

<b>LFC Requester:</b>	LFC
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**AGENCY BILL ANALYSIS  
2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:**

[LFC@NMLEGIS.GOV](mailto:LFC@NMLEGIS.GOV)

*and*

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*{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

*Click all that apply:*

Original        Amendment      
Correction        Substitute   

Date 2025-02-13  
Bill No: HB395

**Sponsor:** Thomson, Elizabeth "Liz"      **Agency Name and Code**      NMHED  
**Short**      HEALTH PRACTITIONER      **Number:** \_\_\_\_\_  
**Title:**      TAX CREDIT      **Person Writing**      Martinez, Tana  
**Phone:** 5056298407      **Email** tana.martinez@hed.nm.gov

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
N/A	N/A	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

N/A	N/A	N/A	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act:

**SECTION III: NARRATIVE**

**BILL SUMMARY**

House Bill 395 (HB395) creates a new section of the Income Tax Act. The new section creates the Healthcare Preceptor Income Tax Credit which will allow for individuals who are preceptors employed by an accredited New Mexico Institutions of Higher Education (HEIs) and have performed a preceptorship in New Mexico. The Healthcare Preceptor income tax credit shall not exceed one thousand dollars (\$1,000.00) for any preceptorships performed in the taxable year which the credit is claimed.

- "Eligible professional degree" means a degree or certificate that fulfills a requirement to practice as a medical doctor, osteopathic physician, advanced practice nurse, physician assistant, dentist, pharmacist, psychologist or social worker.
- "Eligible graduate student?" means an individual matriculating at the graduate level at any accredited New Mexico institution of higher education seeking a degree in the areas of doctor of medicine, doctor of osteopathy, advanced nursing practice, doctor of dental surgery, pharmacy, psychology, social work or dental medicine or as a physician assistant.
- Preceptor is defined as an individual licensed as a medical doctor, osteopathic physician, advanced practice nurse, physician assistant, dentist, pharmacist, psychologist or social worker.
- Preceptorship is defined as an uncompensated period of supervised clinical training during which a preceptor provides a program of personalized instruction, training and

supervision to an eligible graduate student to enable the student to obtain an eligible professional degree.

The provisions of this act to taxable years shall begin on or after January 1, 2025.

#### FISCAL IMPLICATIONS

Changes to HB395 refer to a new healthcare tax credit which would be made by the institution and the New Mexico Tax and Revenue Department (NMTRD), applying the credit to the 2025 and subsequent tax years. The Healthcare Preceptor income tax credit shall not exceed one thousand dollars (\$1,000.00) for any preceptorships performed in the taxable year which the credit is claimed.

There are no fiscal implications to NMHED.

NMHED's analysis of this bill focuses on the higher education implications of the proposed legislation. Additional insight may be obtained from other agencies' analyses.

#### SIGNIFICANT ISSUES

NMHED's analysis of this bill focuses on the higher education implications of the proposed legislation. Individuals participating in in this new tax credit will allow for improved economic wellbeing.

Additional insight may be obtained from other agencies' analyses.

#### PERFORMANCE IMPLICATIONS

N/A

#### ADMINISTRATIVE IMPLICATIONS

N/A

#### CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

#### TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If HB395 were not enacted there would be no income tax credit offered for health care preceptors.

AMENDMENTS

N/A