

SENATE, No. 3102

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED MAY 1, 2017

Sponsored by:
Senator JIM WHELAN
District 2 (Atlantic)

SYNOPSIS

Provides tax credit eligibility for qualified businesses for certain persons employed as independent contractors under Grow New Jersey Assistance Program.

CURRENT VERSION OF TEXT

As introduced.



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2

1 AN ACT concerning tax credits to qualified businesses under the
2 Grow New Jersey Assistance Program and amending P.L.2011,
3 c.149

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. Section 2 of P.L.2011, c.149 (C.34:1B-243) is amended to
9 read as follows:

10 2. As used in P.L.2011, c.149 (C.34:1B-242 et seq.):

11 "Affiliate" means an entity that directly or indirectly controls, is
12 under common control with, or is controlled by the business.
13 Control exists in all cases in which the entity is a member of a
14 controlled group of corporations as defined pursuant to section 1563
15 of the Internal Revenue Code of 1986 (26 U.S.C. s.1563) or the
16 entity is an organization in a group of organizations under common
17 control as defined pursuant to subsection (b) or (c) of section 414 of
18 the Internal Revenue Code of 1986 (26 U.S.C. s.414). A taxpayer
19 may establish by clear and convincing evidence, as determined by
20 the Director of the Division of Taxation in the Department of the
21 Treasury, that control exists in situations involving lesser
22 percentages of ownership than required by those statutes. An
23 affiliate of a business may contribute to meeting either the qualified
24 investment or full-time employee requirements of a business that
25 applies for a credit under section 3 of P.L.2007, c.346 (C.34:1B-
26 209).

27 "Authority" means the New Jersey Economic Development
28 Authority established by section 4 of P.L.1974, c.80 (C.34:1B-4).

29 "Aviation district" means the area within a one-mile radius of the
30 outermost boundary of the "Atlantic City International Airport,"
31 established pursuant to section 24 of P.L.1991, c.252 (C.27:25A-
32 24).

33 "Business" means an applicant proposing to own or lease
34 premises in a qualified business facility that is:

35 a corporation that is subject to the tax imposed pursuant to
36 section 5 of P.L.1945, c.162 (C.54:10A-5);

37 a corporation that is subject to the tax imposed pursuant to
38 sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3),
39 section 1 of P.L.1950, c.231 (C.17:32-15) or N.J.S.17B:23-5;

40 a partnership;

41 an S corporation;

42 a limited liability company; or

43 a non-profit corporation.

44 If the business or tenant is a cooperative or part of a cooperative,
45 then the cooperative may qualify for credits by counting the full-

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 time employees and capital investments of its member
2 organizations, and the cooperative may distribute credits to its
3 member organizations. If the business or tenant is a cooperative
4 that leases to its member organizations, the lease shall be treated as
5 a lease to an affiliate or affiliates.

6 A business shall include an affiliate of the business if that
7 business applies for a credit based upon any capital investment
8 made by or full-time employees of an affiliate.

9 "Capital investment" in a qualified business facility means
10 expenses by a business or any affiliate of the business incurred after
11 application for:

12 a. site preparation and construction, repair, renovation,
13 improvement, equipping, or furnishing on real property or of a
14 building, structure, facility, or improvement to real property;

15 b. obtaining and installing furnishings and machinery,
16 apparatus, or equipment, including but not limited to material goods
17 subject to bonus depreciation under sections 168 and 179 of the
18 federal Internal Revenue Code (26 U.S.C. s.168 and s.179), for the
19 operation of a business on real property or in a building, structure,
20 facility, or improvement to real property;

21 c. receiving Highlands Development Credits under the
22 Highlands Transfer Development Rights Program authorized
23 pursuant to section 13 of P.L.2004, c.120 (C.13:20-13); or

24 d. any of the foregoing.

