

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 4390

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 24, 2026

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 4390.

As amended, this bill, designated as the "End Data Center Tax Credits Act," reduces the amount of tax credits available for the Next New Jersey Program by \$250 million.

The "Economic Recovery Act of 2020," P.L.2020, c.156 (ERA), authorized the award of tax credits under the New Jersey Aspire Program, Emerge Program, and certain other economic development programs with limits on the amount of tax credits available under each program. Under current law, the total value of tax credits available under the ERA is limited to \$14 billion over a nine-year period. Of this amount, \$500 million is currently available under the Next New Jersey Program (Next NJ) for certain projects related to the development of artificial intelligence or data centers. As of May 2026, the New Jersey Economic Development Authority has awarded \$250 million in tax credits to one project under Next NJ, which award is not impacted by this bill.

This bill reduces the total amount of tax credits available under Next NJ by the uncommitted amount of \$250 million.

COMMITTEE AMENDMENTS:

The committee amendments remove provisions of the bill that would have authorized roughly \$250 million in tax credits, including: (1) the award of tax credits by the Board of Public Utilities to the developers of energy storage projects under existing programs; and (2) the provision of one-time gross income tax credits to lower-income taxpayers who are residential electric customers.

The committee amendments also update the title and synopsis of the bill.

FISCAL IMPACT:

The Office of Legislative Services determines that reducing the amount of tax credits available for the Next New Jersey Program will not have a fiscal impact on State revenues, nor would the reduction generate additional State revenues.

Under current law, the tax credits available for the Next New Jersey Program are apportioned from the amount initially allocated to the New Jersey Aspire Program and the Emerge Program. By reducing the amount of tax credits available for the Next New Jersey Program, the bill reallocates these tax credits back to the Aspire and Emerge programs. Thus, the bill does not reduce the cumulative amount of tax credits authorized under current law and does not result in any direct increase in State revenues. The actual fiscal impact of the bill will depend on credit utilization under the Aspire and Emerge programs.