

Sales/Use/Indirect:

New Mexico Court of Appeals Says Company May Claim Deduction for Medical Services Provided

Case No. A-1-CA-39784, N.M. Ct. App. (6/20/23). The New Mexico Court of Appeals (Court) affirmed a New Mexico Administrative Hearing Officer's (AHO) decision that a state statute (*i.e.*, NMSA 1978, section 7-9-93(A) (2004, as amended through 2021)) involving a New Mexico gross receipts tax deduction for the provision of medical services may be claimed by a medical staffing company on behalf of its nurse employees under the previous historical statutes (*i.e.*, either NMSA 1978, section 7-9-93(A) (2007) or NMSA 11 1978, section 7-9-93(A) (2016)) and thus is not limited to being claimed by health care practitioners who are individuals. The Court reasoned that while the applicable statutes do not identify who may claim the deduction, they certainly do not limit the deduction to only individual health care practitioners. Moreover, while the legislative history and intent of the applicable statutes failed to show it, the Court concluded "it is clear" from the plain language of the corresponding rule (*i.e.*, 3.2.241.13 NMAC) that the deduction may be claimed by various entities – not just by health care practitioners. Please contact us with any questions.

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