ASSEMBLY, No. 4777

STATE OF NEW JERSEY

222nd LEGISLATURE

INTRODUCED MARCH 19, 2026

Sponsored by:
Assemblyman MICHAEL INGANAMORT
District 24 (Morris, Sussex and Warren)
Assemblyman GERRY SCHARFENBERGER
District 13 (Monmouth)
Assemblywoman DAWN FANTASIA
District 24 (Morris, Sussex and Warren)

Co-Sponsored by:
Assemblywoman Flynn, Assemblymen Azzariti Jr., Myhre, Sauickie, S.Kean, Auth, Clifton and Kanitra

SYNOPSIS

Requires State to elect to participate in federal tax credit scholarship program and directs Commissioner of Education to provide required information to U.S. Secretary of the Treasury.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 10/29/2026)

AN ACT requiring the State to participate in the federal tax credit program for individual contributions to scholarship granting organizations and supplementing Title 18A of the New Jersey Statutes.

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

1. The State of New Jersey shall participate in the federal tax credit program for contributions of individuals to scholarship granting organizations established pursuant to section 25F of the federal Internal Revenue Code of 1986, 26 U.S.C.s. 25F, for all taxable years beginning after December 31, 2026. The Commissioner of Education shall annually provide to the United States Secretary of the Treasury such information as is required pursuant to section 25F of the federal Internal Revenue Code of 1986, 26 U.S.C.s. 25F, in order for the State to participate in the federal tax credit for contributions of individuals to scholarship granting organizations, including a list of all scholarship granting organizations located in the State that meet the requirements of section 25F of the federal Internal Revenue Code of 1986, 26 U.S.C.s. 25F.

2. This act shall take effect immediately.

STATEMENT

This bill requires the State to elect to participate in the federal tax credit program for individual contributions to scholarship granting organizations pursuant to section 25F of the federal Internal Revenue Code. The bill also directs the Commissioner of Education to annually provide any information required under federal law for the State to participate in the program each year.

Pub.L.119-21, also known as the "One Big Beautiful Bill Act," established a federal tax credit program for individuals who make contributions to scholarship granting organizations. The program allows an individual to claim a federal income tax credit equal to the aggregate amount of qualified contributions, up to $1,700 per taxable year to scholarship granting organizations for the purpose of funding scholarships for students from households with income not greater than 300 percent of the area median gross income.

Under the program, each state voluntarily elects to participate in the program. The election is made by the governor of a state or by another individual, agency, or entity as designated by state law to make elections on behalf of the state with respect to federal tax benefits. Federal law requires each state to elect to participate on an annual basis.

Each state that elects to participate in the program is also required to annually provide a list of scholarship granting organizations to the United States Department of the Treasury. A taxpayer who lives in a state that elects not to participate in the program would be eligible to receive tax credits for contributions to scholarship granting organizations in other participating states but they would not be eligible to receive tax credits for contributions to scholarship granting organization in the state in which the taxpayer resides.