a registered nurse or licensed
22 practical nurse licensed pursuant to the provisions of the
23 Nursing Practice Act;

24 (i) a registered lay midwife registered
25 by the department of health;

1 (j) a physical therapist licensed
2 pursuant to the provisions of the Physical Therapy Act;

3 (k) an optometrist licensed pursuant to
4 the provisions of the Optometry Act;

5 (l) a registered occupational therapist
6 licensed pursuant to the provisions of the Occupational
7 Therapy Act; and

8 (m) a respiratory care practitioner
9 licensed pursuant to the provisions of the Respiratory Care
10 Act; and

11 (3) "managed health care provider" means a
12 person that provides for the delivery of comprehensive basic
13 health care services and medically necessary services to
14 individuals enrolled in a plan through its own employed health
15 care providers or by contracting with selected or
16 participating health care providers. A managed health care
17 provider includes only those persons that provide
18 comprehensive basic health care services to enrollees on a
19 contract basis, including the following:

- 20 (a) health maintenance organizations;
- 21 (b) preferred provider organizations;
- 22 (c) individual practice associations;
- 23 (d) competitive medical plans;
- 24 (e) exclusive provider organizations;
- 25 (f) integrated delivery systems;

- 1 (g) independent physician-provider
- 2 organizations;
- 3 (h) physician hospital-provider
- 4 organizations; and
- 5 (i) managed care services
- 6 organizations. "

7 Section 3. EFFECTIVE DATE. -- The effective date of the
8 provisions of this act is July 1, 2001.

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