25 In addition to the foregoing, in a Garden State Growth Zone, the
26 following qualify as a capital investment: any development,
27 redevelopment, and relocation costs, including, but not limited to,
28 site acquisition if made within 24 months of application to the
29 authority, engineering, legal, accounting, and other professional
30 services required; and relocation, environmental remediation, and
31 infrastructure improvements for the project area, including, but not
32 limited to, on- and off-site utility, road, pier, wharf, bulkhead, or
33 sidewalk construction or repair.

34 In addition to the foregoing, if a business acquires or leases a
35 qualified business facility, the capital investment made or acquired
36 by the seller or owner, as the case may be, if pertaining primarily to
37 the premises of the qualified business facility, shall be considered a
38 capital investment by the business and, if pertaining generally to the
39 qualified business facility being acquired or leased, shall be
40 allocated to the premises of the qualified business facility on the
41 basis of the gross leasable area of the premises in relation to the
42 total gross leasable area in the qualified business facility. The
43 capital investment described herein may include any capital
44 investment made or acquired within 24 months prior to the date of
45 application so long as the amount of capital investment made or
46 acquired by the business, any affiliate of the business, or any owner
47 after the date of application equals at least 50 percent of the amount
48 of capital investment, allocated to the premises of the qualified

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1 business facility being acquired or leased on the basis of the gross
2 leasable area of the premises in relation to the total gross leasable
3 area in the qualified business facility made or acquired prior to the
4 date of application.

5 "Commitment period" means the period of time that is 1.5 times
6 the eligibility period.

7 "Deep poverty pocket" means a population census tract having a
8 poverty level of 20 percent or more, and which is located within the
9 qualified incentive area and has been determined by the authority to
10 be an area appropriate for development and in need of economic
11 development incentive assistance.

12 "Disaster recovery project" means a project located on property
13 that has been wholly or substantially damaged or destroyed as a
14 result of a federally-declared disaster which, after utilizing all
15 disaster funds available from federal, State, county, and local
16 funding sources, demonstrates to the satisfaction of the authority
17 that access to additional funding authorized pursuant to the "New
18 Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
19 (C.52:27D-489p et al.), is necessary to complete the redevelopment
20 project, and which is located within the qualified incentive area and
21 has been determined by the authority to be in an area appropriate
22 for development and in need of economic development incentive
23 assistance.

24 "Distressed municipality" means a municipality that is qualified
25 to receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a
26 municipality under the supervision of the Local Finance Board
27 pursuant to the provisions of the "Local Government Supervision
28 Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality
29 identified by the Director of the Division of Local Government
30 Services in the Department of Community Affairs to be facing
31 serious fiscal distress, a SDA municipality, or a municipality in
32 which a major rail station is located.

33 "Eligibility period" means the period in which a business may
34 claim a tax credit under the Grow New Jersey Assistance Program,
35 beginning with the tax period in which the authority accepts
36 certification of the business that it has met the capital investment
37 and employment requirements of the Grow New Jersey Assistance
38 Program and extending thereafter for a term of not more than 10
39 years, with the term to be determined solely at the discretion of the
40 applicant.

41 "Eligible position" or "full-time job" means a full-time position
42 in a business in this State which the business has filled with a full-
43 time employee.

44 "Full-time employee" means a person:

- 45 a. who is employed by a business for consideration for at least
46 35 hours a week, or who renders any other standard of service
47 generally accepted by custom or practice as full-time employment;
48 or

1 b. who is employed by a professional employer organization
2 pursuant to an employee leasing agreement between the business
3 and the professional employer organization, in accordance with
4 P.L.2001, c.260 (C.34:8-67 et seq.) for at least 35 hours a week, or
5 who renders any other standard of service generally accepted by
6 custom or practice as full-time employment, and whose wages are
7 subject to withholding as provided in the "New Jersey Gross
8 Income Tax Act," N.J.S.54A:1-1 et seq.; or

9 c. who is a resident of another State but whose income is not
10 subject to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
11 et seq. or who is a partner of a business who works for the
12 partnership for at least 35 hours a week, or who renders any other
13 standard of service generally accepted by custom or practice as full-
14 time employment, and whose distributive share of income, gain,
15 loss, or deduction, or whose guaranteed payments, or any
16 combination thereof, is subject to the payment of estimated taxes, as
17 provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
18 et seq.; and

19 d. who, except for purposes of the Statewide workforce, is
20 provided, by the business, with employee health benefits under a
21 health benefits plan authorized pursuant to State or federal law.

