

ASSEMBLY, No. 5689

STATE OF NEW JERSEY 222nd LEGISLATURE

INTRODUCED OCTOBER 19, 2026

Sponsored by:

Assemblyman GREGORY P. MCGUCKIN

District 10 (Monmouth and Ocean)

Co-Sponsored by:

Assemblyman Clifton

SYNOPSIS

Provides gross income tax deduction of up to \$10,000 for certain motor fuel expenses.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT providing a gross income tax deduction for certain motor
2 fuel expenses, and supplementing Title 54A of the New Jersey
3 Statutes.

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

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8 1. a. As used in this section, “motor fuel” means motor fuel as
9 defined in section 2 of P.L.2010, c.22 (C.54:39-102).

10 b. A taxpayer shall be allowed a deduction, not to exceed
11 \$10,000, from the taxpayer’s gross income for the taxable year in the
12 amount paid by the taxpayer during the taxable year for the purchase
13 of motor fuel for the operation for personal use of a motor vehicle
14 owned or leased by the taxpayer.

15 c. A deduction shall not be allowed under this section for any
16 expense that is:

17 (1) reimbursed to the taxpayer by or for the taxpayer’s employer;

18 (2) deductible in determining net profits from business pursuant
19 to subsection b. of N.J.S.54A:5-1, even if not so deducted;

20 (3) deductible in determining net gains or net income derived
21 from or in the form of rents, royalties, patents, and copyrights
22 pursuant to subsection d. of N.J.S.54A:5-1, even if not so deducted;

23 (4) deductible in determining distributive share of partnership
24 income pursuant to subsection k. of N.J.S.54A:5-1, even if not so
25 deducted;

26 (5) deductible in determining net pro rata share of S corporation
27 income pursuant to subsection p. of N.J.S.54A:5-1, even if not so
28 deducted; or

29 (6) deductible as a medical expense pursuant to N.J.S.54A:3-3,
30 even if not so deducted, or paid or distributed out of a medical savings
31 account excluded from gross income pursuant to section 5 of
32 P.L.1997, c.414 (C.54A:6-27).

33 d. A taxpayer claiming the deduction allowed pursuant to this
34 section shall maintain receipts or other documentation of the amounts
35 paid for purchases of motor fuel, in a form and manner prescribed by
36 the director.

37
38 2. This act shall take effect immediately and shall apply to
39 taxable years beginning on or after January 1 next following the date
40 of enactment.

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42 **STATEMENT**

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44 This bill provides a gross income tax deduction for amounts paid
45 by taxpayers for the purchase of motor fuel for the operation for
46 personal use of any motor vehicle owned or leased by the taxpayer.

47 Under the bill, the deduction is capped at \$10,000 per taxpayer for
48 each taxable year. The deduction would not be allowed for motor

1 fuel expenditures that are reimbursed by or for the taxpayer's
2 employer, or that are otherwise deductible in determining business
3 income, rental and royalty income, partnership income, or S
4 corporation income under the gross income tax. The deduction also
5 would not be allowed for amounts that are deductible as medical
6 expenses or paid or distributed out of a medical savings account.
7 The bill also requires taxpayers claiming the deduction to maintain
8 receipts or other documentation of their motor fuel purchases in a
9 form and manner prescribed by the Director of the Division of
10 Taxation in the Department of the Treasury.