

SENATE, No. 739

STATE OF NEW JERSEY

222nd LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2026 SESSION

Sponsored by:

Senator JOHN J. BURZICHELLI

District 3 (Cumberland, Gloucester and Salem)

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District 4 (Atlantic, Camden and Gloucester)

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SYNOPSIS

"New Jersey Loves New Jersey Farmers Act"; provides corporation business tax credits and gross income tax credits to commercial farm operators for price loss.

CURRENT VERSION OF TEXT

As reported by the Senate Economic Growth Committee with technical review.



(Sponsorship Updated As Of: 10/8/2026)

1 **AN ACT** providing corporation business tax credits and gross
2 income tax credits to certain commercial farm operators,
3 designated as the New Jersey Loves New Jersey Farmers Act,
4 and supplementing P.L.1945, c.162 (C.54:10A-1 et seq.) and
5 Title 54A of the New Jersey Statutes.

6
7 **BE IT ENACTED** *by the Senate and General Assembly of the State*
8 *of New Jersey:*

9
10 1. This act shall be known and may be cited as the “New Jersey
11 Loves New Jersey Farmers Act.”

12
13 2. a. A taxpayer that is a commercial farm operator shall be
14 allowed a credit against the tax imposed pursuant to section 5 of
15 P.L.1945, c.162 (C.54:10A-5) in an amount equal to the price loss
16 of the commercial farm during the privilege period, provided that
17 the taxpayer obtains a certification of the price loss for the privilege
18 period from the Secretary of Agriculture pursuant to section 4 of
19 P.L. , c. (C.) (pending before the Legislature as this bill).

20 b. The order of priority of the application of the credit allowed
21 pursuant to this section, and any other credits allowed by law
22 against the tax imposed pursuant to section 5 of P.L.1945, c.162
23 (C.54:10A-5), shall be as prescribed by the director. The amount of
24 the credit applied under this section against the tax imposed
25 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) for a
26 privilege period, together with any other credits allowed by law,
27 shall not exceed 50 percent of the tax liability otherwise due and
28 shall not reduce the tax liability to an amount lower than the
29 statutory minimum provided in subsection (e) of section 5 of
30 P.L.1945, c.162 (C.54:10A-5). The amount of the tax credit
31 otherwise allowable under this section which cannot be applied for
32 the privilege period due to the limitations of this subsection or
33 under other provisions of P.L.1945, c.162 (C.54:10A-1 et seq.) may
34 be carried forward, if necessary, to the seven privilege periods next
35 following the privilege period for which the tax credit was issued,
36 after which the tax credit shall expire.

37 c. No tax credit shall be allowed pursuant to this section for
38 any costs or expenses included in the calculation of any other tax
39 credit or exemption granted pursuant to a claim made on a tax
40 return filed with the director, or included in the calculation of an
41 award of business assistance or incentive, for a period of time that
42 coincides with the privilege period for which a tax credit authorized
43 pursuant to this section is allowed.

44 d. When filing a return that includes a claim for a tax credit
45 allowed pursuant to this section, a taxpayer shall include a copy of
46 the certification issued by the secretary.

47 e. (1) A taxpayer that obtains a certification of the price loss
48 from the Secretary of Agriculture pursuant to section 4 of P.L. ,

