

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE CONCURRENT RESOLUTION No. 96

STATE OF NEW JERSEY

222nd LEGISLATURE

DATED: OCTOBER 9, 2026

SUMMARY

Synopsis:

Proposes constitutional amendment to increase amount of veterans’ property tax deduction from \$250 to \$2,500 over four years.

Type of Impact:

Increased annual State costs to the Property Tax Relief Fund.
Annual local government net revenue gain.

Agencies Affected:

Department of the Treasury; municipalities.

Office of Legislative Services Estimate				
Fiscal Impact	FY 2029	FY 2030	FY 2031	FY 2032
State Cost Increase	\$72.8 MM	\$114.2 MM	\$150.3 MM	\$181.8 MM
Local Net Revenue Gain	\$1.4 MM	\$2.2 MM	\$2.9 MM	\$3.6 MM

- The Office of Legislative Services (OLS) estimates that the legislation will result in additional State costs of \$72.8 million in FY 2029 with annual costs increasing to \$181.8 million in FY 2032 due to the four-year phase-in of the increase in the veterans’ property tax deduction. Under current law, the State reimburses municipalities for the revenue loss caused by the property tax deduction and pays two percent of the deduction amount to municipalities as a reimbursement for related administrative expenses.
- Municipalities will realize annual net revenue gains equal to two percent of the increase in the amount of the veterans’ property tax deduction, reflecting higher State reimbursements for administrative costs.
- The total number of veterans’ property tax deductions has declined by about 6.0 percent annually, and this estimate assumes that this downward trend will continue.

BILL DESCRIPTION

This concurrent resolution would increase the existing annual \$250 property tax deduction for veteran homeowners who were honorably discharged from active service in any branch of the

Armed Forces of the United States and their surviving spouses to the following amounts: \$1,000 in tax year 2028; \$1,500 in tax year 2029; \$2,000 in tax year 2030; and \$2,500 in tax year 2031.

FISCAL ANALYSIS

EXECUTIVE BRANCH

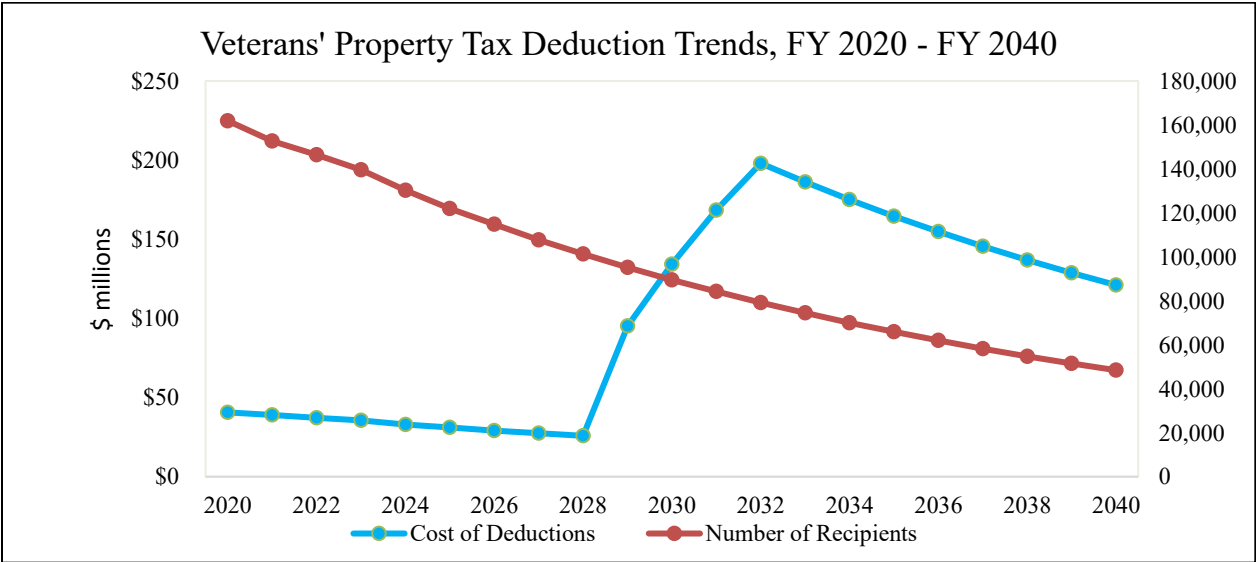
OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the legislation will result in additional State costs of \$72.8 million in FY 2029 with annual costs increasing to \$181.8 million in FY 2032 due to the four-year phase-in of the increase in the veterans’ property tax deduction.

Municipalities will realize annual net revenue gains equal to two percent of the increase in the amount of the veterans’ property tax deduction, reflecting higher State reimbursements for administrative costs. These required reimbursements will result in local government net revenue gains estimated at \$1.4 million in FY 2029 (consisting of \$72.8 million from State reimbursements less \$71.4 million in property tax revenue losses) and increasing to a peak of \$3.6 million in FY 2032 (\$181.8 million from reimbursements less \$178.2 million in property tax losses). Thereafter, the total cost of the veterans’ property tax deduction is expected to decrease following the full phase-in of the increased property tax deduction coupled with the expected continued decline in the number of eligible recipients.

The total number of veterans and surviving spouses receiving a property tax deduction has steadily declined since FY 1979, the earliest year for which information is readily available. In that year, some 462,220 veterans and surviving spouses received a property tax deduction; in FY 2026, some 114,894 did so. More recently, the total number of veterans’ property tax deductions has declined by about 6.0 percent annually, and this estimate assumes that this downward trend will continue.

The chart below illustrates the actual and projected trends in the cost of the veterans’ property tax deduction and the number of deduction recipients from FY 2020 through FY 2040.



Section: Revenue, Finance, & 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.

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