22 With respect to a logistics, manufacturing, energy, defense,
23 aviation, or maritime business, excluding primarily warehouse or
24 distribution operations, located in a port district having a container
25 terminal:

26 the requirement that employee health benefits are to be provided
27 shall be deemed to be satisfied if the benefits are provided in
28 accordance with industry practice by a third party obligated to
29 provide such benefits pursuant to a collective bargaining agreement;

30 full-time employment shall include, but not be limited to,
31 employees that have been hired by way of a labor union hiring hall
32 or its equivalent;

33 35 hours of employment per week at a qualified business facility
34 shall constitute one "full-time employee," regardless of whether or
35 not the hours of work were performed by one or more persons.

36 For any project located in a Garden State Growth Zone which
37 qualifies under the "Municipal Rehabilitation and Economic
38 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or any
39 project located in the Atlantic City Tourism District as established
40 pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and regulated
41 by the Casino Reinvestment Development Authority, and which
42 will include a retail facility of at least 150,000 square feet, of which
43 at least 50 percent will be occupied by either a full-service
44 supermarket or grocery store, 30 hours of employment per week at a
45 qualified business facility shall constitute one "full-time employee,"
46 regardless of whether the hours of work were performed by one or
47 more persons, and the requirement that employee health benefits are

1 to be provided shall be deemed to be satisfied if the employees of
2 the business are covered by a collective bargaining agreement.

3 "Full-time employee" shall not include any person who works as
4 an independent contractor or on a consulting basis for the business,
5 except that any person working as an independent contractor for the
6 business shall be deemed a full-time employee if the business
7 demonstrates to the authority that:

8 (1) the person working as an independent contractor for the
9 business provides critical capabilities to the business in engineering,
10 software development, technology services, or advanced
11 manufacturing supply chain disciplines under a contractual or
12 partnering relationship for a term of no less than three years;

13 (2) the person working as an independent contractor for the
14 business works for at least 35 hours a week, or renders any other
15 standard service generally accepted by custom or practice as full-
16 time employment, and the person is provided with employee health
17 benefits under a health benefits plan authorized pursuant to State or
18 federal law; and

19 (3) persons working as independent contractors for the business
20 shall number 15 or greater in order to be counted at the rate of 80
21 percent towards the business's Statewide workforce total. The
22 business shall provide to the authority an annual report that
23 identifies the number of persons working as independent contractors
24 for the business and their contractual or partnering relationship with
25 the business.

26 A person working as independent contractors for the business
27 shall not be included in the business's Statewide workforce total if
28 those persons are simultaneously receiving a State economic
29 incentive benefit for job creation or retention under any other
30 program. Compliance period obligations of those persons following
31 the receipt of an economic incentive benefit shall not disqualify
32 inclusion of those persons as part of the business's Statewide
33 workforce total. The inclusion of persons working as independent
34 contractors for the business as part of the business's Statewide
35 workforce total under the conditions in paragraph (3) above may be
36 applied starting on January 1, 2017 for all previously awarded and
37 future tax credits awarded under the program pursuant to P.L.2013,
38 c.161 (C.52:27D-489p et al.).

39 Full-time employee shall also not include any person who at the
40 time of project application works in New Jersey for consideration
41 for at least 35 hours per week, or who renders any other standard of
42 service generally accepted by custom or practice as full-time
43 employment but who prior to project application was not provided,
44 by the business, with employee health benefits under a health
45 benefits plan authorized pursuant to State or federal law.