1 c. (C.) (pending before the Legislature as this bill) may
2 apply to the director for a tax credit transfer certificate in lieu of the
3 taxpayer being allowed any amount of tax credit against the tax
4 liability of the taxpayer, as authorized under this section. The tax
5 credit transfer certificate, upon receipt thereof by the taxpayer from
6 the director, may be sold or assigned, in full or in part, in the
7 privilege period during which the taxpayer receives the tax credit
8 transfer certificate from the director, to another person, who may
9 apply the credit against a tax liability under the tax pursuant to the
10 “Corporation Business Tax Act (1945),” P.L.1945, c.162
11 (C.54:10A-1 et seq.), or the “New Jersey Gross Income Tax Act,”
12 N.J.S.54A:1-1 et seq. The certificate provided to the taxpayer shall
13 include a statement waiving the taxpayer’s right to claim the
14 amount of the credit that the taxpayer has elected to sell or assign
15 against the tax for a tax liability. The tax credit certificate issued to
16 a taxpayer by the director shall be subject to any terms and
17 conditions that the director may prescribe; provided, however, that
18 the holder of a tax credit certificate may transfer all or part of the
19 tax credit amount, on or after the date of issuance of the tax credit
20 transfer certificate, for use by the transferee in the tax period for
21 which it was issued, in the tax period in which it was issued, or in
22 any of the next three successive tax periods.

23 (2) The tax credit certificate holder or transferee may first use
24 the credit against tax liabilities in the tax period in which it was
25 issued or a succeeding tax period, as authorized in this section,
26 without the need to amend the tax return for the tax period for
27 which the credit was issued, subject to the provisions of this
28 subsection. A transferee may carry forward an unused credit for use
29 in any of the next five successive tax periods, and the unused credit
30 shall expire thereafter.

31 f. As used in this section:

32 “Commercial farm” means a commercial farm, as that term is
33 defined by section 3 of P.L.1983, c.31 (C.4:1C-3), located in this
34 State.

35 “Commercial farm operator” means a person or entity that is
36 primarily responsible for the on-site, day-to-day operation of a
37 commercial farm.

38 “New Jersey commercial farm product” means a crop, including,
39 but not limited to, a fruit or vegetable, harvested for human
40 consumption from a commercial farm. “New Jersey commercial
41 farm product” shall not include crops harvested for consumption by
42 livestock.

43 “Price loss” means the same as that term is defined in section 4
44 of P.L. , c. (C.) (pending before the Legislature as this
45 bill).

46
47 3. a. A taxpayer that is a commercial farm operator shall be
48 allowed a credit against the tax otherwise due under the “New

1 Jersey Gross Income Tax Act,” N.J.S.A.54A:1-1 et seq., in an
2 amount equal to the price loss of the commercial farm during the
3 taxable year, provided that the taxpayer obtains a certification of the
4 price loss for the taxable year from the Secretary of Agriculture
5 pursuant to section 4 of P.L. , c. (C.) (pending before the
6 Legislature as this bill).

7 b. The order of priority of the application of the credit allowed
8 pursuant to this section, and any other credits allowed by law
9 against the tax imposed pursuant to the “New Jersey Gross Income
10 Tax Act,” N.J.S.54A:1-1 et seq., for a taxable year, shall be as
11 prescribed by the director. The amount of the credit applied under
12 this section against the tax imposed pursuant to N.J.S.54A:1-1 et
13 seq. for a taxable year, together with other payments, credits,
14 deductions, and adjustments allowed by law, shall not reduce a
15 taxpayer’s tax liability to an amount lower than zero. The amount
16 of the tax credit otherwise allowable under this section which
17 cannot be applied for the taxable year due to the limitations of this
18 subsection or under other provisions of N.J.S.54A:1-1 et seq. may
19 be carried forward, if necessary, to the seven taxable years next
20 following the taxable year for which the tax credit was issued, after
21 which the tax credit shall expire.

22 c. No tax credit shall be allowed pursuant to this section for
23 any costs or expenses included in the calculation of any other tax
24 credit or exemption granted pursuant to a claim made on a tax
25 return filed with the director, or included in the calculation of an
26 award of business assistance or incentive, for a period of time that
27 coincides with the taxable year for which a tax credit authorized
28 pursuant to this section is allowed.

29 d. When filing a return that includes a claim for a tax credit
30 allowed pursuant to this section, a taxpayer shall include a copy of
31 the certification issued by the secretary.

