

HOUSE BUSINESS AND INDUSTRY COMMITTEE SUBSTITUTE FOR
HOUSE BILL 227

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

AN ACT

RELATING TO TAXATION; PROVIDING A GROSS RECEIPTS TAX DEDUCTION
FOR CERTAIN RECEIPTS OF LICENSED HEALTH PRACTITIONERS;
INCREASING CERTAIN DISTRIBUTIONS TO MUNICIPALITIES.

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

Section 1. Section 7-1-6.4 NMSA 1978 (being Laws 1983,
Chapter 211, Section 9, as amended) is amended to read:

"7-1-6.4. DISTRIBUTION-- MUNICIPALITY FROM GROSS RECEIPTS
TAX. --

A. Except as provided in Subsection B of this
section, a distribution pursuant to Section 7-1-6.1 NMSA 1978
shall be made to each municipality in an amount, subject to any
increase or decrease made pursuant to Section 7-1-6.15 NMSA
1978, equal to the product of the quotient of one and [two

1 ~~hundred twenty-five thousandths~~ twenty-four hundredths percent
2 divided by the tax rate imposed by Section 7-9-4 NMSA 1978
3 times the net receipts for the month attributable to the gross
4 receipts tax from business locations:

5 (1) within that municipality;

6 (2) on land owned by the state, commonly known
7 as the "state fair grounds", within the exterior boundaries of
8 that municipality;

9 (3) outside the boundaries of any municipality
10 on land owned by that municipality; and

11 (4) on an Indian reservation or pueblo grant
12 in an area that is contiguous to that municipality and in which
13 the municipality performs services pursuant to a contract
14 between the municipality and the Indian tribe or Indian pueblo
15 if:

16 (a) the contract describes an area in
17 which the municipality is required to perform services and
18 requires the municipality to perform services that are
19 substantially the same as the services the municipality
20 performs for itself; and

21 (b) the governing body of the
22 municipality has submitted a copy of the contract to the
23 secretary.

24 B. If the reduction made by Laws 1991, Chapter 9,
25

1 Section 9 to the distribution under this section impairs the
2 ability of a municipality to meet its principal or interest
3 payment obligations for revenue bonds outstanding prior to July
4 1, 1991 that are secured by the pledge of all or part of the
5 municipality's revenue from the distribution made under this
6 section, then the amount distributed pursuant to this section
7 to that municipality shall be increased by an amount sufficient
8 to meet any required payment, provided that the distribution
9 amount does not exceed the amount that would have been due that
10 municipality under this section as it was in effect on June 30,
11 1992. "

12 Section 2. A new section of the Gross Receipts and
13 Compensating Tax Act is enacted to read:

14 " [NEW MATERIAL] DEDUCTION--GROSS RECEIPTS TAX--CERTAIN
15 RECEIPTS OF LICENSED HEALTH PRACTITIONERS.--

16 A. Receipts of licensed health practitioners paid
17 by managed health care providers for the commercial portion of
18 contract services provided by the taxpayer may be deducted from
19 gross receipts.

20 B. As used in this section:

21 (1) "commercial portion of contract services"
22 means services performed pursuant to a contract with a managed
23 health care provider other than those provided for medicare
24 patients pursuant to Title 18 of the federal Social Security
25

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1 Act or for medicaid patients pursuant to Title 19 of the
2 federal Social Security Act;

3 (2) "licensed health practitioner" means:

4 (a) a chiropractic physician licensed
5 pursuant to the provisions of the Chiropractic Physician
6 Practice Act;

7 (b) a dentist or dental hygienist
8 licensed pursuant to the provisions of the Dental Health Care
9 Act;

10 (c) a physician or physician assistant
11 licensed pursuant to the provisions of Chapter 61, Article 6
12 NMSA 1978;

13 (d) an osteopathic physician licensed
14 pursuant to the provisions of Chapter 61, Article 10 NMSA 1978
15 or an osteopathic physician's assistant licensed pursuant to
16 the provisions of the Osteopathic Physicians' Assistants Act;

17 (e) a doctor of oriental medicine
18 licensed pursuant to the provisions of the Acupuncture and
19 Oriental Medicine Practice Act;

20 (f) a podiatrist licensed pursuant to
21 the provisions of the Podiatry Act;

22 (g) a psychologist licensed pursuant to
23 the provisions of the Professional Psychologist Act;

24 (h) a registered nurse or licensed
25

1 practical nurse licensed pursuant to the provisions of the
2 Nursing Practice Act;

3 (i) a registered lay midwife registered
4 by the department of health;

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

7 (k) an optometrist licensed pursuant to
8 the provisions of the Optometry Act;

9 (l) a registered occupational therapist
10 licensed pursuant to the provisions of the Occupational Therapy
11 Act; and

12 (m) a respiratory care practitioner
13 licensed pursuant to the provisions of the Respiratory Care
14 Act; and

15 (3) "managed health care provider" means a
16 person that provides for the delivery of comprehensive basic
17 health care services and medically necessary services to
18 individuals enrolled in a plan through its own employed health
19 care providers or by contracting with selected or participating
20 health care providers. A managed health care provider includes
21 only those persons that provide comprehensive basic health care
22 services to enrollees on a contract basis, including the
23 following:

24 (a) health maintenance organizations;

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underscored material = new
[bracketed material] = delete

- 1 (b) preferred provider organizations;
- 2 (c) individual practice associations;
- 3 (d) competitive medical plans;
- 4 (e) exclusive provider organizations;
- 5 (f) integrated delivery systems;
- 6 (g) independent physician-provider
- 7 organizations;
- 8 (h) physician hospital-provider
- 9 organizations; and
- 10 (i) managed care services
- 11 organizations. "

12 Section 3. EFFECTIVE DATE. --The effective date of the
13 provisions of this act is July 1, 2001.

underscored material = new
[bracketed material] = delete