

ASSEMBLY, No. 3646

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED JANUARY 6, 2011

Sponsored by:

**Assemblyman GORDON M. JOHNSON
District 37 (Bergen)**

Co-Sponsored by:

Assemblymen Prieto and Giblin

SYNOPSIS

Phases out cosmetic medical procedure gross receipts tax over three-year period.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/14/2011)

1 AN ACT phasing out the cosmetic medical procedure gross receipts
2 tax, supplementing P.L.2004, c.53 (C.54:32E-1 et seq.).

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4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. Notwithstanding the provisions of section 1 of P.L.2004,
8 c.53 (C.54:32E-1), the tax which shall be paid pursuant to P.L.2004,
9 c.53 (C.54:32E-1 et seq.) shall be imposed: (1) at the rate of 4% on
10 the gross receipts from a cosmetic medical procedure performed on
11 or after July 1, 2011 but before July 1, 2012, (2) at the rate of 2%
12 on the gross receipts from a cosmetic medical procedure performed
13 on or after July 1, 2012 but before July 1, 2013, and (3) at the rate
14 of 0% on the gross receipts from a cosmetic medical procedure
15 performed on or after July 1, 2013.

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17 2. This act shall take effect immediately.

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STATEMENT

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22 This bill phases out the cosmetic medical procedure gross
23 receipts tax beginning July 1, 2011.

24 Under the bill, the six percent rate of tax currently imposed on
25 the gross receipts from cosmetic medical procedures is reduced by
26 two percent per year over a three-year period: (1) on or after July 1,
27 2011 but before July 1, 2012 the rate of tax imposed will be 4%, (2)
28 on or after July 1, 2012 but before July 1, 2013 the rate of tax
29 imposed will be 2%, and (3) on or after July 1, 2013 the rate of tax
30 will be 0%.

31 The cosmetic medical procedures gross receipts tax is a State tax
32 imposed on the purchase of cosmetic medical procedures. The tax
33 applies to amounts paid for services and for any property or
34 occupancy required for, or associated with, the performance of a
35 cosmetic medical procedure, and is paid by the subject of the
36 procedure and collected by persons responsible for billing the
37 services.

38 Under current law, a cosmetic medical procedure is any medical
39 procedure performed on an individual which is directed at
40 improving the procedure subject's appearance and which does not
41 meaningfully promote the proper function of the body or prevent or
42 treat illness or disease. Examples of taxable procedures include
43 cosmetic surgery, hair transplants, cosmetic injections, cosmetic
44 soft tissue fillers, dermabrasion and chemical peel, laser hair
45 removal, laser skin resurfacing, laser treatment of leg veins,
46 sclerotherapy, and cosmetic dentistry.

47 The phase-out provided by the bill will gradually alleviate the
48 financial and administrative burdens associated with the tax. Since

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1 the gross receipts tax was imposed in 2004, the tax has increased
2 overall costs for recipients of cosmetic medical procedures, and
3 imposed an administrative burden on the medical offices billing the
4 procedures and the State agencies charged with the administration
5 and enforcement of the tax.