

LEGISLATIVE FISCAL ESTIMATE

SENATE, No. 1799

STATE OF NEW JERSEY

222nd LEGISLATURE

DATED: AUGUST 14, 2026

SUMMARY

Synopsis: Increases annual limit of total tax credits certified for qualified projects under Neighborhood Revitalization Tax Credit Program.

Type of Impact: Annual State expenditure increase; annual net neutral State revenue impact.

Agencies Affected: Department of the Treasury; Department of Community Affairs.

Office of Legislative Services Estimate

Fiscal Impact	Annually
State Expenditure Increase	\$50 million
State Revenue Impact	Net Neutral Impact

- The Office of Legislative Services (OLS) finds that the bill will result in an annual State expenditure increase of \$50 million associated with the provision of increased grants to nonprofit organizations for projects under the Neighborhood Revitalization Tax Credit Program.
- The Neighborhood Revitalization Tax Credit Program is financed through the issuance of tax credits to business entities that provide funding for projects undertaken by nonprofit organizations. By increasing the amount of tax credits that may be annually issued under the program, the bill will generate additional funding for the program.
- The OLS notes that the award of tax credits under the program results in an increase in dedicated State revenue, from the proceeds of the tax credits, followed by an offsetting reduction in general State revenues upon the utilization of such credits. On balance, the State is expected to incur a net neutral revenue impact.

BILL DESCRIPTION

The bill increases the total tax credits allowed to be certified for qualified projects proposed in a fiscal year under the Neighborhood Revitalization Tax Credit Program from \$15 million to \$65 million. The bill also provides that for any fiscal year in which the amount of tax credits certified

for all proposed qualified projects is less than the cumulative total amount of tax credits permitted, the total amount of tax credits for the subsequent year will equal the sum of \$65 million and the remaining amount from the prior fiscal year.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill will result in an annual State expenditure increase of \$50 million by increasing the total tax credits annually awarded for projects under the Neighborhood Revitalization Tax Credit Program from \$15 million to \$65 million. According to the Department of Community Affairs, the full \$15 million in tax credits has been awarded and approved annually in the last four fiscal years.

The Neighborhood Revitalization Tax Credit Program is financed through the issuance of tax credits to business entities that provide funding for projects undertaken by nonprofit organizations. By increasing the total tax credits available for the program, the bill is expected to increase annual State expenditures by \$50 million, as the proceeds of tax credits awarded under the program are provided in the form of grant assistance to approved nonprofit projects. The OLS notes that the bill provides that tax credits that go uncertified in a fiscal year are added to the amount permitted to be certified in the subsequent fiscal year. To the extent that project demand does not immediately match the increased limit, this provision would permit more than \$65 million in tax credits to be certified in a subsequent fiscal year, and the expenditure increase in that year to exceed \$50 million.

The OLS notes that the award of tax credits under the program results in an increase in dedicated State revenue, derived from the proceeds of the tax credits, followed by an offsetting reduction in general State revenues upon the utilization of such credits. On balance, the State is expected to incur a net neutral revenue impact, although the bill would reduce the amount of revenues available for general State purposes.

Section: Revenue, Finance, and Appropriations
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Legislative Budget and Finance Officer

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.

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