

HOUSE BILL 52

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; EXPANDING THE RURAL HEALTH CARE
PRACTITIONER TAX CREDIT TO INCLUDE ADDITIONAL ELIGIBLE HEALTH
CARE PRACTITIONERS.

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

SECTION 1. Section 7-2-18.22 NMSA 1978 (being Laws 2007,
Chapter 361, Section 2, as amended) is amended to read:

"7-2-18.22. RURAL HEALTH CARE PRACTITIONER TAX CREDIT.--

A. A taxpayer who files an individual New Mexico
tax return, who is not a dependent of another individual, who
is an eligible health care practitioner and who has provided
health care services in New Mexico in a rural health care
underserved area in a taxable year may claim a credit against
the tax liability imposed by the Income Tax Act. The credit
provided in this section may be referred to as the "rural

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1 health care practitioner tax credit".

2 B. The rural health care practitioner tax credit
3 may be claimed and allowed in an amount that shall not exceed:

4 (1) five thousand dollars (\$5,000) for all
5 physicians, osteopathic physicians, dentists, psychologists,
6 podiatric physicians and optometrists who qualify pursuant to
7 the provisions of this section and have provided health care
8 during a taxable year for at least one thousand five hundred
9 eighty-four hours at a practice site located in an approved
10 rural health care underserved area. Eligible health care
11 practitioners listed in this paragraph who provided health care
12 services for at least seven hundred ninety-two hours but less
13 than one thousand five hundred eighty-four hours at a practice
14 site located in an approved rural health care underserved area
15 during a taxable year are eligible for one-half of the tax
16 credit amount; and

17 (2) three thousand dollars (\$3,000) for all
18 pharmacists, dental hygienists, physician assistants, certified
19 registered nurse anesthetists, certified nurse practitioners,
20 clinical nurse specialists, registered nurses, midwives,
21 licensed clinical social workers, licensed independent social
22 workers, professional mental health counselors, professional
23 clinical mental health counselors, marriage and family
24 therapists, professional art therapists, alcohol and drug abuse
25 counselors, licensed practical nurses, emergency medical

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1 technicians, paramedics, speech-language pathologists,
2 occupational therapists, chiropractic physicians and physical
3 therapists who qualify pursuant to the provisions of this
4 section and have provided health care during a taxable year for
5 at least one thousand five hundred eighty-four hours at a
6 practice site located in an approved rural health care
7 underserved area. Eligible health care practitioners listed in
8 this paragraph who provided health care services for at least
9 seven hundred ninety-two hours but less than one thousand five
10 hundred eighty-four hours at a practice site located in an
11 approved rural health care underserved area during a taxable
12 year are eligible for one-half of the tax credit amount.

13 C. Before an eligible health care practitioner may
14 claim the rural health care practitioner tax credit, the
15 practitioner shall submit an application to the department of
16 health that describes the practitioner's clinical practice and
17 contains additional information that the department of health
18 may require. The department of health shall determine whether
19 an eligible health care practitioner qualifies for the rural
20 health care practitioner tax credit and shall issue a
21 certificate to each qualifying eligible health care
22 practitioner. The department of health shall provide the
23 taxation and revenue department appropriate information for all
24 eligible health care practitioners to whom certificates are
25 issued in a secure manner on regular intervals agreed upon by

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1 both the taxation and revenue department and the department of
2 health.

3 D. A taxpayer claiming the credit provided by this
4 section shall submit a copy of the certificate issued by the
5 department of health with the taxpayer's New Mexico income tax
6 return for the taxable year. If the amount of the credit
7 claimed exceeds a taxpayer's tax liability for the taxable year
8 in which the credit is being claimed, the excess may be carried
9 forward for three consecutive taxable years.

10 E. A taxpayer allowed a tax credit pursuant to this
11 section shall report the amount of the credit to the department
12 in a manner required by the department.

13 F. The department shall compile an annual report on
14 the tax credit provided by this section that shall include the
15 number of taxpayers approved by the department to receive the
16 credit, the aggregate amount of credits approved and any other
17 information necessary to evaluate the credit. The department
18 shall present the report to the revenue stabilization and tax
19 policy committee and the legislative finance committee with an
20 analysis of the cost of the tax credit.

21 G. As used in this section:

22 (1) "eligible health care practitioner" means:

23 (a) a dentist or dental hygienist
24 licensed pursuant to the Dental Health Care Act;

25 (b) a midwife that is a: 1) certified

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1 nurse-midwife licensed by the board of nursing as a registered
2 nurse and licensed by the public health division of the
3 department of health to practice nurse-midwifery as a certified
4 nurse-midwife; or 2) licensed midwife licensed by the public
5 health division of the department of health to practice
6 licensed midwifery;

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

9 (d) an osteopathic physician licensed
10 pursuant to the provisions of the Medical Practice Act;

11 (e) a physician licensed pursuant to the
12 provisions of the Medical Practice Act or a physician assistant
13 licensed pursuant to the provisions of the Physician Assistant
14 Act;

15 (f) a podiatric physician licensed
16 pursuant to the provisions of the Podiatry Act;

17 (g) a psychologist licensed pursuant to
18 the provisions of the Professional Psychologist Act;

19 (h) a registered nurse or a licensed
20 practical nurse licensed pursuant to the provisions of the
21 Nursing Practice Act;

22 (i) a pharmacist licensed pursuant to
23 the provisions of the Pharmacy Act;

24 (j) a licensed clinical social worker or
25 a licensed independent social worker licensed pursuant to the

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1 provisions of the Social Work Practice Act;

2 (k) a professional mental health
3 counselor, a professional clinical mental health counselor, a
4 marriage and family therapist, an alcohol and drug abuse
5 counselor or a professional art therapist licensed pursuant to
6 the provisions of the Counseling and Therapy Practice Act;

7 [~~and~~]

8 (l) a physical therapist licensed
9 pursuant to the provisions of the Physical Therapy Act;

10 (m) an emergency medical technician or
11 paramedic licensed pursuant to the Emergency Medical Services
12 Act;

13 (n) a speech-language pathologist
14 licensed pursuant to the Speech-Language Pathology, Audiology
15 and Hearing Aid Dispensing Practices Act;

16 (o) an occupational therapist licensed
17 pursuant to the Occupational Therapy Act; and

18 (p) a chiropractic physician licensed
19 pursuant to the Chiropractic Physician Practice Act;

20 (2) "health care underserved area" means a
21 geographic area or practice location in which it has been
22 determined by the department of health, through the use of
23 indices and other standards set by the department of health,
24 that sufficient health care services are not being provided;

25 (3) "practice site" means a private practice,

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1 public health clinic, hospital, public or private nonprofit
2 primary care clinic or other health care service location in a
3 health care underserved area; and

4 (4) "rural" means a rural county or an
5 unincorporated area of a partially rural county, as designated
6 by the health resources and services administration of the
7 United States department of health and human services."