46 "Garden State Growth Zone" or "growth zone" means the four
47 New Jersey cities with the lowest median family income based on
48 the 2009 American Community Survey from the US Census, (Table

1 708. Household, Family, and Per Capita Income and Individuals,
2 and Families Below Poverty Level by City: 2009); or a municipality
3 which contains a Tourism District as established pursuant to section
4 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
5 Reinvestment Development Authority.

6 "Highlands development credit receiving area or redevelopment
7 area" means an area located within a qualified incentive area and
8 designated by the Highlands Water Protection and Planning Council
9 for the receipt of Highlands Development Credits under the
10 Highlands Transfer Development Rights Program authorized
11 pursuant to section 13 of P.L.2004, c.120 (C.13:20-13).

12 "Incentive agreement" means the contract between the business
13 and the authority, which sets forth the terms and conditions under
14 which the business shall be eligible to receive the incentives
15 authorized pursuant to the program.

16 "Incentive effective date" means the date the authority issues a
17 tax credit based on documentation submitted by a business pursuant
18 to paragraph (1) of subsection b. of section 6 of P.L.2011, c.149
19 (C.34:1B-247).

20 "Major rail station" means a railroad station located within a
21 qualified incentive area which provides access to the public to a
22 minimum of six rail passenger service lines operated by the New
23 Jersey Transit Corporation.

24 "Mega project" means:

25 a. a qualified business facility located in a port district housing
26 a business in the logistics, manufacturing, energy, defense, or
27 maritime industries, either:

28 (1) having a capital investment in excess of \$20,000,000, and at
29 which more than 250 full-time employees of the business are
30 created or retained; or

31 (2) at which more than 1,000 full-time employees of the
32 business are created or retained;

33 b. a qualified business facility located in an aviation district
34 housing a business in the aviation industry, in a Garden State
35 Growth Zone, or in a priority area housing the United States
36 headquarters and related facilities of an automobile manufacturer,
37 either:

38 (1) having a capital investment in excess of \$20,000,000, and at
39 which more than 250 full-time employees of the business are
40 created or retained, or

41 (2) at which more than 1,000 full-time employees of the
42 business are created or retained;

43 c. a qualified business facility located in an urban transit hub
44 housing a business of any kind, having a capital investment in
45 excess of \$50,000,000, and at which more than 250 full-time
46 employees of the business are created or retained;

47 d. a project located in an area designated in need of
48 redevelopment, pursuant to P.L.1992, c.79 (C.40A:12A-1 et al.)

1 prior to the enactment of P.L.2014, c.63 (C.34:1B-251 et al.) within
2 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,
3 Ocean, or Salem counties having a capital investment in excess of
4 \$20,000,000, and at which more than 150 full-time employees of
5 the business are created or retained; or

6 e. a qualified business facility primarily used by a business
7 principally engaged in research, development, or manufacture of a
8 drug or device, as defined in R.S.24:1-1, or primarily used by a
9 business licensed to conduct a clinical laboratory and business
10 facility pursuant to the "New Jersey Clinical Laboratory
11 Improvement Act," P.L.1975, c.166 (C.45:9-42.26 et seq.), either:

12 (1) having a capital investment in excess of \$20,000,000, and at
13 which more than 250 full-time employees of the business are
14 created or retained, or

15 (2) at which more than 1,000 full-time employees of the
16 business are created or retained.

17 "Minimum environmental and sustainability standards" means
18 standards established by the authority in accordance with the green
19 building manual prepared by the Commissioner of Community
20 Affairs pursuant to section 1 of P.L.2007, c.132 (C.52:27D-130.6),
21 regarding the use of renewable energy, energy-efficient technology,
22 and non-renewable resources in order to reduce environmental
23 degradation and encourage long-term cost reduction.

24 "Moderate-income housing" means housing affordable,
25 according to United States Department of Housing and Urban
26 Development or other recognized standards for home ownership
27 and rental costs, and occupied or reserved for occupancy by
28 households with a gross household income equal to more than 50
29 percent but less than 80 percent of the median gross household
30 income for households of the same size within the housing region in
31 which the housing is located.

