

LFC Requester:

Laird Graeser

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](https://www.nmlegis.gov/AgencyAnalysis) and email to billanalysis@dfa.nm.gov*(Analysis must be uploaded as a PDF)***SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*Date Prepared: 2/19/25

Check all that apply:

Bill Number: HB395Original Correction Amendment Substitute Sponsor: Rep. Anita GonzalesShort Title: Health Care Preceptor Tax

Credit

Agency Name

and Code HCA 630

Number:

Person Writing Kresta OppermanPhone: 505-231-8752 Email Kresta.opperman@hca**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0.0	\$0.0	NA	NA

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
\$0.0	\$0.0	\$0.0	NA	NA

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$0.0	\$0.0	\$0.0	\$0.0	NA	NA

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

HB395 amends the Income Tax Act to create the health care preceptor income tax credit. This tax credit applies to individuals who are not a dependent of another, who is employed by a NM institution of higher education and who has performed a preceptorship of not less than four weeks in NM to apply for a tax credit of up to \$1,000 against the taxpayer's income tax liability.

FISCAL IMPLICATIONS

None for HCA.

SIGNIFICANT ISSUES

The current bill language limits eligibility for the preceptor tax credit to individuals employed by a New Mexico institution of higher education. However, the majority of health care preceptors do not work in higher education institutions but instead serve in clinical settings such as hospitals, private practices, community health centers, and other health care facilities. As currently structured, the bill excludes the majority of preceptors who provide hands-on training to students and residents in real-world clinical environments. Expanding eligibility beyond higher education employees would more accurately reflect the composition of the preceptor workforce and increase the impact of this tax credit in strengthening New Mexico's health care workforce.

PERFORMANCE IMPLICATIONS

Creating the health care preceptor tax credit may encourage workforce development and improve access to health care for Medicaid-enrolled members and all New Mexicans.

ADMINISTRATIVE IMPLICATIONS

Improving access to health care, is a key priority for HCA. HB395 aligns with HCA's efforts to support, increase, and expand the health care provider workforce.

HCA currently oversees residency expansion through the "Graduate Medical and Expansion Grant Program Act" (GME Grant) established in HB480 (2019). The HCA receives \$1,000.0 thousands in general funds annually for this grant. There are currently 4 physician and 1 psychiatry rural residency programs in development who are receiving this funding. The preceptor tax credit may help recruit and retain staff contributing to more sustainability of the programs.

No IT impact for HCA.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None for HCA.

OTHER SUBSTANTIVE ISSUES

None for HCA.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

Expand eligibility to preceptors not employed by an institute of higher education.