32 e. (1) A business entity that is classified as a partnership for
33 federal income tax purposes shall not be allowed a tax credit
34 pursuant to this section directly, but the amount of tax credit of a
35 taxpayer in respect to a distributive share of entity income shall be
36 determined by allocating to the taxpayer that proportion of the tax
37 credit acquired by the entity that is equal to the taxpayer’s share,
38 whether or not distributed, of the total distributive income or gain
39 of the entity for its taxable year ending within or with the
40 taxpayer’s taxable year.

41 (2) A New Jersey S Corporation shall not be allowed a tax credit
42 pursuant to this section directly, but the amount of the tax credit of
43 a taxpayer in respect of a pro rata share of S Corporation income
44 shall be determined by allocating to the taxpayer that proportion of
45 the tax credit acquired by the New Jersey S Corporation that is
46 equal to the taxpayer’s share, whether or not distributed, of the total
47 pro rata share of income of the New Jersey S Corporation for its
48 privilege period ending within or with the taxpayer’s taxable year.

1 f. (1) A taxpayer that obtains a certification of the price loss
2 from the Secretary of Agriculture pursuant to section 4 of P.L. ,
3 c. (C.) (pending before the Legislature as this bill) may
4 apply to the director for a tax credit transfer certificate in lieu of the
5 taxpayer being allowed any amount of tax credit against the tax
6 liability of the taxpayer, as authorized under this section. The tax
7 credit transfer certificate, upon receipt thereof by the taxpayer from
8 the director, may be sold or assigned, in full or in part, in the
9 taxable year during which the taxpayer receives the tax credit
10 transfer certificate from the director, to another person, who may
11 apply the credit against a tax liability under the tax pursuant to the
12 “Corporation Business Tax Act (1945),” P.L.1945, c.162
13 (C.54:10A-1 et seq.), or the “New Jersey Gross Income Tax Act,”
14 N.J.S.54A:1-1 et seq. The certificate provided to the taxpayer shall
15 include a statement waiving the taxpayer’s right to claim the
16 amount of the credit that the taxpayer has elected to sell or assign
17 against the tax for a tax liability. The tax credit certificate issued to
18 a taxpayer by the director shall be subject to any terms and
19 conditions that the director may prescribe; provided, however, that
20 the holder of a tax credit certificate may transfer all or part of the
21 tax credit amount, on or after the date of issuance of the tax credit
22 transfer certificate, for use by the transferee in the tax period for
23 which it was issued, in the tax period in which it was issued, or in
24 any of the next three successive tax periods.

25 (2) The tax credit certificate holder or transferee may first use
26 the credit against tax liabilities in the tax period in which it was
27 issued or a succeeding tax period, as authorized in this section,
28 without the need to amend the tax return for the tax period for
29 which the credit was issued, subject to the provisions of this
30 subsection. A transferee may carry forward an unused credit for
31 use in any of the next five successive tax periods, and the unused
32 credit shall expire thereafter.

33 g. As used in this section:

34 “Commercial farm” means a commercial farm, as that term is
35 defined by section 3 of P.L.1983, c.31 (C.4:1C-3), located in this
36 State.

37 “Commercial farm operator” means a person or entity that is
38 primarily responsible for the on-site, day-to-day operation of a
39 commercial farm.

40 “New Jersey commercial farm product” means a crop, including,
41 but not limited to, a fruit or vegetable, harvested for human
42 consumption from a commercial farm. “New Jersey commercial
43 farm product” shall not include crops harvested for consumption by
44 livestock.

45 “Price loss” means the same as that term is defined in section 4
46 of P.L. , c. (C.) (pending before the Legislature as this
47 bill).

1 4. a. As used in this section:

2 “Actual receipts” means the sum of the actual amounts, in
3 dollars, that a commercial farm operator received in compensation
4 for each unit of a New Jersey commercial farm product sold during
5 the tax period.

6 “Baseline receipts” means the sum of the total number of units of
7 a New Jersey commercial farm product sold during the tax year,
8 multiplied by the monthly reference price for the month in which
9 each unit was sold.

