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HOUSE BILL 38

**56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

INTRODUCED BY

Miguel P. Garcia and Tara Jaramillo and Gail Armstrong

AN ACT

RELATING TO TAXATION; ADDING CERTAIN PHARMACISTS, REGISTERED NURSES, SOCIAL WORKERS, BEHAVIORAL HEALTH COUNSELORS AND THERAPISTS AND PHYSICAL THERAPISTS TO THE RURAL HEALTH CARE PRACTITIONER TAX CREDIT.

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

**SECTION 1.** Section 7-2-18.22 NMSA 1978 (being Laws 2007, Chapter 361, Section 2) is amended to read:

"7-2-18.22. [~~TAX CREDIT~~] RURAL HEALTH CARE PRACTITIONER TAX CREDIT.--

A. A taxpayer who files an individual New Mexico tax return, who is not a dependent of another individual, who is an eligible health care practitioner and who has provided health care services in New Mexico in a rural health care underserved area in a taxable year may claim a credit against

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1 the tax liability imposed by the Income Tax Act. The credit  
2 provided in this section may be referred to as the "rural  
3 health care practitioner tax credit".

4 B. The rural health care practitioner tax credit  
5 may be claimed and allowed in an amount that shall not exceed:

6 (1) five thousand dollars (\$5,000) for all  
7 [eligible] physicians, osteopathic physicians, dentists,  
8 clinical psychologists, podiatrists and optometrists who  
9 qualify pursuant to the provisions of this section [~~except the~~  
10 ~~credit shall not exceed~~]; and

11 (2) three thousand dollars (\$3,000) for all  
12 [eligible] pharmacists, dental hygienists, physician  
13 assistants, certified nurse-midwives, certified registered  
14 nurse anesthetists, certified nurse practitioners, [and]  
15 clinical nurse specialists, registered nurses, licensed  
16 clinical social workers, licensed independent social workers,  
17 professional mental health counselors, professional clinical  
18 mental health counselors, marriage and family therapists,  
19 professional art therapists, alcohol and drug abuse counselors  
20 and physical therapists who qualify pursuant to the provisions  
21 of this section.

22 C. To qualify for the rural health care  
23 practitioner tax credit, an eligible health care practitioner  
24 shall have provided health care during a taxable year for at  
25 least two thousand eighty hours at a practice site located in

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1 an approved rural health care underserved area. An eligible  
2 rural health care practitioner who provided health care  
3 services for at least one thousand forty hours but less than  
4 two thousand eighty hours at a practice site located in an  
5 approved rural health care underserved area during a taxable  
6 year is eligible for one-half of the credit amount.

7 D. Before an eligible health care practitioner may  
8 claim the rural health care practitioner tax credit, the  
9 practitioner shall submit an application to the department of  
10 health that describes the practitioner's clinical practice and  
11 contains additional information that the department of health  
12 may require. The department of health shall determine whether  
13 an eligible health care practitioner qualifies for the rural  
14 health care practitioner tax credit and shall issue a  
15 certificate to each qualifying eligible health care  
16 practitioner. The department of health shall provide the  
17 taxation and revenue department appropriate information for all  
18 eligible health care practitioners to whom certificates are  
19 issued.

20 E. A taxpayer claiming the credit provided by this  
21 section shall submit a copy of the certificate issued by the  
22 department of health with the taxpayer's New Mexico income tax  
23 return for the taxable year. If the amount of the credit  
24 claimed exceeds a taxpayer's tax liability for the taxable year  
25 in which the credit is being claimed, the excess may be carried

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1 forward for three consecutive taxable years.

2 F. A taxpayer allowed a tax credit pursuant to this  
3 section shall report the amount of the credit to the department  
4 in a manner required by the department.

5 G. The department shall compile an annual report on  
6 the tax credit provided by this section that shall include the  
7 number of taxpayers approved by the department to receive the  
8 credit, the aggregate amount of credits approved and any other  
9 information necessary to evaluate the credit. The department  
10 shall present the report to the revenue stabilization and tax  
11 policy committee and the legislative finance committee with an  
12 analysis of the cost of the tax credit.

13 [~~F.~~] H. As used in this section:

14 (1) "eligible health care practitioner" means:

15 (a) a certified nurse-midwife licensed  
16 by the board of nursing as a registered nurse and licensed by  
17 the public health division of the department of health to  
18 practice nurse-midwifery as a certified nurse-midwife;

19 (b) a dentist or dental hygienist  
20 licensed pursuant to the Dental Health Care Act;

21 (c) an optometrist licensed pursuant to  
22 the provisions of the Optometry Act;

23 (d) an osteopathic physician [~~licensed~~  
24 ~~pursuant to the provisions of Chapter 61, Article 10 NMSA 1978]~~  
25 or an osteopathic physician assistant licensed pursuant to the

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1 provisions of the [~~Osteopathic Physicians' Assistants~~] Medical  
2 Practice Act;

3 (e) a physician or physician assistant  
4 licensed pursuant to the provisions of [~~Chapter 61, Article 6~~  
5 ~~NMSA 1978~~] the Medical Practice Act;

6 (f) a podiatrist licensed pursuant to  
7 the provisions of the Podiatry Act;

8 (g) a clinical psychologist licensed  
9 pursuant to the provisions of the Professional Psychologist  
10 Act; [~~and~~]

11 (h) a registered nurse [~~in advanced~~  
12 ~~practice who has been prepared through additional formal~~  
13 ~~education as provided in Sections 61-3-23.2 through 61-3-23.4~~  
14 ~~NMSA 1978 to function beyond the scope of practice of~~  
15 ~~professional registered nursing, including certified nurse~~  
16 ~~practitioners, certified registered nurse anesthetists and~~  
17 ~~clinical nurse specialists~~] licensed pursuant to the provisions  
18 of the Nursing Practice Act;

19 (i) a pharmacist licensed pursuant to  
20 the provisions of the Pharmacy Act;

21 (j) a licensed clinical social worker or  
22 a licensed independent social worker licensed pursuant to the  
23 provisions of the Social Work Practice Act;

24 (k) a professional mental health  
25 counselor, a professional clinical mental health counselor, a

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1 marriage and family therapist, an alcohol and drug abuse  
2 counselor or a professional art therapist licensed pursuant to  
3 the provisions of the Counseling and Therapy Practice Act; and

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

6 (2) "health care underserved area" means a  
7 geographic area or practice location in which it has been  
8 determined by the department of health, through the use of  
9 indices and other standards set by the department of health,  
10 that sufficient health care services are not being provided;

11 (3) "practice site" means a private practice,  
12 public health clinic, hospital, public or private nonprofit  
13 primary care clinic or other health care service location in a  
14 health care underserved area; and

15 (4) "rural" means an area or location  
16 identified by the department of health as falling outside of an  
17 urban area."

18 **SECTION 2. APPLICABILITY.**--The provisions of this act  
19 apply to taxable years beginning on or after January 1, 2023.