32 "Municipal Revitalization Index" means the 2007 index by the
33 Office for Planning Advocacy within the Department of State
34 measuring or ranking municipal distress.

35 "New full-time job" means an eligible position created by the
36 business at the qualified business facility that did not previously
37 exist in this State. For the purposes of determining a number of
38 new full-time jobs, the eligible positions of an affiliate shall be
39 considered eligible positions of the business.

40 "Other eligible area" means the portions of the qualified
41 incentive area that are not located within a distressed municipality,
42 or the priority area.

43 "Partnership" means an entity classified as a partnership for
44 federal income tax purposes.

45 "Port district" means the portions of a qualified incentive area
46 that are located within:

1 a. the "Port of New York District" of the Port Authority of
2 New York and New Jersey, as defined in Article II of the Compact
3 Between the States of New York and New Jersey of 1921; or

4 b. a 15-mile radius of the outermost boundary of each marine
5 terminal facility established, acquired, constructed, rehabilitated, or
6 improved by the South Jersey Port District established pursuant to
7 "The South Jersey Port Corporation Act," P.L.1968, c.60
8 (C.12:11A-1 et seq.).

9 "Priority area" means the portions of the qualified incentive area
10 that are not located within a distressed municipality and which:

11 a. are designated pursuant to the "State Planning Act,"
12 P.L.1985, c.398 (C.52:18A-196 et seq.), as Planning Area 1
13 (Metropolitan), Planning Area 2 (Suburban), a designated center
14 under the State Development and Redevelopment Plan, or a
15 designated growth center in an endorsed plan until June 30, 2013, or
16 until the State Planning Commission revises and readopts New
17 Jersey's State Strategic Plan and adopts regulations to revise this
18 definition;

19 b. intersect with portions of: a deep poverty pocket, a port
20 district, or federally-owned land approved for closure under a
21 federal Commission on Base Realignment and Closure action;

22 c. are the proposed site of a disaster recovery project, a
23 qualified incubator facility, a highlands development credit
24 receiving area or redevelopment area, a tourism destination project,
25 or transit oriented development; or

26 d. contain: a vacant commercial building having over 400,000
27 square feet of office, laboratory, or industrial space available for
28 occupancy for a period of over one year; or a site that has been
29 negatively impacted by the approval of a "qualified business
30 facility," as defined pursuant to section 2 of P.L.2007, c.346
31 (C.34:1B-208).

32 "Professional employer organization" means an employee leasing
33 company registered with the Department of Labor and Workforce
34 Development pursuant to P.L.2001, c.260 (C.34:8-67 et seq.).

35 "Program" means the "Grow New Jersey Assistance Program"
36 established pursuant to section 3 of P.L.2011, c.149 (C.34:1B-244).

37 "Qualified business facility" means any building, complex of
38 buildings or structural components of buildings, and all machinery
39 and equipment located within a qualified incentive area, used in
40 connection with the operation of a business that is not engaged in
41 final point of sale retail business at that location unless the building,
42 complex of buildings or structural components of buildings, and all
43 machinery and equipment located within a qualified incentive area,
44 are used in connection with the operation of:

45 a. a final point of sale retail business located in a Garden State
46 Growth Zone that will include a retail facility of at least 150,000
47 square feet, of which at least 50 percent is occupied by either a full-
48 service supermarket or grocery store; or

