

# ASSEMBLY, No. 2896

## STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED JUNE 14, 2010

**Sponsored by:**

**Assemblywoman CONNIE WAGNER**

**District 38 (Bergen)**

**Assemblyman HERB CONAWAY, JR.**

**District 7 (Burlington and Camden)**

**SYNOPSIS**

Allows gross income tax deduction for first \$200,000 earned by certain new physicians in their first seven taxable years of practice in New Jersey.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT allowing a gross income tax deduction for certain income  
2 derived by certain new physicians in their first seven taxable  
3 years of practice in New Jersey, supplementing Title 54A of the  
4 New Jersey Statutes.

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6 **BE IT ENACTED** by the Senate and General Assembly of the State  
7 of New Jersey:

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9 1. a. For the first seven taxable years of a qualified New Jersey  
10 practice, a qualified new physician shall be allowed to deduct from  
11 gross income the first \$200,000 of income derived from the  
12 qualified new physician's qualified New Jersey practice.

13 The total amount a qualified physician may deduct for all of the  
14 first seven taxable years of qualified New Jersey practice pursuant  
15 to this section shall not exceed \$200,000.

16 b. As used in this section:

17 "Qualified New Jersey practice" means engaging in the  
18 following activities within the State as a qualified new physician:  
19 providing medical diagnoses, exercising medical judgments,  
20 communicating medical judgments and diagnoses to patients and  
21 other healthcare providers and the performance of medical tasks  
22 such as, but not limited to, physical examinations and surgical  
23 procedures.

24 "Qualified new physician" means a taxpayer that is a doctor of  
25 medicine (M.D.) or osteopathy (D.O.) licensed to practice medicine  
26 and surgery by the New Jersey State Board of Medical Examiners  
27 pursuant to R.S.45:9-1 et seq., who has not engaged in the practice  
28 of medicine and surgery as a licensed doctor in New Jersey in a  
29 prior taxable year.

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31 2. This act shall take effect immediately and apply to taxable  
32 years beginning on or after January 1, 2010.

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STATEMENT

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37 This bill provides a gross income tax deduction for the first  
38 \$200,000 earned by certain new physicians in their first seven  
39 taxable years of practice in New Jersey. The purpose of this bill is  
40 to encourage new physicians to begin their practice in New Jersey  
41 so as to prevent shortages of physicians in the State and to realize  
42 the economic benefits associated with the establishment of new  
43 physician practices.