

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 1204

STATE OF NEW JERSEY

222nd LEGISLATURE

DATED: AUGUST 5, 2026

SUMMARY

- Synopsis:** “New Jersey Battlefield to Boardroom Act”; provides corporation business tax credits and gross income tax credits for qualified wages of certain veterans.
- Type of Impact:** Multi-year State revenue decrease to the General Fund and Property Tax Relief Fund.
- Agencies Affected:** Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	FY 2028 through FY 2038
Aggregate State Revenue Decrease	Up to \$40.0 million

- The Office of Legislative Services (OLS) concludes that the bill may result in a State revenue reduction of up to \$40.0 million over a period of up to 11 years.
- The tax credit is limited to \$1,200 per qualifying veteran claimed, the credit is non-refundable, and the total value of tax credits approved is capped at \$10.0 million during any fiscal year.
- Tax credit awards are restricted to a four-year period beginning on or after January 1 following the date of enactment and may be carried forward for seven tax years or privilege periods. The OLS anticipates that tax credits would most likely be claimed beginning in FY 2028. Accordingly, any State revenue losses will be incurred from FY 2028 through FY 2038.

BILL DESCRIPTION

The bill, entitled the New Jersey Battlefield to Boardroom Act, provides a corporation business tax credit and gross income tax credit for qualified wages of certain veterans. The credits established by the bill are limited in duration in that they are available for four taxable years or privilege periods commencing on or after January 1 following the date of enactment. Unused tax credits could be carried forward during the next seven taxable years or privilege periods following the taxable year or privilege period for which the credits were allowed.

The bill provides a credit in the amount of 10 percent of the wages paid to a qualified veteran, not to exceed \$1,200 for each qualified veteran per taxable year or privilege period and the total value of tax credits in a fiscal year may not exceed \$10,000,000. For purposes of the credits' availability, the wages of a qualified veteran must be subject to the gross income tax and paid during a four-year period beginning on or after January 1 following the date of enactment. To be creditable, wages must also arise from employment of a qualified veteran for at least 185 business days of the applicable taxable year or privilege period.

To qualify for the credit, the bill imposes a series of conditions on a taxpayer as an employer. For a tax year that the credit is claimed, the bill requires that 25 percent of the taxpayer's new employees be qualified veterans. For taxable years or privilege periods immediately subsequent to a prior credit year, the bill further requires that 50 percent of the qualified veterans hired in that prior taxable year or privilege period must remain employed by the taxpayer. The bill also conditions credit qualifications on other aspects of veteran employment and contains provisions aimed at preventing potential misuse of the credit.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the bill may result in a State revenue reduction of up to \$40.0 million over a period of up to 11 years. The OLS cannot quantify the exact State revenue loss to the General Fund and the Property Tax Relief Fund resulting from the bill due to a lack of information on which employers will qualify for the tax credit, the number of employees who are qualified veterans, and the amount of wages paid to those qualified veterans during the period the tax credits will be available. In addition, the OLS cannot determine the extent to which employers will satisfy the bill's eligibility, retention, and veteran support service requirements in order to qualify for the credit.

The tax credit is limited to \$1,200 per qualifying veteran claimed and the total value of tax credits approved is capped at \$10.0 million during any fiscal year. In addition to these limitations, the tax credit is non-refundable, which further mitigates the bill's overall impact on State revenues.

Tax credit awards are restricted to a four-year period beginning on or after January 1 following the date of enactment. However, because unused tax credits may be carried forward for seven tax years or privilege periods, the OLS anticipates that any State revenue losses may extend beyond the initial credit eligibility period.

Section: Revenue, Finance, and Appropriations
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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

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