

CHAPTER 20

AN ACT establishing a corporate transit fee and supplementing P.L.1945, c.162 (C.54:10A-1 et seq.).

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

C.54:10A-5.41a Allocated taxable net income over \$10 million, surtax, corporate transit fee; definitions.

1. a. For purposes of this section:

"Allocated taxable net income" means taxable net income as defined in subsection (w) of section 4 of P.L.1945, c.162 (C.54:10A-4).

"Combined group" means a combined group as defined in subsection (z) of section 4 of P.L.1945, c.162 (C.54:10A-4).

"Public utility" means an entity as defined in subsection (q) of section 4 of P.L.1945, c.162 (C.54:10A-4).

"S corporation" shall mean a New Jersey S corporation, as defined in subsection (p) of section 4 of P.L.1945, c.162 (C.54:10A-4), which does not make an election to be taxed as a C corporation pursuant to either subsection (ff) of P.L.1945, c.162 (C.54:10A-4) or subsection d. of section 3 of P.L.1993, c.173 (C.54:10A-5.22).

"Taxpayer" means any business entity or combined group that is subject to tax, as provided in the Corporation Business Tax (1945), P.L.1945, c.162 (C.54:10A-1 et seq.), except not including any S corporation or public utility.

b. In addition to the tax paid by each taxpayer determined pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), each taxpayer that has allocated taxable net income in excess of \$10,000,000 for privilege periods beginning on and after January 1, 2024 through December 31, 2028 shall be assessed and shall pay a surtax, to be known as the corporate transit fee, equal to 2.5 percent of the allocated taxable net income of the taxpayer. The corporate transit fee shall be due and payable in accordance with section 15 of P.L.1945, c.162 (C.54:10A-15), and the corporate transit fee shall be administered pursuant to the provisions of P.L.1945, c.162 (C.54:10A-1 et seq.). Notwithstanding the provisions of any other law to the contrary, no credits shall be allowed against the corporate transit fee liability computed under this section except for credits for installment payments, estimated payments made with a request for an extension of time for filing a return, or overpayments from prior privilege periods.

c. Notwithstanding any other provision of law to the contrary, the gross amount of all revenues received by the State from the corporate transit fee collected pursuant to this section, except for amounts credited to the special account in the General Fund created pursuant to Article VIII, Section II, paragraph 6 of the New Jersey Constitution, shall be deposited in the General Fund and, beginning in Fiscal Year 2026 and thereafter, shall be appropriated annually for the operating expenses of the New Jersey Transit Corporation and to pay all or any portion of the State match required as a condition of receiving federal funds made available to the New Jersey Transit Corporation for capital projects eligible for federal funds.

2. This act shall take effect immediately and shall apply to privilege periods beginning on and after January 1, 2024.

Approved June 28, 2024.