

# ASSEMBLY, No. 4465

## STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED SEPTEMBER 24, 2018

**Sponsored by:**

**Assemblyman HAROLD "HAL" J. WIRTHS**  
**District 24 (Morris, Sussex and Warren)**

**Co-Sponsored by:**

**Assemblyman DePhillips, Assemblywoman N.Munoz, Assemblyman A.M.Bucco, Assemblywomen DiMaso, Schepisi, Assemblyman Thomson and Assemblywoman B.DeCroce**

**SYNOPSIS**

Increases benefit amounts under New Jersey earned income tax credit program from 35 percent to 80 percent.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 12/11/2018)**

A4465 HAROLD J. WIRTHS

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1 AN ACT increasing benefit amounts under New Jersey earned  
2 income tax credit program, amending P.L.2000, c.80.

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

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7 1. Section 2 of P.L.2000, c.80 (C.54A:4-7) is amended to read  
8 as follows:

9 2. There is established the New Jersey Earned Income Tax  
10 Credit program in the Division of Taxation in the Department of the  
11 Treasury.

12 a. (1) A resident individual who is eligible for a credit under  
13 section 32 of the federal Internal Revenue Code of 1986 (26 U.S.C.  
14 s.32) shall be allowed a credit for the taxable year equal to a  
15 percentage, as provided in paragraph (2) of this subsection, of the  
16 federal earned income tax credit that would be allowed to the  
17 individual or the married individuals filing a joint return under  
18 section 32 of the federal Internal Revenue Code of 1986 (26 U.S.C.  
19 s.32) for the same taxable year for which a credit is claimed  
20 pursuant to this section, subject to the restrictions of this subsection  
21 and subsections b., c., d. and e. of this section.

22 (2) For the purposes of the calculation of the New Jersey earned  
23 income tax credit, the percentage of the federal earned income tax  
24 credit referred to in paragraph (1) of this subsection shall be:

25 (a) 10% for the taxable year beginning on or after January 1,  
26 2000, but before January 1, 2001;

27 (b) 15% for the taxable year beginning on or after January 1,  
28 2001, but before January 1, 2002;

29 (c) 17.5% for the taxable year beginning on or after January 1,  
30 2002, but before January 1, 2003;

31 (d) 20% for taxable years beginning on or after January 1, 2003,  
32 but before January 1, 2008;

33 (e) 22.5% for taxable years beginning on or after January 1,  
34 2008 but before January 1, 2009;

35 (f) 25% for taxable years beginning on or after January 1, 2009  
36 but before January 1, 2010;

37 (g) 20% for taxable years beginning on or after January 1, 2010,  
38 but before January 1, 2015;

39 (h) 30% for taxable years beginning on or after January 1, 2015,  
40 but before January 1, 2016; **[and]**

41 (i) 35% for taxable years beginning on or after January 1, 2016,  
42 but before January 1, 2018; and

43 (j) 80% for taxable years beginning on or after January 1, 2018.

44 (3) To qualify for the New Jersey earned income tax credit, if  
45 the claimant is married, except for a claimant who files as a head of

**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 household or surviving spouse for federal income tax purposes for  
2 the taxable year, the claimant shall file a joint return or claim for  
3 the credit.

4 b. In the case of a part-year resident claimant, the amount of  
5 the credit allowed pursuant to this section shall be pro-rated, based  
6 upon that proportion which the total number of months of the  
7 claimant's residency in the taxable year bears to 12 in that period.  
8 For this purpose, 15 days or more shall constitute a month.

9 c. The amount of the credit allowed pursuant to this section  
10 shall be applied against the tax otherwise due under N.J.S.54A:1-1  
11 et seq., after all other credits and payments. If the credit exceeds the  
12 amount of tax otherwise due, that amount of excess shall be an  
13 overpayment for the purposes of N.J.S.54A:9-7; provided however,  
14 that subsection (f) of N.J.S.54A:9-7 shall not apply. The credit  
15 provided under this section as a credit against the tax otherwise due  
16 and the amount of the credit treated as an overpayment shall be  
17 treated as a credit towards or overpayment of gross income tax,  
18 subject to all provisions of N.J.S.54A:1-1 et seq., except as may be  
19 otherwise specifically provided in P.L.2000, c.80 (C.54A:4-6 et al.).

20 d. The Director of the Division of Taxation in the Department  
21 of the Treasury shall establish a program for the distribution of  
22 earned income tax credits pursuant to the provisions of this section.

23 e. Any earned income tax credit pursuant to this section shall  
24 not be taken into account as income or receipts for purposes of  
25 determining the eligibility of an individual for benefits or assistance  
26 or the amount or extent of benefits or assistance under any State  
27 program and, to the extent permitted by federal law, under any State  
28 program financed in whole or in part with federal funds.  
29 (cf: P.L.2016, c.57. s.11)

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31 2. This act shall take effect immediately.

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STATEMENT

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36 This bill increases the benefit amount provided under the New  
37 Jersey earned income tax credit program. Currently the program  
38 provides a tax credit equal to 35 percent of the federal earned  
39 income tax credit. The bill helps eligible taxpayers by increasing  
40 the credit amount to 80 percent of the federal credit.