

1 SENATE BILL 39

2 **54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020**

3 INTRODUCED BY

4 Mary Kay Papen

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10 AN ACT

11 RELATING TO TAXATION; EXTENDING THE SUNSET FOR A GROSS RECEIPTS
12 TAX AND GOVERNMENTAL GROSS RECEIPTS TAX DEDUCTION FOR DURABLE
13 MEDICAL EQUIPMENT AND MEDICAL SUPPLIES.

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

16 SECTION 1. Section 7-9-73.3 NMSA 1978 (being Laws 2014,
17 Chapter 26, Section 1) is amended to read:

18 "7-9-73.3. DEDUCTION--GROSS RECEIPTS TAX AND GOVERNMENTAL
19 GROSS RECEIPTS TAX--DURABLE MEDICAL EQUIPMENT--MEDICAL
20 SUPPLIES.--

21 A. Prior to July 1, 2030, receipts [~~from~~
22 ~~transactions occurring prior to July 1, 2020 that are~~] from the
23 sale or rental of durable medical equipment and medical
24 supplies may be deducted from gross receipts and governmental
25 gross receipts.

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

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

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

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

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

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1 the deduction. [~~Beginning in 2019 and every five years~~
2 ~~thereafter~~] The department shall [~~compile and~~] present the
3 [~~annual reports~~] report to the revenue stabilization and tax
4 policy committee and the legislative finance committee with an
5 analysis of the effectiveness and cost of the deduction and
6 whether the deduction is performing the purpose for which it
7 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, 2020.