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SENATE BILL 71

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

Cisco McSorley

AN ACT

RELATING TO TAXATION; PROVIDING A GROSS RECEIPTS TAX DEDUCTION
FOR MEDICAL CANNABIS.

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

SECTION 1. Section 7-9-73.2 NMSA 1978 (being Laws 1998,
Chapter 95, Section 2 and Laws 1998, Chapter 99, Section 4, as
amended) is amended to read:

"7-9-73.2. DEDUCTION--GROSS RECEIPTS [~~TAX~~] AND
GOVERNMENTAL GROSS RECEIPTS [~~TAX~~]--PRESCRIPTION DRUGS--OXYGEN
AND OXYGEN SERVICES--MEDICAL CANNABIS.--

A. Receipts from the sale of prescription drugs
~~[and oxygen and oxygen services provided by a licensed medicare
durable medical equipment provider]~~ may be deducted from gross
receipts and governmental gross receipts.

B. Receipts from the sale of oxygen and oxygen

.211797.1

underscored material = new
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underscored material = new
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1 services provided by a licensed medicare durable medical
2 equipment provider may be deducted from gross receipts and
3 governmental gross receipts.

4 C. Receipts from the sale of medical cannabis by a
5 licensed producer to a qualified patient may be deducted from
6 gross receipts and governmental gross receipts.

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

8 (1) "licensed producer" means a licensed
9 producer pursuant to the Lynn and Erin Compassionate Use Act;

10 (2) "prescription drugs" means insulin and
11 substances, not including medical cannabis, that are:

12 ~~[(1)]~~ (a) dispensed by or under the
13 supervision of a licensed pharmacist or by a physician or other
14 person authorized under state law to do so;

15 ~~[(2)]~~ (b) prescribed for a specified
16 person by a person authorized under state law to prescribe the
17 substance; and

18 ~~[(3)]~~ (c) subject to the restrictions on
19 sale contained in Subparagraph 1 of Subsection (b) of 21 USCA
20 353; and

21 (3) "qualified patient" means a qualified
22 patient pursuant to the Lynn and Erin Compassionate Use Act."

23 **SECTION 2. EFFECTIVE DATE.**--The effective date of the
24 provisions of this act is July 1, 2019.