

7-9-77.1. Deduction; gross receipts tax ; certain medical and health care services.

A. Receipts from payments by the United States government or any agency thereof for provision of medical and other health services by medical doctors, osteopathic physicians, doctors of oriental medicine, athletic trainers, chiropractic physicians, counselor and therapist practitioners, dentists, massage therapists, naprapaths, nurses, nutritionists, dietitians, occupational therapists, optometrists, pharmacists, physical therapists, psychologists, radiologic technologists, respiratory care practitioners, audiologists, speech-language pathologists, social workers and podiatrists or of medical, other health and palliative services by hospices or nursing homes to medicare beneficiaries pursuant to the provisions of Title 18 of the federal Social Security Act may be deducted from gross receipts.

B. Receipts from payments by a third-party administrator of the federal TRICARE program for provision of medical and other health services by medical doctors and osteopathic physicians to covered beneficiaries may be deducted from gross receipts.

C. Receipts from payments by or on behalf of the Indian health service of the United States department of health and human services for provision of medical and other health services by medical doctors and osteopathic physicians to covered beneficiaries may be deducted from gross receipts.

D. Receipts from payments by the United States government or any agency thereof for medical services provided by a clinical laboratory to medicare beneficiaries pursuant to the provisions of Title 18 of the federal Social Security Act may be deducted from gross receipts.

E. Receipts from payments by the United States government or any agency thereof for medical, other health and palliative services provided by a home health agency to medicare beneficiaries pursuant to the provisions of Title 18 of the federal Social Security Act may be deducted from gross receipts.

F. Prior to July 1, 2024, receipts from payments by the United States government or any agency thereof for medical and other health services provided by a dialysis facility to medicare beneficiaries pursuant to the provisions of Title 18 of the federal Social Security Act may be deducted from gross receipts according to the following schedule:

- (1) from July 1, 2014 through June 30, 2015, thirty-three and one-third percent of the receipts may be deducted;
- (2) from July 1, 2015 through June 30, 2016, sixty-six and two-thirds percent of the receipts may be deducted; and
- (3) after June 30, 2016, one hundred percent of the receipts may be deducted.

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

H. The department shall compile an annual report on the deductions created pursuant to this section that shall include the number of taxpayers approved by the department to receive each deduction, the aggregate amount of deductions approved and any other information necessary to evaluate the effectiveness of the deductions. Beginning in 2020 and every five years thereafter that this section is in effect, the department shall compile and present the annual reports to the revenue stabilization and **tax** policy committee and the legislative finance committee with an analysis of the effectiveness and cost of the deductions and whether the deductions are providing a benefit to the state.

I. For the purposes of this section:

- (1) "athletic trainer" means a person licensed as an athletic trainer pursuant to the provisions of Chapter [61](#), Article 14D NMSA 1978;
- (2) "chiropractic physician" means a person who practices chiropractic as defined in the Chiropractic Physician Practice Act [Chapter [61](#), Article 4 NMSA 1978];
- (3) "clinical laboratory" means a laboratory accredited pursuant to 42 USCA 263a;
- (4) "counselor and therapist practitioner" means a person licensed to practice as a counselor or therapist pursuant to the provisions of Chapter [61](#), Article 9A NMSA 1978;
- (5) "dentist" means a person licensed to practice as a dentist pursuant to the provisions of Chapter [61](#), Article 5A NMSA 1978;
- (6) "dialysis facility" means an end-stage renal disease facility as defined pursuant to 42 C.F.R. 405.2102;
- (7) "doctor of oriental medicine" means a person licensed as a physician to practice acupuncture or oriental medicine pursuant to the provisions of Chapter [61](#), Article 14A NMSA 1978;
- (8) "home health agency" means a for-profit entity that is licensed by the department of health and certified by the federal centers for medicare and medicaid services as a home health agency and certified to provide medicare services;
- (9) "hospice" means a for-profit entity licensed by the department of health as a hospice and certified to provide medicare services;
- (10) "massage therapist" means a person licensed to practice massage therapy pursuant to the provisions of Chapter [61](#), Article 12C NMSA 1978;
- (11) "medical doctor" means a person licensed as a physician to practice medicine pursuant to the provisions of the Medical Practice Act [Chapter [61](#), Article 6 NMSA 1978];
- (12) "naprapath" means a person licensed as a naprapath pursuant to the provisions of Chapter [61](#), Article 12F NMSA 1978;
- (13) "nurse" means a person licensed as a registered nurse pursuant to the provisions of Chapter [61](#), Article 3 NMSA 1978;
- (14) "nursing home" means a for-profit entity licensed by the department of health as a nursing home and certified to provide medicare services;
- (15) "nutritionist" or "dietitian" means a person licensed as a nutritionist or dietitian pursuant to the provisions of Chapter [61](#), Article 7A NMSA 1978;
- (16) "occupational therapist" means a person licensed as an occupational therapist pursuant to the provisions of Chapter [61](#), Article 12A NMSA 1978;
- (17) "osteopathic physician" means a person licensed as an osteopathic physician pursuant to the provisions of Chapter [61](#), Article 10 NMSA 1978;
- (18) "optometrist" means a person licensed to practice optometry pursuant to the provisions of Chapter [61](#), Article 2 NMSA 1978;
- (19) "pharmacist" means a person licensed as a pharmacist pursuant to the provisions of Chapter [61](#), Article 11 NMSA 1978;

(20) "physical therapist" means a person licensed as a physical therapist pursuant to the provisions of Chapter [61](#), Article 12D NMSA 1978;

(21) "podiatrist" means a person licensed as a podiatrist pursuant to the provisions of the Podiatry Act [Chapter [61](#), Article 8 NMSA 1978];

(22) "psychologist" means a person licensed as a psychologist pursuant to the provisions of Chapter [61](#), Article 9 NMSA 1978;

(23) "radiologic technologist" means a person licensed as a radiologic technologist pursuant to the provisions of Chapter [61](#), Article 14E NMSA 1978;

(24) "respiratory care practitioner" means a person licensed as a respiratory care practitioner pursuant to the provisions of Chapter [61](#), Article 12B NMSA 1978;

(25) "social worker" means a person licensed as an independent social worker pursuant to the provisions of Chapter [61](#), Article 31 NMSA 1978;

(26) "speech-language pathologist" means a person licensed as a speech-language pathologist pursuant to the provisions of Chapter [61](#), Article 14B NMSA 1978; and

(27) "TRICARE program" means the program defined in 10 U.S.C. 1072(7).

History: 1978 Comp., § 7-9-77.1, enacted by Laws 1998, ch. 96, § 1; 2000 (2nd S.S.), ch. 16, § 1; 2003, ch. 350, § 1; 2003, ch. 351, § 1; 2005, ch. 91, § 1; 2007, ch. 361, § 4; 2014, ch. 56, § 1.