

SENATE ECONOMIC GROWTH COMMITTEE

STATEMENT TO

SENATE, No. 739

STATE OF NEW JERSEY

DATED: OCTOBER 8, 2026

The Senate Economic Growth Committee reports favorably Senate Bill No. 739.

As reported, this bill, which is designated as the “New Jersey Loves New Jersey Farmers Act,” provides corporation business tax credits and gross income tax credits to commercial farm operators in an amount equal to the price loss of New Jersey commercial farm products, as determined by the Secretary of Agriculture (secretary).

Under the bill, a commercial farm operator is allowed a tax credit based on the price loss of New Jersey commercial farm products sold during a tax period. As defined in the bill, “New Jersey commercial farm product” means a crop, including, but not limited to, a fruit or vegetable, harvested for human consumption from a commercial farm. A “commercial farm operator” means the taxpayer primarily responsible for the on-site day-to-day operation of a commercial farm, at which New Jersey commercial farm products are planted, managed, and harvested.

The bill defines “price loss” to mean the difference between the baseline receipts and actual receipts for a New Jersey commercial farm product, provided that the amount of the actual receipts is lower than the amount of the baseline receipts. Under the bill, “actual receipts” is defined to mean the sum of the actual amounts, in dollars, that a commercial farm operator received in compensation for each unit of a New Jersey commercial farm product sold during the tax period. In contrast, “baseline receipts” means the sum of the total number of units of a New Jersey commercial farm product sold during the tax year, multiplied by the monthly reference price for the month in which each unit was sold. The bill defines “monthly reference price” as the average amount, in dollars, as determined by the secretary, that a commercial farm operator should fairly receive in compensation for each unit of a New Jersey commercial farm product sold during that specific month.

The bill requires the secretary to accept and review applications for the certification of a commercial farm operator’s price loss during a tax period. A commercial farm operator may submit an application for certification of the price loss for a single New Jersey commercial farm product or the total price loss for multiple New Jersey commercial farm products. In addition to such other information and documentation that the secretary may deem necessary, an application

for the certification of price loss is required to include: (1) business records of a commercial farm operator demonstrating the actual receipts of each New Jersey commercial farm product for which the commercial farm operator seeks certification of price loss; and (2) an indication of the dates beginning and ending the tax period for which the application is made and calculation of the baseline receipts for that tax period. The secretary is also required under the bill to calculate and publish the monthly reference price for each month of a calendar year, as described in the bill, within 90 days following the final day of that month.

Under the bill, any amount of any unused tax credit may be carried forward to the seven tax periods next following the year for which the tax credit was issued, after which the tax credit expires. The bill requires the Director of the Division of Taxation to determine the form and manner by which a taxpayer can apply for the tax credit, coordinating with the secretary as necessary.

In addition to authorizing tax credits for commercial farm operators, the bill also permits the operators to apply for a tax credit transfer certificate so that part or all of the credit awarded may be sold or assigned in the tax period during which the tax credit transfer certificate is received. The bill provides that a transferee may use the tax credit transfer certificate in the tax period for which it was issued, in the tax period in which it was issued, or in any of the next three successive tax periods. The transferee is permitted to use the credit against tax liabilities in the tax period in which it was issued or in a succeeding tax period, as authorized in the bill, without the need to amend the tax return for the tax period for which the credit was issued. The bill authorizes a transferee to carry forward an unused credit for use in any of the next five successive tax periods, and the unused credit expires thereafter.

This bill was prefiled for introduction in the 2026-2027 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.