

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 5165

STATE OF NEW JERSEY

DATED: JUNE 28, 2026

The Assembly Budget Committee reports favorably Assembly Bill No. 5165 (1R).

As reported, this bill, designated as the "End Data Center Tax Credits Act," reduces the amount of tax credits available for the Next New Jersey Program by \$250 million.

The "New Jersey Economic Recovery Act of 2020," P.L.2020, c.156 (ERA), authorized the award of tax credits under the New Jersey Aspire Program, Emerge Program, and certain other economic development programs with limits on the amount of tax credits available under each program. Under current law, the total value of tax credits available under the ERA is limited to \$14 billion over a nine-year period. Of this amount, \$500 million is currently available under the Next New Jersey Program (Next NJ) for certain projects related to the development of artificial intelligence or data centers. As of May 2026, the New Jersey Economic Development Authority has awarded \$250 million in tax credits to one project under Next NJ, which award is not impacted by this bill.

This bill reduces the total amount of tax credits available under Next NJ by the uncommitted amount of \$250 million.

FISCAL IMPACT:

The Office of Legislative Services (OLS) determines that reducing the amount of tax credits available for the Next New Jersey Program will not have a fiscal impact on State revenues, nor generate additional State revenues.

Reducing the amount of tax credits available for the Next New Jersey Program reallocates the tax credits back to the New Jersey Aspire Program and the Emerge Program. Thus, the actual fiscal impact of the bill will depend on credit utilization under these programs.