10 “Commercial farm” means a commercial farm, as that term is
11 defined by section 3 of P.L.1983, c.31 (C.4:1C-3), located in this
12 State.

13 “Commercial farm operator” means a person or entity that is
14 primarily responsible for the on-site, day-to-day operation of a
15 commercial farm.

16 “Monthly reference price” means the average amount, in dollars,
17 that the secretary determines, pursuant to subsection d. of this
18 section, that a commercial farm operator should fairly receive in
19 compensation for each unit of a New Jersey commercial farm
20 product sold during that specific month.

21 “New Jersey commercial farm product” means a crop, including,
22 but not limited to, a fruit or vegetable, harvested for human
23 consumption from a commercial farm. “New Jersey commercial
24 farm product” shall not include crops harvested for consumption by
25 livestock.

26 “Price loss” means the difference between the baseline receipts
27 and actual receipts for a New Jersey commercial farm product,
28 provided that the amount of the actual receipts is lower than the
29 amount of the baseline receipts.

30 “Secretary” means the Secretary of Agriculture.

31 “Tax period” means a privilege period under the “Corporation
32 Business Tax Act (1945),” P.L.1945, c.162 (C.54:10A-1 et seq.), or
33 a taxable year under the “New Jersey Gross Income Tax Act,”
34 N.J.S.54A:1-1 et seq., as applicable to the commercial farm
35 operator.

36 “Unit” means a measurement of a New Jersey commercial farm
37 product for the purpose of sale, as determined by the secretary.

38 b. A commercial farm operator that seeks a tax credit pursuant
39 to sections 2 and 3 of P.L. , c. (C. and C.) (pending
40 before the Legislature as this bill) shall submit an application to the
41 Secretary of Agriculture, in a form and manner prescribed by the
42 secretary, for the certification of the commercial farm operator’s
43 price loss during an applicable tax period. A commercial farm
44 operator may submit an application pursuant to this section for the
45 certification of the price loss for a single New Jersey commercial
46 farm product or the total price loss for multiple New Jersey
47 commercial farm products, provided that the application includes all
48 the information required by this subsection for each New Jersey

1 commercial farm product. In addition to other information and
2 documentation that the secretary shall deem necessary, an
3 application for the certification of price loss shall include:

4 (1) business records of a commercial farm operator
5 demonstrating the actual receipts of each New Jersey commercial
6 farm product for which the commercial farm operator seeks
7 certification of price loss; and

8 (2) an indication of the dates beginning and ending the tax
9 period for which the application is made and a calculation of the
10 baseline receipts for that tax period.

11 c. The secretary shall issue a certification of price loss for the
12 purposes of sections 2 and 3 of P.L. , c. (C. and C.)
13 (pending before the Legislature as this bill) to any commercial farm
14 operator whose application meets the requirements of subsection b.
15 of this section.

16 d. The secretary shall calculate the monthly reference price for
17 each New Jersey commercial farm product, which monthly
18 reference price shall reflect current market conditions, cost of
19 production, and any other factors that the secretary determines
20 appropriate. The secretary shall publish on the Internet website of
21 the Department of Agriculture each monthly reference price for the
22 months in the current and most recent two calendar years. The
23 secretary shall calculate and publish the monthly reference price for
24 each month of a calendar year within 90 days following the final
25 day of that month. The secretary shall not be required to calculate
26 or publish any monthly reference price for a month that precedes
27 the January 1 next following the date of enactment of P.L. ,
28 c. (pending before the Legislature as this bill).

29 e. The Department of Agriculture shall adopt, pursuant to the
30 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
31 seq.), rules and regulations as shall be necessary to implement this
32 section and consistent with the purposes of P.L. , c. (pending
33 before the Legislature as this bill).

34

35 5. This act shall take effect immediately and shall apply to
36 privilege periods and taxable years beginning on or after January 1
37 of the year next following the date of enactment.