

ASSEMBLY, No. 2443

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 3, 2020

Sponsored by:

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Assemblyman JAY WEBBER

District 26 (Essex, Morris and Passaic)

SYNOPSIS

Allows gross income tax deductions totaling \$300,000 over five taxable years for certain primary care physicians.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 7/6/2020)

1 **AN ACT** allowing a gross income tax deduction over five taxable
2 years for certain primary care physicians who practice in the
3 State, supplementing Title 54A of the New Jersey Statutes.

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

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8 1. a. A qualified primary care physician shall be allowed a one
9 time deduction of \$100,000 of income derived from the qualified
10 New Jersey professional practice, and in each of the four successive
11 taxable years thereafter the allowable deduction shall be reduced by
12 \$20,000 each year, provided that the physician continues to
13 maintain a qualified New Jersey professional practice for the five
14 taxable years. The total amount of deductions allowed pursuant to
15 this section for the five taxable years shall not exceed \$300,000. In
16 the event that the qualified primary care physician does not
17 maintain a qualified New Jersey professional practice for the five
18 taxable years, the physician shall be liable for repayment to the
19 State of the full amount of the gross income tax liability that would
20 have been due if the deductions had not been taken. The Director
21 of the Division of Taxation in the Department of the Treasury may
22 exempt a taxpayer from some or all repayment as the director
23 deems necessary to alleviate undue hardship.

24 b. As used in this section:

25 “Qualified New Jersey professional practice” means engaging in
26 the following activities within the State as a qualified primary care
27 physician: providing medical diagnoses, exercising medical
28 judgments, communicating medical judgments and diagnoses to
29 patients and other healthcare providers and the performance of
30 medical tasks such as, but not limited to, physical examinations and
31 surgical procedures.

32 “Qualified primary care physician” means a taxpayer who is a
33 State-licensed physician engaged in the practice of family medicine,
34 general internal medicine, general pediatrics, or general obstetrics
35 or gynecology.

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37 2. This act shall take effect immediately and apply to taxable
38 years beginning on or after January 1, 2017.

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STATEMENT

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43 This bill provides a gross income tax deduction totaling
44 \$300,000 over five taxable years for certain primary care physicians
45 who practice in New Jersey. The purpose of the bill is to encourage
46 primary care physicians to continue to practice in New Jersey and
47 for newly qualified physicians to stay in New Jersey to practice.

1 To qualify for the deduction, a physician must be a taxpayer
2 engaged in the practice of family medicine, general internal
3 medicine, general pediatrics or general obstetrics or gynecology in
4 the State. The initial allowable deduction of \$100,000 in the first
5 taxable year is reduced by \$20,000 per year in each of the four
6 following taxable years.

7 It is estimated that the supply of primary care physicians will
8 continue to fall short of demand in the coming years due to the
9 number of physicians who are nearing retirement age, a shortage of
10 residency programs, and the recent influx of great numbers of
11 newly insured patients brought about by the federal Affordable Care
12 Act. This bill provides an incentive for primary care physicians to
13 practice in the State by reducing their income tax liability.