

New Mexico Rural Health Care Practitioner Tax Credit Program

Tax Year 2008

Overview:

Under the Rural Health Care Practitioner Tax Credit Program, eligible health care practitioners who have provided health care services in a designated rural health care underserved area can apply for an income tax credit. This credit will be available to eligible taxpayers for taxable years beginning January 1, 2007.

Eligible Practitioners: Which practitioners are eligible for a tax credit?

The following categories of practitioner are eligible for a maximum tax credit of \$5,000 per year:

- **Physicians** licensed by the New Mexico Medical Board;
- **Osteopathic physicians** licensed by the New Mexico Board of Osteopathic Medical Examiners;
- **Dentists** licensed by the New Mexico Board of Dental Health Care;
- Clinical psychologists licensed by the New Mexico Board of Psychologist Examiners;
- **Podiatrists** licensed by the New Mexico Board of Podiatry; and
- **Optometrists** licensed by the New Mexico Board of Examiners in Optometry.

The following categories of practitioner are eligible for a maximum tax credit of \$3,000 per year:

- **Dental hygienists** licensed by the New Mexico Board of Dental Health Care;
- **Physician assistants** licensed by the New Mexico Medical Board;
- **Nurse practitioners** licensed/certified by the New Mexico Board of Nursing;
- **Nurse-midwives** licensed/certified by the New Mexico Board of Nursing and the New Mexico Department of health;
- **Nurse anesthetists** licensed/certified by the New Mexico Board of Nursing; and
- **Clinical nurse specialists** licensed/certified by the New Mexico Board of Nursing.

Federal healthcare practitioners licensed to practice in other states are not required to be licensed by the New Mexico boards, but must furnish a copy of their current equivalent license from their state of licensure.

Approved Practice Locations: Which rural areas/facilities are designated as approved practice locations under the Program?

The New Mexico Department of Health (NMDOH) has compiled lists of approved rural practice locations. There are separate lists for different categories of health care practitioners. Lists of approved practice locations will be revised annually, reflecting any changes in the need for health practitioners throughout the state.

Application Process: How do you apply for and receive a tax credit?

There are four steps in the Rural Health Care Practitioner Tax Credit application process:

- An applicant for a Rural Health Care Practitioner Tax Credit must submit an application to the NM Department of Health (NMDOH) documenting completion of a year-long health care practice at an approved location.
- The NMDOH will review the application and issue a certificate to qualifying health care practitioners.
- The applicant will then complete a Tax Credit Claim form, available from the NM Taxation and Revenue Department.
- The applicant will attach the completed claim form, and tax credit qualification certificate to and attach the form and the NMDOH qualification certificate to the taxpayer's New Mexico income tax return. The qualification certificate must be for the same taxable year as the income tax return.

Program Start Date: When can applications be submitted?

Applications for the second year of the tax credit program will be accepted by the NM Department of Health beginning January 1, 2009. Applicants will need to provide information demonstrating health care practitioner practice at an approved location for the taxable year beginning January 1, 2008.

Tax Credit for Part-time Practice: Is the tax credit available for part-time work at an eligible location?

Under the authorizing statute, eligible health care practitioners who provide health care for at least 2080 hours during a taxable year at an approved location will be eligible for a tax credit for that year. Eligible health care practitioners who provide health care for at least 1040 hours, but less than 2080 hours will be eligible for one-half of the tax credit amount.

Contact Information:

For further information about the Rural Health Care Practitioner Tax Credit Program, please contact:

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