

SENATE, No. 1988

STATE OF NEW JERSEY
214th LEGISLATURE

INTRODUCED MAY 27, 2010

Sponsored by:

Senator PAUL A. SARLO

District 36 (Bergen, Essex and Passaic)

Senator JOSEPH M. KYRILLOS, JR.

District 13 (Middlesex and Monmouth)

Co-Sponsored by:

Senator Oroho

SYNOPSIS

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

CURRENT VERSION OF TEXT

As introduced.



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, c.53
8 (C.54:32E-1), the tax which shall be paid pursuant to P.L.2004, c.53
9 (C.54:32E-1 et seq.) shall be imposed: (1) at the rate of 4% on the
10 gross receipts from a cosmetic medical procedure performed on or
11 after July 1, 2010 but before July 1, 2011, (2) at the rate of 2% on
12 the gross receipts from a cosmetic medical procedure performed on
13 or after July 1, 2011 but before July 1, 2012, and (3) at the rate of
14 0% on the gross receipts from a cosmetic medical procedure
15 performed on or after July 1, 2012.

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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, 2010. Under its provisions, the six
24 percent rate of tax currently imposed on the gross receipts from
25 cosmetic medical procedures is reduced by two percent per year
26 over a three-year period: (1) on or after July 1, 2010 but before
27 July 1, 2011 the rate of tax imposed will be 4%, (2) on or after July
28 1, 2011 but before July 1, 2012 the rate of tax imposed will be 2%,
29 and (3) on or after July 1, 2012 the rate of tax will be 0%.

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

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

45 The phase-out provided by the bill is intended to gradually
46 alleviate the financial and administrative burdens associated with
47 the tax. Since the gross receipts tax was imposed in 2004, the tax
48 has increased overall costs for recipients of cosmetic medical

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- 1 procedures, and imposed an administrative burden on the medical
- 2 offices billing the procedures and the State agencies responsible for
- 3 administration and enforcement of the tax.