

FISCAL NOTE

ASSEMBLY, No. 5329

STATE OF NEW JERSEY

222nd LEGISLATURE

DATED: JULY 6, 2026

SUMMARY

Synopsis: Increases amount of child tax credit in taxable years 2026, 2027, and 2028.

Type of Impact: A three-year State revenue decrease to the Property Tax Relief Fund

Agency Affected: Department of the Treasury

Executive Estimate

Fiscal Impact	Fiscal Year 2027
State Revenue Decrease	\$50.0 million

Office of Legislative Services Estimate

Fiscal Impact	FY 2027	FY 2028	FY 2029	FY 2030
State Revenue Decrease	\$51.9 million	\$50.3 million	\$48.7 million	\$0

- The Office of Legislative Services (OLS) **generally agrees** with the Executive estimate that expanding child tax credit amounts by 25 percent will lower State revenue collections by \$50.0 million in FY 2027. The OLS only projects a slightly larger impact in FY 2027 and extends its forecast to the two additional fiscal years in which the tax credit expansion will be in effect.

BILL DESCRIPTION

This bill increases by 25 percent the child tax credit amounts under the gross income tax in tax years 2026, 2027, and 2028. The refundable credit is available to taxpayers with incomes of \$80,000 or less and may be claimed for each dependent child under age six.

Taxable Income	Current Credit	Credit Under Bill
\$30,000 or under	\$1,000	\$1,250
over \$30,000 but not over \$40,000	\$800	\$1,000
over \$40,000 but not over \$50,000	\$600	\$750
over \$50,000 but not over \$60,000	\$400	\$500
over \$60,000 but not over \$80,000	\$200	\$250



FISCAL ANALYSIS

EXECUTIVE BRANCH

The Department of the Treasury estimates that this bill will decrease State gross income tax collections by \$50.0 million in FY 2027.

OFFICE OF LEGISLATIVE SERVICES

The OLS generally agrees with the Executive estimate that expanding child tax credit amounts by 25 percent will lower State revenue collections by \$50.0 million in FY 2027. The OLS only projects a slightly larger impact in FY 2027 and extends its forecast to the two additional fiscal years in which the tax credit expansion will be in effect.

Specifically, the OLS estimates that the bill will decrease State revenue collections by \$51.9 million in FY 2027, \$50.3 million in FY 2028, and \$48.7 million in FY 2029.

The OLS bases its estimate on data in the Department of the Treasury's FY 2027 Tax Expenditure Report. In that publication, Treasury states that 232,500 child tax credits were claimed for tax year 2024, representing an FY 2025 State revenue loss of \$220.7 million. Treasury then projects the revenue loss at \$216.1 million for FY 2026 and \$207.4 million for FY 2027.

The OLS estimate of the bill's FY 2027 revenue reduction represents 25 percent of Treasury's projection of the FY 2027 State revenue loss from the child tax credit under current law parameters. For FY 2028 and FY 2029, the OLS deflates its estimate in line with recent utilization trends.

Section: *Legislative Budget and Finance Office*

Analyst: *Oscar Mendez*
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Approved: *Thomas Koenig*
 Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).