

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 2374

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 5, 2018

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 2374 (1R), with committee amendments.

As amended, this bill requires the Attorney General to establish a Statewide gun buyback program that allows citizens of this State to voluntarily and anonymously surrender firearms and weapons in their possession in exchange for a reward. The form and amount of the reward, such as cash or debit card, is to be determined by the Attorney General.

Under the Statewide gun buyback program, the Attorney General is required to hold at least three gun buyback programs a year throughout the State. The bill requires one gun buyback program to be held in the northern region, one program to be held in the central region, and one program to be held in the southern region of the State, and provides that of those three program at least one is to be held in an urban area with a high crime rate as determined by the most recent issue of the Uniform Crime Report published by the Department of Law and Public Safety.

The bill directs the Attorney General to partner with local law enforcement agencies and community organizations in coordinating gun buyback events when possible.

The bill provides for the gun buyback program to be funded by: forfeiture funds received by the Attorney General as instrumentalities of crime; private donations from corporations, small businesses, and individuals; and any other monies that may be available to the Attorney General.

The bill allows a corporation business tax credit and gross income tax credit for private donations to the program, equal to 25 percent of the fair market value of the taxpayers qualified contribution to the gun buyback program, not to exceed a cumulative total of \$2 million in any calendar year, and upon approval of the taxpayer's application by the Director of the Division of Taxation in the Department of the Treasury and the Attorney General.

The bill provides for the tax credits to become available for privilege periods and taxable years beginning on or after the January 1 next following the date of enactment.

As amended and reported, this bill is identical to Senate Bill No. 1154 (1R), as also amended and reported by the committee.

COMMITTEE AMENDMENTS:

The amendments reduce, from nine to three, the number of gun buyback programs to be held under the program each year. The amendments require one program to be held in the northern region, one to be held in the central region, and one to be held in southern region of the State, and provide that of those three program at least one is to be held in an urban area with a high crime rate as determined by the most recent issue of the Uniform Crime Report published by the Department of Law and Public Safety.

FISCAL IMPACT:

The Office of Legislative Services (OLS) projects that the bill may produce an annual State revenue loss of up to \$2.0 million from newly allowing a corporation business tax and gross income tax credit for qualified donations to the Statewide gun buyback program. The OLS cannot determine the magnitude of future donations and tax credit awards under the program, but notes that the bill caps total tax credit awards at \$2.0 million per year.

In addition, the bill may alter by an indeterminate amount the Office of the Attorney General's annual gun buyback expenditures. Any impact will be the difference between program expenditures under the bill and current law. The OLS, however, cannot determine the difference because of a lack of information on significant parameters of implementation under the two scenarios, such as the number of gun buyback events, cumulative gun buyback payments, and the availability of program funding.