

Governor Phil Murphy

Governor Murphy Signs Legislation to Spur Investment in New Jersey's AI Sector

07/25/2024

The Next New Jersey Program Provides Tax Credits to Innovative AI Companies

ROSELAND - Governor Phil Murphy today signed [S3432/A4558](https://www.njleg.state.nj.us/bill-search/2024/S3432) (<https://www.njleg.state.nj.us/bill-search/2024/S3432>), establishing the Next New Jersey Program that will attract new investment into the state's artificial intelligence (AI) industry, creating new jobs and economic opportunities. The program will unlock access to capital for New Jersey's innovators and entrepreneurs and ensure they have access to the infrastructure necessary to make new, cutting-edge developments, which will position the state as a national leader in the industry.

"AI has already started to revolutionize our everyday lives, and New Jersey is capitalizing on this moment to ensure we establish ourselves as a frontrunner in generative AI innovation," **said Governor Murphy**. "The creation of this program will support the growth of AI-related businesses, which could lead to scientific breakthroughs and lifesaving discoveries right in our backyard. AI will be a transformative industry that will change lives and grow our economy and New Jersey is ready to take the lead."

The Next New Jersey Program will be administered by the [New Jersey Economic Development Authority \(NJEDA\)](https://www.njeda.gov/) (<https://www.njeda.gov/>), which will award tax credits to eligible businesses that are engaged in artificial intelligence work or large-scale artificial intelligence data centers. Artificial intelligence related activities could include developing new algorithms and techniques, such as machine learning and natural language processing; creating AI-powered software and hardware products, including for medical modeling; and developing AI chatbots for customer service.

Back
to top

“Under Governor Murphy’s leadership, New Jersey has been making major investments in emerging industries to help create sustainable, long-term economic growth,” **said NJEDA Chief Executive Officer Tim Sullivan**. “The Next New Jersey Program will build upon the Garden State’s longstanding legacy in innovation and drive the state’s prominence in the rapidly growing AI industry, and create a strategic advantage for our innovators. AI presents an opportunity for new industry development in the state, good-paying jobs for our residents, and a stronger and more diverse economy for the next generation.”

Last December, the Murphy Administration and Princeton University (<https://www.princeton.edu/>), announced a partnership to develop an AI Hub (<https://www.njeda.gov/njeda-and-princeton-university-take-next-steps-to-develop-ai-hub/>), which will advance New Jersey’s leadership in the field and catalyze innovation in AI technologies. The AI Hub is expected to bring together industry leaders, researchers, and start-up companies to advance research and development in the emerging field. The hub will promote workforce development to support new AI technology development and implementation. Additionally, the AI Hub will house dedicated accelerator space and work to advance the use of ethical AI for positive societal impact.

Last fall, Governor Murphy also established the AI Task Force (<https://www.nj.gov/governor/news/news/562023/20231010b.shtml>), charged with studying emerging AI technologies and its societal impacts. The state’s AI initiative draws on New Jersey’s unique strengths in the health, sustainability, financial, and technology sectors, which stand to benefit from the application of AI technologies to advance innovative breakthroughs.

The prime sponsors of this bill are Senator Raj Mukherji and Assemblyman Chris Tully.

“From life-saving healthcare breakthroughs to traffic jams, artificial intelligence will touch every aspect of our daily lives,” **said Senator Raj Mukherji, a former information technology CEO**. “Through the responsible incentives in the Next New Jersey legislation, we are cementing New Jersey’s place at the forefront of technological advancement and economic competitiveness as we tap into the transformative potential of AI. Through job creation, catalyzing innovation, and empowering our higher education institutions, we will see incredible return on our investment.”

“The Next New Jersey Program is a bold step forward in making our state a leading hub for the rapidly evolving AI industry and ensure we continue building a prosperous and innovative future for all of New Jersey,” **said Assemblyman Tully**. “New Jersey’s investment lets industry know our state is a competitive and committed leader in AI.”

“The signing of this bill is definitive proof that New Jersey is open for AI business,” **said Brian Venturo, co-founder and Chief Strategy Officer at CoreWeave**. “This not only reinforces New Jersey’s heritage as a state of innovators but also paves the way for significant advancements and opportunities in AI development. As the AI Hyperscaler, CoreWeave is proud to be headquartered here and excited to continue driving this industry forward.”

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[Home \(/governor/\)](#)

Administration

[Governor Phil Murphy \(/governor/admin/about\)](#)

[Lt. Governor Tahesha Way \(/governor/admin/lt\)](#)

[In memoriam of Lt. Governor Sheila Y. Oliver \(/governor/admin/lt-sheila-y-oliver\)](#)

[Senior Staff \(/governor/admin/staff\)](#)

[Cabinet \(/governor/admin/cabinet\)](#)

[Office of Climate Action and the Green Economy \(/governor/climateaction/\)](#)

[Office of Equity \(/governor/admin/equity/\)](#)

[Office of Health Care Affordability and Transparency \(/governor/admin/affordablehealthcare/index.shtml\)](#)

[Boards, Commissions & Authorities \(/governor/admin/bca\)](#)

[New Jersey Puerto Rico Commission \(https://www.nj.gov/puertoricocommission/\)](#)

[Internship Opportunities \(/governor/admin/internship.shtml\)](#)

[Governor's Fellows Program \(/governor/admin/fellows\)](#)

[Governor's Residence - Drumthwacket \(http://drumthwacket.org/\)](#)

Key Initiatives

[Economy & Jobs \(/governor/initiatives/#Economy\)](#)

[Education \(/governor/initiatives/#Education\)](#)

[Environment \(/governor/initiatives/#Environment\)](#)

[Health \(/governor/initiatives/#Health\)](/governor/initiatives/#Health)

[Law & Justice \(/governor/initiatives/#Justice\)](/governor/initiatives/#Justice)

[Transportation \(/governor/initiatives/#Transportation\)](/governor/initiatives/#Transportation)

News & Events

Press Releases

[\(/governor/news/news/562024/approved/news_archive.shtml\)](/governor/news/news/562024/approved/news_archive.shtml)

Photos (<https://www.flickr.com/photos/govmurphy>)

Public Addresses (</governor/news/addresses>)

Executive Orders (/infobank/eo/056murphy/approved/eo_archive.html)

Administrative Orders (/governor/news/ao/approved/ao_archive.shtml)

Direct Appointments (</governor/news/appointments>)

Advice and Consent Appointments (</governor/news/acappointments>)

Statements on Legislation

[\(/governor/news/statements/approved/statements_archive.shtml\)](/governor/news/statements/approved/statements_archive.shtml)

Administration Reports

[\(/governor/news/adminreports/approved/archive.shtml\)](/governor/news/adminreports/approved/archive.shtml)

Transition Reports

[\(/governor/news/reports/approved/reports_archive.shtml\)](/governor/news/reports/approved/reports_archive.shtml)

Press Kits (</governor/news/press>)

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