

New Jersey's 7% Tax On Massage – It May Not Apply To You

The New 7% Tax - Effective October 1, 2006, the NJ Legislature extended the 7% Sales Tax to massage services, unless you have a doctor's note or prescription. This term was defined by the NJ Division of taxation in a Tax Note dated October 6, 2006:

Doctor's Prescription

For purposes of this Sales and Use Tax Act provision, a "doctor's prescription" for massage, bodywork, or somatic services will mean direction by a licensed medical doctor (M.D.), osteopath (O.D.), chiropractor, podiatrist (D.P.M.), psychologist with a doctorate in psychology, or dentist for initiation of massage, bodywork, or somatic services for a patient for whom the medical doctor, osteopath, chiropractor, podiatrist, psychologist, or dentist is providing treatment or consultation services within the scope of his or her license. This direction must be in writing, and must contain the following: name of patient; name and signature of referring medical doctor, osteopath, chiropractor, podiatrist, psychologist, or dentist; purpose of the referral and description of conditions or needs to be addressed by the massage, bodywork, or somatic therapy. Massage, bodywork, or somatic services provided without a doctor's prescription, are taxable.

We are happy the legislature realized the health and medical benefits of massage and has allowed the exception to the tax for virtually all massages.

What We Need From You - We must charge the 7% tax unless we have a doctor's note or prescription. Although we had been told verbally that Chiropractor prescriptions were not acceptable, the Tax Note tells us otherwise, and we gladly accept them. There seems to be no limit in the period of time or in the number of massages covered. If this changes, we will inform you. We have been told verbally that we should obtain the original, but if the client wants to keep the original for use by another health provider, a copy may be sufficient. You only need one prescription – NOT a new one each time you come in. The information will be held in your confidential file.

What Should It Say? - The Tax Note allows a wide range. The choice is up to your health care provider, but here are a few of the reasons we have seen for massage:

- chronic muscle pain
- stress reduction
- fibromyalgia
- pain or soreness in (specify area)
- enhancement of athletic performance
- increase in immune function
- improve flexibility and range of motion
- help to reduce blood pressure
- improve mental outlook
- enhance calmness
- promote healing of injuries
- reduce muscle tension
- improve quality of life

How to Obtain a Note or Prescription - Doctors have been extremely cooperative, since they know the benefits massage can have in your overall healthcare. Many will prepare the note or prescription without a visit, especially if they have been seeing you on a regular basis. Call your doctor's office and explain why you need the note or prescription. Tell them you do not need any codes, since this is not for insurance reimbursement, just for our files to avoid having to charge you the 7% tax. In some cases, they may ask you to come in for a visit. If this is the case, it is worth the visit.

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