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HOUSE BILL 174

**54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020**

INTRODUCED BY

Matthew McQueen

AN ACT

RELATING TO TAXATION; CLARIFYING THAT RESIDENTIAL FACILITIES USED FOR PROVIDING CUSTODIAL MEMORY CARE ARE EXEMPT FROM THE GOVERNMENTAL GROSS RECEIPTS TAX; PROVIDING AN EXEMPTION FROM THE GROSS RECEIPTS TAX FOR CUSTODIAL MEMORY CARE.

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

**SECTION 1.** Section 7-9-4.3 NMSA 1978 (being Laws 1991, Chapter 8, Section 2, as amended) is amended to read:

"7-9-4.3. IMPOSITION AND RATE OF TAX--DENOMINATION AS "GOVERNMENTAL GROSS RECEIPTS TAX".--For the privilege of engaging in certain activities by governments, there is imposed on every agency, institution, instrumentality or political subdivision of the state, except any school district and an entity licensed by the department of health, including a residential facility designed and used for providing custodial

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1 memory care for people living with advanced dementia, other  
2 than a hospital, that is principally engaged in providing  
3 health care services, an excise tax of five percent of  
4 governmental gross receipts. The tax imposed by this section  
5 shall be referred to as the "governmental gross receipts tax."

6 SECTION 2. A new section of the Gross Receipts and  
7 Compensating Tax Act is enacted to read:

8 "[NEW MATERIAL] EXEMPTION--GROSS RECEIPTS TAX--CUSTODIAL  
9 MEMORY CARE.--

10 A. Exempted from the gross receipts tax are the  
11 receipts of a:

12 (1) health care provider from payments  
13 received for custodial memory care services; and

14 (2) person attributable to the operation of  
15 residential facilities designed and used for providing  
16 custodial memory care.

17 B. As used in this section:

18 (1) "custodial memory care" means custodial  
19 care for people living with advanced dementia; and

20 (2) "health care provider" means a person  
21 licensed or otherwise authorized by law to provide health care  
22 in the ordinary course of business or practice of the person's  
23 profession."

24 SECTION 3. EFFECTIVE DATE.--The effective date of the  
25 provisions of this act is July 1, 2020.

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