

SENATE, No. 2302

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MARCH 22, 2018

Sponsored by:

Senator ROBERT M. GORDON

District 38 (Bergen and Passaic)

Senator JOSEPH A. LAGANA

District 38 (Bergen and Passaic)

SYNOPSIS

Allows charitable contribution tax deductions under New Jersey gross income tax.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/22/2018)

1 AN ACT allowing a charitable contribution tax deduction under the
2 New Jersey gross income tax, supplementing chapter 3 of Title
3 54A of the New Jersey Statutes.

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

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8 1. A taxpayer shall be allowed to deduct from gross income the
9 amount of charitable contributions made in the taxable year equal to
10 the amount allowed or allowable to the taxpayer for the federal
11 taxable year under section 170 of the federal Internal Revenue Code
12 of 1986, 26 U.S.C. s.170.

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14 2. This act shall take effect immediately and apply to taxable
15 years beginning on or after the January 1 next following enactment.

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18 STATEMENT

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20 This bill allows gross income tax deductions for charitable
21 contributions made in the tax year, as allowed under section 170 of
22 the federal Internal Revenue Code of 1986, 26 U.S.C. s.170.

23 The deduction mirrors the federal income tax deduction and is
24 allowed regardless of whether the federal itemized deduction is
25 taken by the taxpayer. Thus, the deduction is equal to the amount
26 "allowable" by Internal Revenue Code section 170, not just the
27 deduction allowed and taken. The deduction is an itemized
28 deduction for "charitable contributions," as defined by Internal
29 Revenue Code section 170. Generally, a "charitable contribution"
30 is a contribution or gift to or for the use of: a state or its political
31 subdivision; a corporation or trust organization created under
32 United States law that is organized and operated exclusively for
33 religious, charitable, scientific, literary, or educational purposes, or
34 to foster national or international amateur sports competition, or for
35 the prevention of cruelty to children or animals; a domestic post or
36 organization of veterans; a domestic fraternal society order or
37 association operating under the lodge system, if the order uses the
38 gift for charitable purposes; or a non-profit cemetery or burial
39 company. The contribution must be made to a government or to an
40 organization that is granted status by the Internal Revenue Service
41 as an organization eligible to receive tax-deductible charitable
42 contributions.

43 New Jersey is one of only a handful of states that tax personal
44 income, but do not provide charitable contribution deductions. This
45 bill responds to increased constituent desires to donate after terrorist
46 attacks and national and international natural disasters. It also
47 responds to several changes in federal tax law under the federal
48 "Tax Cuts and Jobs Act," Pub.L.115-97, which may have the effect

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1 of reducing the incentive for many taxpayers to itemize their
2 personal deductions, thereby reducing the federal tax incentive for
3 charitable giving. New Jersey should recognize and reward the
4 charitable contributions New Jerseyans make. Further, this new tax
5 deduction will encourage New Jerseyans to continue to give
6 philanthropic gifts to deserving organizations.