

1 SENATE BILL 296

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

4 Nicole Tobiassen and Carrie Hamblen and Pat Woods
5 and Jay C. Block and Natalie Figueroa
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10 AN ACT

11 RELATING TO TAXATION; CREATING THE PHYSICIAN INCOME TAX CREDIT.
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13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

14 SECTION 1. A new section of the Income Tax Act is enacted
15 to read:

16 "[NEW MATERIAL] CREDIT--PHYSICIAN INCOME TAX CREDIT.--

17 A. A taxpayer who is a physician and has completed
18 a medical residency may claim a credit against the taxpayer's
19 tax liability imposed pursuant to the Income Tax Act for up to
20 five consecutive taxable years in which the taxpayer practices
21 medicine full-time in New Mexico and has an outstanding balance
22 of a student loan taken to defray the expenses of a medical
23 education. The credit authorized pursuant to this section may
24 be referred to as the "physician income tax credit".

25 B. The amount of the tax credit shall be in an

.230108.3

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1 amount equal to fifty thousand dollars (\$50,000) for the
2 taxable year the taxpayer meets the requirements of this
3 section.

4 C. A taxpayer shall apply for certification of
5 eligibility for the tax credit from the higher education
6 department on forms and in the manner prescribed by that
7 department. If the higher education department determines that
8 the taxpayer meets the requirements of this section, that
9 department shall issue a dated certificate of eligibility to
10 the taxpayer providing the amount of tax credit for which the
11 taxpayer is eligible and the taxable years in which the credit
12 may be claimed. The higher education department shall provide
13 the department with the certificates of eligibility issued
14 pursuant to this subsection in an electronic format at
15 regularly agreed upon intervals.

16 D. That portion of the tax credit that exceeds a
17 taxpayer's income tax liability in the taxable year in which
18 the credit is claimed shall be refunded to the taxpayer.

19 E. A taxpayer allowed to claim a tax credit
20 pursuant to this section shall claim the tax credit in a manner
21 required by the department. The credit shall be claimed within
22 three taxable years of the end of the year in which the higher
23 education department certifies the credit.

24 F. The credit provided by this section shall be
25 included in the tax expenditure budget pursuant to Section

.230108.3

1 7-1-84 NMSA 1978, including the annual aggregate cost of the
2 credit.

3 G. As used in this section:

4 (1) "physician" means a physician licensed
5 pursuant to the provisions of the Medical Practice Act, an
6 osteopathic physician licensed pursuant to the provisions of
7 the Medical Practice Act or a dentist licensed pursuant to the
8 Dental Health Care Act; and

9 (2) "practices medicine full-time" means
10 providing health care within the scope of a physician's
11 practice for at least one thousand five hundred eighty-four
12 hours during the taxable year."

13 SECTION 2. APPLICABILITY.--The provisions of this act
14 apply to taxable years beginning on or after January 1, 2025.

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