

1 SENATE BILL 424

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

3 INTRODUCED BY

4 Pat Woods

5  
6  
7  
8  
9  
10 AN ACT

11 RELATING TO TAXATION; EXPANDING THE RURAL HEALTH CARE  
12 PRACTITIONER TAX CREDIT TO INCLUDE LICENSED RESPIRATORY CARE  
13 PRACTITIONERS AND POLYSOMNOGRAPHIC TECHNOLOGISTS.

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

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

18 "7-2-18.22. RURAL HEALTH CARE PRACTITIONER TAX CREDIT.--

19 A. A taxpayer who files an individual New Mexico  
20 tax return, who is not a dependent of another individual, who  
21 is an eligible health care practitioner and who has provided  
22 health care services in New Mexico in a rural health care  
23 underserved area in a taxable year may claim a credit against  
24 the tax liability imposed by the Income Tax Act. The credit  
25 provided in this section may be referred to as the "rural

.230940.1

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

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

1 health care practitioner tax credit".

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

4 (1) five thousand dollars (\$5,000) for all  
5 physicians, osteopathic physicians, dentists, psychologists,  
6 podiatric physicians and optometrists who qualify pursuant to  
7 the provisions of this section and have provided health care  
8 during a taxable year for at least one thousand five hundred  
9 eighty-four hours at a practice site located in an approved  
10 rural health care underserved area. Eligible health care  
11 practitioners listed in this paragraph who provided health care  
12 services for at least seven hundred ninety-two hours but less  
13 than one thousand five hundred eighty-four hours at a practice  
14 site located in an approved rural health care underserved area  
15 during a taxable year are eligible for one-half of the tax  
16 credit amount; and

17 (2) three thousand dollars (\$3,000) for all  
18 pharmacists, dental hygienists, physician assistants, certified  
19 registered nurse anesthetists, certified nurse practitioners,  
20 clinical nurse specialists, registered nurses, midwives,  
21 licensed clinical social workers, licensed independent social  
22 workers, professional mental health counselors, professional  
23 clinical mental health counselors, marriage and family  
24 therapists, professional art therapists, alcohol and drug abuse  
25 counselors, ~~[and]~~ physical therapists, respiratory care

.230940.1

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

1 practitioners and polysomnographic technologists who qualify  
2 pursuant to the provisions of this section and have provided  
3 health care during a taxable year for at least one thousand  
4 five hundred eighty-four hours at a practice site located in an  
5 approved rural health care underserved area. Eligible health  
6 care practitioners listed in this paragraph who provided health  
7 care services for at least seven hundred ninety-two hours but  
8 less than one thousand five hundred eighty-four hours at a  
9 practice site located in an approved rural health care  
10 underserved area during a taxable year are eligible for one-  
11 half of the tax credit amount.

12 C. Before an eligible health care practitioner may  
13 claim the rural health care practitioner tax credit, the  
14 practitioner shall submit an application to the department of  
15 health that describes the practitioner's clinical practice and  
16 contains additional information that the department of health  
17 may require. The department of health shall determine whether  
18 an eligible health care practitioner qualifies for the rural  
19 health care practitioner tax credit and shall issue a  
20 certificate to each qualifying eligible health care  
21 practitioner. The department of health shall provide the  
22 taxation and revenue department appropriate information for all  
23 eligible health care practitioners to whom certificates are  
24 issued in a secure manner on regular intervals agreed upon by  
25 both the taxation and revenue department and the department of

.230940.1

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

1 health.

2 D. A taxpayer claiming the credit provided by this  
3 section shall submit a copy of the certificate issued by the  
4 department of health with the taxpayer's New Mexico income tax  
5 return for the taxable year. If the amount of the credit  
6 claimed exceeds a taxpayer's tax liability for the taxable year  
7 in which the credit is being claimed, the excess may be carried  
8 forward for three consecutive taxable years.

9 E. A taxpayer allowed a tax credit pursuant to this  
10 section shall report the amount of the credit to the department  
11 in a manner required by the department.

12 F. The department shall compile an annual report on  
13 the tax credit provided by this section that shall include the  
14 number of taxpayers approved by the department to receive the  
15 credit, the aggregate amount of credits approved and any other  
16 information necessary to evaluate the credit. The department  
17 shall present the report to the revenue stabilization and tax  
18 policy committee and the legislative finance committee with an  
19 analysis of the cost of the tax credit.

20 G. As used in this section:

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

22 (a) a dentist or dental hygienist

23 licensed pursuant to the Dental Health Care Act;

24 (b) a midwife that is a: 1) certified

25 nurse-midwife licensed by the board of nursing as a registered

.230940.1

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

1 nurse and licensed by the public health division of the  
2 department of health to practice nurse-midwifery as a certified  
3 nurse-midwife; or 2) licensed midwife licensed by the public  
4 health division of the department of health to practice  
5 licensed midwifery;

6 (c) an optometrist licensed pursuant to  
7 the provisions of the Optometry Act;

8 (d) an osteopathic physician licensed  
9 pursuant to the provisions of the Medical Practice Act;

10 (e) a physician licensed pursuant to the  
11 provisions of the Medical Practice Act or a physician assistant  
12 licensed pursuant to the provisions of the Physician Assistant  
13 Act;

14 (f) a podiatric physician licensed  
15 pursuant to the provisions of the Podiatry Act;

16 (g) a psychologist licensed pursuant to  
17 the provisions of the Professional Psychologist Act;

18 (h) a registered nurse licensed pursuant  
19 to the provisions of the Nursing Practice Act;

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

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

25 (k) a professional mental health

.230940.1

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

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

5 [~~and~~]

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

8 (m) a respiratory care practitioner  
9 licensed pursuant to the Respiratory Care Act; and

10 (n) a polysomnographic technologist  
11 licensed pursuant to the Polysomnography Practice Act;

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

17 (3) "practice site" means a private practice,  
18 public health clinic, hospital, public or private nonprofit  
19 primary care clinic or other health care service location in a  
20 health care underserved area; and

21 (4) "rural" means a rural county or an  
22 unincorporated area of a partially rural county, as designated  
23 by the health resources and services administration of the  
24 United States department of health and human services."

25 SECTION 2. APPLICABILITY.--The provisions of this act

.230940.1

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

apply to taxable years beginning on or after January 1, 2025.

- 7 -