

PROGRAM: Health Facility Construction Gross Receipts Tax Deduction **Industry Specific Incentive**

AGENCY: Taxation and Revenue Department

DESCRIPTION: Receipts from selling engineering, architectural or construction service and equipment used in the new facility construction of a sole community provider hospital that is located in a federally designated health professional shortage area are eligible for gross receipts deductions provided the sale of the service is made to a foundation or a nonprofit organization with below specified qualifications.

ELIGIBILITY: Any engineering, architectural, or construction service provider building a sole community provider hospital located in a federally designated health professional shortage area that later sells its services or construction materials to a nonprofit organization meeting the qualification criteria below.

QUALIFICATIONS/CRITERIA:

- A “health professional shortage area” is an area with less than one physician per 3,500 people that has applied to be designated as such by the federal Health and Human Services Department.
- The nonprofit to which services are rendered must have entered into a written agreement with a county to pay at least ninety-five percent of the costs of new facility construction of that sole community provider hospital, and
- Delivers to the seller of the engineering, architectural or construction service either an appropriate nontaxable transaction certificate or other evidence acceptable to the secretary of a written agreement made in accordance with the first condition.
- See **HB 8 2006**
- Visit the Taxation and Revenue Department homepage at <http://www.state.nm.us/tax/home.htm> or find paperwork and applications at <http://www.state.nm.us/tax/BizPge.htm> .
- Call the office of the Secretary at (505)827-0341.