

1 SENATE BILL 455

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

4 Craig W. Brandt

5
6
7
8
9
10 AN ACT

11 RELATING TO TAXATION; AMENDING A GROSS RECEIPTS TAX DEDUCTION
12 FOR HEALTH CARE PRACTITIONERS TO INCLUDE COINSURANCE PAID BY A
13 PATIENT.

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

16 SECTION 1. Section 7-9-93 NMSA 1978 (being Laws 2004,
17 Chapter 116, Section 6, as amended) is amended to read:

18 "7-9-93. DEDUCTION--GROSS RECEIPTS--CERTAIN RECEIPTS FOR
19 SERVICES PROVIDED BY HEALTH CARE PRACTITIONER OR ASSOCIATION OF
20 HEALTH CARE PRACTITIONERS.--

21 A. Receipts of a health care practitioner or an
22 association of health care practitioners for commercial
23 contract services or medicare part C services paid by a managed
24 care organization or health care insurer may be deducted from
25 gross receipts if the services are within the scope of practice

.230704.1

underscoring material = new
~~[bracketed material] = delete~~

underscored material = new
[bracketed material] = delete

1 of the health care practitioner providing the service.
2 Receipts from fee-for-service payments by a health care insurer
3 may not be deducted from gross receipts.

4 B. Prior to July 1, 2028, receipts from
5 coinsurance, a copayment or a deductible paid by an insured or
6 enrollee to a health care practitioner or an association of
7 health care practitioners for commercial contract services
8 pursuant to the terms of the insured's health insurance plan or
9 enrollee's managed care health plan may be deducted from gross
10 receipts if the services are within the scope of practice of
11 the health care practitioner providing the service.

12 C. The deductions provided by this section shall be
13 applied only to gross receipts remaining after all other
14 allowable deductions available under the Gross Receipts and
15 Compensating Tax Act have been taken.

16 D. A taxpayer allowed a deduction pursuant to this
17 section shall report the amount of the deduction separately in
18 a manner required by the department.

19 E. The department shall compile an annual report on
20 the deductions provided by this section that shall include the
21 number of taxpayers that claimed the deductions, the aggregate
22 amount of deductions claimed and any other information
23 necessary to evaluate the effectiveness of the deductions. The
24 department shall present the report to the revenue
25 stabilization and tax policy committee and the legislative

.230704.1

underscoring material = new
[bracketed material] = delete

1 finance committee with an analysis of the cost of the
2 deductions.

3 F. As used in this section:

4 (1) "association of health care practitioners"
5 means a corporation, unincorporated business entity or other
6 legal entity organized by, owned by or employing one or more
7 health care practitioners; provided that the entity is not:

8 (a) an organization granted exemption
9 from the federal income tax by the United States commissioner
10 of internal revenue as organizations described in Section
11 501(c)(3) of the United States Internal Revenue Code of 1986,
12 as that section may be amended or renumbered; or

13 (b) a health maintenance organization or
14 a hospital, hospice, nursing home or an entity that is solely
15 an outpatient facility or intermediate care facility licensed
16 [~~pursuant to the Public Health Act~~] by the health care
17 authority;

18 (2) "commercial contract services" means
19 health care services performed by a health care practitioner
20 pursuant to a contract with a managed care organization or
21 health care insurer other than those health care services
22 provided for medicare patients pursuant to Title 18 of the
23 federal Social Security Act or for medicaid patients pursuant
24 to Title 19 or Title 21 of the federal Social Security Act;

25 (3) "copayment" or "coinsurance" means [~~a~~

.230704.1

underscoring material = new
[bracketed material] = delete

1 ~~fixed-dollar]~~ an amount that a health care insurer or managed
2 care health plan requires an insured or enrollee to pay upon
3 incurring an expense for receiving medical services;

4 (4) "deductible" means the amount of covered
5 charges an insured or enrollee is required to pay in a plan
6 year for commercial contract services before the insured's
7 health insurance plan or enrollee's managed care health plan
8 begins to pay for applicable covered charges;

9 (5) "fee-for-service" means payment for health
10 care services by a health care insurer for covered charges
11 under an indemnity insurance plan;

12 (6) "health care insurer" means a person that:

