

1 HOUSE BILL 351

2 **52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015**

3 INTRODUCED BY

4 Terry H. McMillan

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10 AN ACT

11 RELATING TO TAXATION; PROVIDING AN INCOME TAX DEDUCTION FOR
12 CERTAIN UNREIMBURSED OR UNCOMPENSATED MEDICAL CARE EXPENSES.

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

15 SECTION 1. A new section of the Income Tax Act is enacted
16 to read:

17 "~~[NEW MATERIAL]~~ DEDUCTION--UNREIMBURSED OR UNCOMPENSATED
18 MEDICAL CARE EXPENSES.--

19 A. A taxpayer may claim a deduction from net income
20 in an amount determined pursuant to Subsection B of this
21 section for medical care expenses paid during the taxable year
22 for medical care of the taxpayer, the taxpayer's spouse or a
23 dependent if the expenses are not reimbursed or compensated for
24 by insurance or otherwise and have not been included in the
25 taxpayer's itemized deductions, as defined in Section 63 of the

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1 Internal Revenue Code, for the taxable year.

2 B. The deduction provided in Subsection A of this
3 section may be claimed in an amount equal to the following
4 percentage of medical care expenses paid during the taxable
5 year based on the taxpayer's filing status and adjusted gross
6 income as follows:

7 (1) for surviving spouses and married
8 individuals filing joint returns:

9 If adjusted gross income is:	The following percent of
10	medical care expenses
11	paid may be deducted:
12 Not over \$30,000	25 percent
13 More than \$30,000 but not more than	
14 \$70,000	15 percent
15 Over \$70,000	10 percent;

16 (2) for single individuals and married
17 individuals filing separate returns:

18 If adjusted gross income is:	The following percent of
19	medical care expenses
20	paid may be deducted:
21 Not over \$15,000	25 percent
22 More than \$15,000 but not more than	
23 \$35,000	15 percent
24 Over \$35,000	10 percent; and

25 (3) for heads of household:

1 If adjusted gross income is: The following percent of
2 medical care expenses
3 paid may be deducted:
4 Not over \$20,000 25 percent
5 More than \$20,000 but not more than
6 \$50,000 15 percent
7 Over \$50,000 10 percent.

8 C. As used in this section:

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

11 (2) "health care facility" means a hospital,
12 outpatient facility, diagnostic and treatment center,
13 rehabilitation center, free-standing hospice or other similar
14 facility at which medical care is provided;

15 (3) "medical care" means the diagnosis, cure,
16 mitigation, treatment or prevention of disease or for the
17 purpose of affecting any structure or function of the body;

18 (4) "medical care expenses" means amounts paid
19 for:

20 (a) the diagnosis, cure, mitigation,
21 treatment or prevention of disease or for the purpose of
22 affecting any structure or function of the body, excluding
23 cosmetic surgery, if provided by a physician or in a health
24 care facility;

25 (b) prescribed drugs or insulin;

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

3 (d) insurance covering medical care,
4 including amounts paid as premiums under Part B of Title 18 of
5 the Social Security Act or for a qualified long-term care
6 insurance contract defined in Section 7702B(b) of the Internal
7 Revenue Code, if the insurance or other amount is paid from
8 income included in the taxpayer's adjusted gross income for the
9 taxable year;

10 (e) nursing services, regardless of
11 where the services are rendered, if provided by a practical
12 nurse or a professional nurse licensed to practice in the state
13 pursuant to the Nursing Practice Act;

14 (f) specialized treatment or the use of
15 special therapeutic devices if the treatment or device is
16 prescribed by a physician and the patient can show that the
17 expense was incurred primarily for the prevention or
18 alleviation of a physical or mental defect or illness; and

19 (g) care in an institution other than a
20 hospital, such as a sanitarium or rest home, if the principal
21 reason for the presence of the person in the institution is to
22 receive the medical care available; provided that if the meals
23 and lodging are furnished as a necessary part of such care, the
24 cost of the meals and lodging are "medical care expenses";

25 (5) "physician" means a medical doctor,

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1 osteopathic physician, dentist, podiatrist, chiropractic
2 physician or psychologist licensed or certified to practice in
3 New Mexico; and

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

7 SECTION 2. APPLICABILITY.--The provisions of this act
8 apply to taxable years beginning on or after January 1, 2015.