

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL 366

45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002

INTRODUCED BY

Patsy G. Trujillo Knauer

AN ACT

RELATING TO TAXATION; PROVIDING A GROSS RECEIPTS TAX DEDUCTION FOR RECEIPTS OF PHYSICIANS FROM THE PROVISION OF MEDICAL AND OTHER HEALTH SERVICES; INCREASING THE RATE OF THE GROSS RECEIPTS TAX; INCREASING CERTAIN DISTRIBUTIONS TO MUNICIPALITIES; AMENDING SECTIONS OF THE NMSA 1978.

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

. 139778. 3

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 NMSA 1978, equal to the product of the quotient of one and
2 [~~two hundred twenty-five thousandths~~] two hundred eighty-eight
3 thousandths percent divided by the tax rate imposed by Section
4 7-9-4 NMSA 1978 times the net receipts for the month
5 attributable to the gross receipts tax from business
6 locations:

7 (1) within that municipality;

8 (2) on land owned by the state, commonly
9 known as the "state fair grounds", within the exterior
10 boundaries of that municipality;

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

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

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

23 (b) the governing body of the
24 municipality has submitted a copy of the contract to the
25 secretary.

. 139778. 3

underscored material = new
[bracketed material] = delete

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

13 Section 2. Section 7-9-4 NMSA 1978 (being Laws 1966,
14 Chapter 47, Section 4, as amended) is amended to read:

15 "7-9-4. IMPOSITION AND RATE OF TAX--DENOMINATION AS
16 "GROSS RECEIPTS TAX".--

17 A. For the privilege of engaging in business, an
18 excise tax equal to [~~five~~] five and eleven hundredths percent
19 of gross receipts is imposed on any person engaging in
20 business in New Mexico.

21 B. The tax imposed by this section shall be
22 referred to as the "gross receipts tax". "

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

25 "7-9-77.1. DEDUCTION--GROSS RECEIPTS TAX--CERTAIN

. 139778. 3

underscored material = new
[bracketed material] = delete

1 MEDICAL AND HEALTH CARE SERVICES. --

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

9 B. Receipts from the provision of medical and
10 other health services by physicians may be deducted from gross
11 receipts.

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

13 (1) "hospice" means a for-profit entity
14 licensed and certified by the department of health as a
15 hospice; and

16 [~~(2) "medical doctors and osteopaths" means~~
17 ~~persons licensed to practice under Section 61-6-11, or~~
18 ~~61-10-11 NMSA 1978]~~

19 (2) "physician" means a person licensed as a
20 physician pursuant to the provisions of the Medical Practice
21 Act or a person licensed as an osteopathic physician pursuant
22 to the provisions of Chapter 61, Article 10 NMSA 1978."

23 Section 4. EFFECTIVE DATE. -- The effective date of the
24 provisions of this act is July 1, 2002.