

New Mexico Rural Health Care Practitioner Tax Credit Program
Tax Year 2024

Overview

Pursuant to the New Mexico Department of Health (NMDOH)'s 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 Program began on January 1, 2009.

Filing Eligibility

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.

Eligible Practitioners

The following categories of practitioner are eligible for a maximum tax credit of \$5,000 (full-time) 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;
- **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 (full-time) 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;
- **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.

Now eligible starting Tax Year 2024, the following categories of practitioner eligible for a maximum tax credit of \$3,000 (full-time) per year:

- **Pharmacists** licensed pursuant to the provisions of the Pharmacy Act;
- **Registered Nurse** licensed pursuant to the provisions of the Nursing Practice Act;
- **Licensed Clinical Social Worker/Licensed Independent Social Worker** licensed pursuant to the provisions of the Social Work Practice Act;
- **Professional Mental Health Counselor/Professional Clinical Mental Health Counselor/Marriage and Family Therapist/Alcohol and Drug Abuse Counselor/Professional Art Therapist** licensed pursuant to the provisions of the Counseling and Therapy Practice Act;
- **Physical Therapist** licensed pursuant to the provisions of the Physical Therapy Act;

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.

Eligible Practice Site Locations

The physical practice site must be located rural area. New Mexico tribal 638 clinics are automatically designated as approved practice locations.

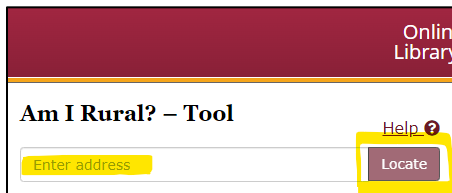
Applicants must use the Rural Health Information (RHI) Hub’s “Am I Rural?” Tool to verify if their practice site physical address (**not PO Box**) is in a rural area. The “Am I Rural?” Tool link is:

<http://www.raconline.org/amirural/>

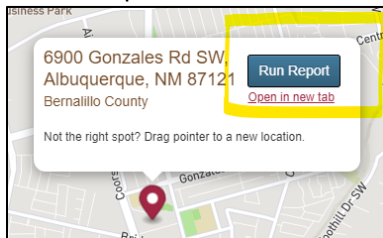
“Am I Rural?” Tool

Go to “Am I Rural?” Tool (link: <http://www.raconline.org/amirural/>).

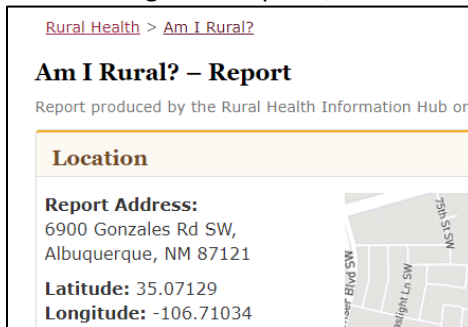
Enter the physical address (cannot be a PO box) of the **practice site** in the “Enter Address” section. Then, click “Locate”:



A “Run Report” button should appear and can be found in the map area of the screen:



After clicking “Run Report”, the following should show the practice site physical address:



Scroll down to review two (2) sections: “Program Eligibility” and “Shortage Designations – Medically Underserved Areas/Populations”. There must be a “Yes” in both sections for the practice site to be eligible:

Program Eligibility		
The information provided by this service addresses only the rural aspect of a program's requirements. Your <i>Am I Rural?</i> report is not a guarantee of your rural status. Please check with the program contacts directly to verify your eligibility for specific federal programs.		
Program	Rural?	
CMS - Rural Health Clinics (RHC) Program	NO	<p>CMS interim guidance considers a location to meet the rural location requirement for the RHC program if it is outside of an urbanized area in the 2010 Census Bureau data OR if it is outside of an urban area in the 2020 Census Bureau data.</p> <ul style="list-style-type: none"> This location is in a 2010 Urbanized Area (Albuquerque, NM Urbanized Area) AND is in a 2020 Urban Area (Albuquerque, NM Urban Area)

Shortage Designations		
Health Professional Shortage Areas		
Primary Care	YES	<ul style="list-style-type: none"> Name: LI - Bernalillo County Date of Designation: December 16, 2021 Last Update: December 16, 2021
Dental Care	YES	<ul style="list-style-type: none"> Name: LI - Bernalillo County Date of Designation: December 16, 2021 Last Update: December 16, 2021
Mental Health	NO	

Medically Underserved Areas/Populations		
Medically Underserved Area (MUA)	YES	<ul style="list-style-type: none"> Name: Bernalillo Service Area Date of Designation: May 5, 1994 Last Update: May 5, 1994
Medically Underserved Population (MUP)	NO	
Medically Underserved Area - Governor's Exception (MUA-GE)	NO	
Medically Underserved Population - Governor's Exception (MUP-GE)	NO	

1. Under "Program Eligibility", there must be at least one "Yes", AND
2. Under "Shortage Designations – Medically Underserved Areas/Populations", there must be at least one "Yes". (Health Professional Shortage Areas (HPSAs) are currently not used for the NM Rural Health Care Practitioner Tax Credit Program).

If there is a "No" in one or both sections, the practice site address does not qualify, and you would not be considered eligible. In the example above (screenshots), since there is a "No" under Program Eligibility, the practice site address does not qualify, and you would not be considered eligible.

Application Process

There are four basic steps for the Rural Health Care Practitioner Tax Credit (RHCPTC) process:

1. An application must be submitted through NMDOH's Online Application Portal: <https://rhcptc.nmhealth.org>. This is to document your attestation of providing direct health care services at an eligible rural location of that tax year.
2. The NMDOH will review the completed application. If an applicant meets all eligibility requirements, a Certificate of Eligibility will be issued to qualifying health care practitioners to the email address provided on the application.

3. It is then applicant's responsibility to also complete the NM Taxation and Revenue Department (TRD)'s Rural Health Care Practitioner Tax Credit Claim Form. This can be found under TRD's Forms & Publications/Tax Credit link: <https://www.tax.newmexico.gov/forms-publications/>
4. It is the applicant's responsibility to include **both** TRD's Tax Credit Claim form and NMDOH's Tax Credit Certificate of Eligibility when filing their personal New Mexico income tax return. *Please note – The DOH's Certificate of Eligibility must be for the same taxable year as the income tax return.*

Application Start Date

Applications will be accepted by the NMDOH beginning on January 1st of each year for the previous tax year. By applying, the health care providers are attesting that they provided direct health care services at an eligible rural location physical address for the taxable year beginning January 1st of the prior year.

Please note: NMDOH does not review applications or emails on holidays, such as New Years Day, Martin Luther King Jr., etc. NMDOH will review applications and respond to emails the next working business day following the holiday.

Tax Credit Requested

The statute permits a **full-time credit** for eligible health care practitioners who have “*provided health care services during a taxable year for at least 1584 hours*” at an eligible rural practice site.

The statute permits a **one-half credit** amount for eligible health care practitioners who have “*provided health care services for at least 792 hours but less than 1583 hours*” at an eligible rural practice site.

For purposes of the Tax Credit Program, the *provision of health care* includes, but is not limited to:

- Time providing services to patients;
- Time traveling to eligible practice locations;
- Time managing/administering health care provision;
- Time participating in continuing professional education; and
- Time on routine annual or sick leave.

Contact Information:

For questions about the Rural Health Care Practitioner Tax Credit Program, please see our Frequently Asked Questions (FAQs) and/or email us at RHCP.TaxCredit@doh.nm.gov.