- 1 b. a tourism destination project located in the Atlantic City
2 Tourism District as established pursuant to section 5 of P.L.2011,
3 c.18 (C.5:12-219).
- 4 "Qualified incentive area" means:
- 5 a. an aviation district;
- 6 b. a port district;
- 7 c. a distressed municipality or urban transit hub municipality;
- 8 d. an area (1) designated pursuant to the "State Planning Act,"
9 P.L.1985, c.398 (C.52:18A-196 et seq.), as:
- 10 (a) Planning Area 1 (Metropolitan);
- 11 (b) Planning Area 2 (Suburban); or
- 12 (c) Planning Area 3 (Fringe Planning Area);
- 13 (2) located within a smart growth area and planning area
14 designated in a master plan adopted by the New Jersey
15 Meadowlands Commission pursuant to subsection (i) of section 6 of
16 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan
17 adopted by the New Jersey Meadowlands Commission pursuant to
18 section 20 of P.L.1968, c.404 (C.13:17-21);
- 19 (3) located within any land owned by the New Jersey Sports and
20 Exposition Authority, established pursuant to P.L.1971, c.137
21 (C.5:10-1 et seq.), within the boundaries of the Hackensack
22 Meadowlands District as delineated in section 4 of P.L.1968, c.404
23 (C.13:17-4);
- 24 (4) located within a regional growth area, rural development
25 area zoned for industrial use as of the effective date of P.L.2016,
26 c.75, town, village, or a military and federal installation area
27 designated in the comprehensive management plan prepared and
28 adopted by the Pinelands Commission pursuant to the "Pinelands
29 Protection Act," P.L.1979, c.111 (C.13:18A-1 et seq.);
- 30 (5) located within the planning area of the Highlands Region as
31 defined in section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands
32 development credit receiving area or redevelopment area;
- 33 (6) located within a Garden State Growth Zone;
- 34 (7) located within land approved for closure under any federal
35 Commission on Base Realignment and Closure action; or
- 36 (8) located only within the following portions of the areas
37 designated pursuant to the "State Planning Act," P.L.1985, c.398
38 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning Area),
39 Planning Area 4B (Rural/Environmentally Sensitive) or Planning
40 Area 5 (Environmentally Sensitive) if Planning Area 4A (Rural
41 Planning Area), Planning Area 4B (Rural/Environmentally
42 Sensitive) or Planning Area 5 (Environmentally Sensitive) is
43 located within:
- 44 (a) a designated center under the State Development and
45 Redevelopment Plan;
- 46 (b) a designated growth center in an endorsed plan until the
47 State Planning Commission revises and readopts New Jersey's State

1 Strategic Plan and adopts regulations to revise this definition as it
2 pertains to Statewide planning areas;

3 (c) any area determined to be in need of redevelopment pursuant
4 to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and
5 C.40A:12A-6) or in need of rehabilitation pursuant to section 14 of
6 P.L.1992, c.79 (C.40A:12A-14);

7 (d) any area on which a structure exists or previously existed
8 including any desired expansion of the footprint of the existing or
9 previously existing structure provided the expansion otherwise
10 complies with all applicable federal, State, county, and local
11 permits and approvals;

12 (e) the planning area of the Highlands Region as defined in
13 section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands
14 development credit receiving area or redevelopment area; or

15 (f) any area on which an existing tourism destination project is
16 located.

17 "Qualified incentive area" shall not include any property located
18 within the preservation area of the Highlands Region as defined in
19 section 3 of P.L.2004, c.120 (C.13:20-3).

20 "Qualified incubator facility" means a commercial building
21 located within a qualified incentive area: which contains 50,000 or
22 more square feet of office, laboratory, or industrial space; which is
23 located near, and presents opportunities for collaboration with, a
24 research institution, teaching hospital, college, or university; and
25 within which, at least 50 percent of the gross leasable area is
26 restricted for use by one or more technology startup companies
27 during the commitment period.

28 "Retained full-time job" means an eligible position that currently
29 exists in New Jersey and is filled by a full-time employee but
30 which, because of a potential relocation by the business, is at risk of
31 being lost to another state or country, or eliminated. For the
32 purposes of determining a number of retained full-time jobs, the
33 eligible positions of an affiliate shall be considered eligible
34 positions of the business. For the purposes of the certifications and
35 annual reports required in the incentive agreement pursuant to
36 subsection e. of section 4 of P.L.2011, c.149 (C.34:1B-245), to the
37 extent an eligible position that was the basis of the award no longer
38 exists, a business shall include as a retained full-time job a new
39 eligible position that is filled by a full-time employee provided that
40 the position is included in the order of date of hire and is not the
41 basis for any other incentive award. For a project located in a
42 Garden State Growth Zone which qualified for the "Municipal
43 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
44 (C.52:27BBB-1 et al.), retained full-time job shall include any
45 employee previously employed in New Jersey and transferred to the
46 new location in the Garden State Growth Zone which qualified for
47 the "Municipal Rehabilitation and Economic Recovery Act,"
48 P.L.2002, c.43 (C.52:27BBB-1 et al.).

