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SENATE BILL 88

51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014

INTRODUCED BY

Mary Kay Papen

AN ACT

RELATING TO TAXATION; PROVIDING A DEDUCTION FROM GROSS RECEIPTS AND GOVERNMENTAL GROSS RECEIPTS FOR SALES OF INFUSION THERAPY SERVICES AND SALES OR RENTALS OF DURABLE MEDICAL EQUIPMENT AND MEDICAL SUPPLIES.

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

SECTION 1. A new section of Chapter 7, Article 9 NMSA 1978 is enacted to read:

"~~[NEW MATERIAL]~~ DEDUCTION--GROSS RECEIPTS TAX AND GOVERNMENTAL GROSS RECEIPTS TAX--INFUSION THERAPY SERVICES-- DURABLE MEDICAL EQUIPMENT--MEDICAL SUPPLIES.--

A. Receipts from transactions occurring prior to July 1, 2020 that are from the sale of infusion therapy services or the sale or rental of durable medical equipment and medical supplies may be deducted from gross receipts and

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1 governmental gross receipts.

2 B. The purpose of the deduction provided in this
3 section is to help protect jobs and retain businesses in New
4 Mexico that sell infusion therapy services or sell or rent
5 durable medical equipment and medical supplies.

6 C. A taxpayer allowed a deduction pursuant to this
7 section shall report the amount of the deduction separately in
8 a manner required by the department.

9 D. The deduction provided in this section shall be
10 taken only by a taxpayer participating in the New Mexico
11 medicaid program whose gross receipts are no less than ninety
12 percent derived from the sale or rental of durable medical
13 equipment, medical supplies or infusion therapy services,
14 including the medications used in infusion therapy services.

15 E. Acceptance of a deduction provided by this
16 section is authorization by the taxpayer receiving the
17 deduction for the department to reveal information to the
18 revenue stabilization and tax policy committee and the
19 legislative finance committee necessary to analyze the
20 effectiveness and cost of the deduction and whether the
21 deduction is performing the purpose for which it was created.

22 F. The department shall compile an annual report on
23 the deduction provided by this section that shall include the
24 number of taxpayers approved by the department to receive the
25 deduction, the aggregate amount of deductions approved and any

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1 other information necessary to evaluate the effectiveness of
2 the deduction. Beginning in 2019 and every six years
3 thereafter, the department shall compile and present the annual
4 reports to the revenue stabilization and tax policy committee
5 and the legislative finance committee with an analysis of the
6 effectiveness and cost of the deduction and whether the
7 deduction is performing the purpose for which it was created.

8 G. As used in this section:

9 (1) "durable medical equipment" means a
10 medical assistive device or other equipment that:

11 (a) can withstand repeated use;

12 (b) is primarily and customarily used to
13 serve a medical purpose and is not useful to an individual in
14 the absence of an illness, injury or other medical necessity,
15 including improved functioning of a body part;

16 (c) is appropriate for use at home
17 exclusively by the eligible recipient for whom the durable
18 medical equipment is prescribed; and

19 (d) is prescribed by a physician or
20 other person licensed by the state to prescribe durable medical
21 equipment;

22 (2) "infusion therapy services" means the
23 administration of prescribed medication through a needle or
24 catheter;

25 (3) "medical supplies" means items for a

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1 course of medical treatment, including nutritional products,
2 that are:

3 (a) necessary for an ongoing course of
4 medical treatment;

5 (b) disposable and cannot be reused; and

6 (c) prescribed by a physician or other
7 person licensed by the state to prescribe medical supplies; and

8 (4) "prescribe" means to authorize the use of
9 an item or substance for a course of medical treatment."

10 SECTION 2. EFFECTIVE DATE.--The effective date of the
11 provisions of this act is July 1, 2014.