13 (a) has a valid certificate of authority
14 in good standing pursuant to the New Mexico Insurance Code to
15 act as an insurer, health maintenance organization or nonprofit
16 health care plan or prepaid dental plan; and

17 (b) contracts to reimburse licensed
18 health care practitioners for providing basic health services
19 to enrollees at negotiated fee rates;

20 (7) "health care practitioner" means:

21 (a) a chiropractic physician licensed
22 pursuant to the provisions of the Chiropractic Physician
23 Practice Act;

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

.230704.1

underscoring material = new
~~[bracketed material] = delete~~

- 1 (c) a doctor of oriental medicine
2 licensed pursuant to the provisions of the Acupuncture and
3 Oriental Medicine Practice Act;
- 4 (d) an optometrist licensed pursuant to
5 the provisions of the Optometry Act;
- 6 (e) an osteopathic physician licensed
7 pursuant to the provisions of the Medical Practice Act;
- 8 (f) a physical therapist licensed
9 pursuant to the provisions of the Physical Therapy Act;
- 10 (g) a physician or physician assistant
11 licensed pursuant to the provisions of the Medical Practice
12 Act;
- 13 (h) a podiatric physician licensed
14 pursuant to the provisions of the Podiatry Act;
- 15 (i) a psychologist licensed pursuant to
16 the provisions of the Professional Psychologist Act;
- 17 (j) a registered lay midwife registered
18 by the department of health;
- 19 (k) a registered nurse or licensed
20 practical nurse licensed pursuant to the provisions of the
21 Nursing Practice Act;
- 22 (l) a registered occupational therapist
23 licensed pursuant to the provisions of the Occupational Therapy
24 Act;
- 25 (m) a respiratory care practitioner

.230704.1

underscoring material = new
~~[bracketed material] = delete~~

1 licensed pursuant to the provisions of the Respiratory Care
2 Act;

3 (n) a speech-language pathologist or
4 audiologist licensed pursuant to the Speech-Language Pathology,
5 Audiology and Hearing Aid Dispensing Practices Act;

6 (o) a professional clinical mental
7 health counselor, marriage and family therapist or professional
8 art therapist licensed pursuant to the provisions of the
9 Counseling and Therapy Practice Act who has obtained a master's
10 degree or a doctorate;

11 (p) an independent social worker
12 licensed pursuant to the provisions of the Social Work Practice
13 Act; and

14 (q) a clinical laboratory that is
15 accredited pursuant to 42 U.S.C. Section 263a but that is not a
16 laboratory in a physician's office or in a hospital defined
17 pursuant to 42 U.S.C. Section 1395x;

18 (8) "managed care health plan" means a health
19 care plan offered by a managed care organization that provides
20 for the delivery of comprehensive basic health care services
21 and medically necessary services to individuals enrolled in the
22 plan other than those services provided to medicare patients
23 pursuant to Title 18 of the federal Social Security Act or to
24 medicaid patients pursuant to Title 19 or Title 21 of the
25 federal Social Security Act;

.230704.1

underscoring material = new
~~[bracketed material] = delete~~

1 (9) "managed care organization" means a person
2 that provides for the delivery of comprehensive basic health
3 care services and medically necessary services to individuals
4 enrolled in a plan through its own employed health care
5 providers or by contracting with selected or participating
6 health care providers. "Managed care organization" includes
7 only those persons that provide comprehensive basic health care
8 services to enrollees on a contract basis, including the
9 following:

- 10 (a) health maintenance organizations;
- 11 (b) preferred provider organizations;
- 12 (c) individual practice associations;
- 13 (d) competitive medical plans;
- 14 (e) exclusive provider organizations;
- 15 (f) integrated delivery systems;
- 16 (g) independent physician-provider
17 organizations;
- 18 (h) physician hospital-provider
19 organizations; and
- 20 (i) managed care services organizations;
- 21 and

22 (10) "medicare part C services" means services
23 performed pursuant to a contract with a managed health care
24 provider for medicare patients pursuant to Title 18 of the
25 federal Social Security Act."

.230704.1

underscoring material = new
~~[bracketed material] = delete~~

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

SECTION 2. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2025.