1 "SDA district" means an SDA district as defined in section 3 of
2 P.L.2000, c.72 (C.18A:7G-3).

3 "SDA municipality" means a municipality in which an SDA
4 district is situate.

5 "Targeted industry" means any industry identified from time to
6 time by the authority including initially, a transportation,
7 manufacturing, defense, energy, logistics, life sciences, technology,
8 health, and finance business, but excluding a primarily warehouse
9 or distribution business.

10 "Technology startup company" means a for profit business that
11 has been in operation fewer than five years and is developing or
12 possesses a proprietary technology or business method of a high-
13 technology or life science-related product, process, or service which
14 the business intends to move to commercialization.

15 "Tourism destination project" means a qualified non-gaming
16 business facility that will be among the most visited privately
17 owned or operated tourism or recreation sites in the State, and
18 which is located within the qualified incentive area and has been
19 determined by the authority to be in an area appropriate for
20 development and in need of economic development incentive
21 assistance, including a non-gaming business within an established
22 Tourism District with a significant impact on the economic viability
23 of that District.

24 "Transit oriented development" means a qualified business
25 facility located within a 1/2-mile radius, or one-mile radius for
26 projects located in a Garden State Growth Zone, surrounding the
27 mid-point of a New Jersey Transit Corporation, Port Authority
28 Transit Corporation, or Port Authority Trans-Hudson Corporation
29 rail, bus, or ferry station platform area, including all light rail
30 stations.

31 "Urban transit hub" means an urban transit hub, as defined in
32 section 2 of P.L.2007, c.346 (C.34:1B-208), that is located within
33 an eligible municipality, as defined in section 2 of P.L.2007, c.346
34 (C.34:1B-208) and also located within a qualified incentive area.

35 "Urban transit hub municipality" means a municipality: a. which
36 qualifies for State aid pursuant to P.L.1978, c.14 (C.52:27D-178 et
37 seq.), or which has continued to be a qualified municipality
38 thereunder pursuant to P.L.2007, c.111; and b. in which 30 percent
39 or more of the value of real property was exempt from local
40 property taxation during tax year 2006. The percentage of exempt
41 property shall be calculated by dividing the total exempt value by
42 the sum of the net valuation which is taxable and that which is tax
43 exempt.

44 (cf: P.L.2016, c.75, s.1)

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46 2. This act shall take effect immediately.

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This bill allows a business to include certain persons employed as independent contractors to be deemed full-time employees under the criteria to receive tax credits for job creation and retention activity under the Grow New Jersey Assistance Program (program) if the business is otherwise qualified to receive tax credits under the program.

Under the bill, a person working as an independent contractor for the business (person) is considered a full-time employee if the business demonstrates to the New Jersey Economic Development Authority (authority) that:

- 1) the person provides critical capabilities to the business in engineering, software development, technology services, or advanced manufacturing supply chain disciplines under a contractual or partnering relationship for a term of no less than three years;
- 2) the person works for at least 35 hours a week, or renders any other standard service generally accepted by custom or practice as full-time employment, and the person is provided with employee health benefits under a health benefits plan authorized pursuant to State or federal law; and
- 3) those persons are to number 15 or greater in order to be counted at the rate of 80 percent towards the business's Statewide workforce total.

The bill provides that a person is not be included in the business's Statewide workforce total if the person is simultaneously receiving a State economic incentive benefit for job creation or retention under any other program. The inclusion of those persons as part of the business's Statewide workforce total may be applied starting on January 1, 2017 for all previously awarded and future tax credits awarded under the program.