

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, Nos. 737 and 951

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 13, 2023

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments Senate Committee Substitute for Senate Bill Nos. 737 and 951.

As amended, this bill provides taxpayers a gross income tax exclusion in the amount of contributions made to certain retirement plans, and allows a deduction for contributions to individual retirement accounts, or premiums paid to individual retirement annuities, that qualify for federal income tax deductions.

The affected types of plans are: (1) a plan established under section 401(a) or section 401(k) of the federal Internal Revenue Code; (2) amounts paid for annuity contracts under section 403(b) of the federal Internal Revenue Code, allowed to employees of governments and nonprofits; (3) a deferred compensation plan of a state or local government that meets the requirements of section 457 of the federal Internal Revenue Code; (4) a federal Thrift Savings Plan; or (5) a standard Individual Retirement Account pursuant to section 408 of the federal Internal Revenue Code. The contributions to these plans are taxed upon distribution from the account.

The bill applies to contributions made or premiums paid in taxable years beginning on or after January 1 next following enactment of the bill.

As amended and reported, this bill is identical to Assembly Bill No. 512, as also amended and reported by the committee.

COMMITTEE AMENDMENTS:

The committee amended the bill to make its provisions apply to contributions made or premiums paid in taxable years beginning on or after the first day of January following enactment of the bill.