ASSEMBLY, No. 142

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
Assemblyman PARKER SPACE
District 24 (Morris, Sussex and Warren)

Co-Sponsored by:
Assemblyman Wirths

SYNOPSIS

Excludes bonuses for reenlistment or voluntary extension of enlistment in armed forces from gross income.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

AN ACT excluding from gross income under the gross income tax certain bonuses received by members of the armed forces and amending Title 54A of the New Jersey Statutes.

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

1. N.J.S.54A:6-7 is amended to read as follows:

54A:6-7. a. Compensation paid by the United States for service in the Armed Forces of the United States performed by an individual not domiciled in this State.

b. Amounts received during the taxable year as mustering-out payments with respect to service in the Armed Forces of the United States.

c. Amounts received during the taxable year as housing and subsistence allowances by members of the active and reserve components of the Armed Forces of the United States, and by New Jersey National Guard members while on State active duty.

d. Amounts received during the taxable year as bonuses for reenlistment or voluntary extension of enlistment by members of the Armed Forces of the United States.

(cf: P.L.2005, c.63)

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

STATEMENT

This bill excludes from taxable gross income under the New Jersey gross income tax certain bonuses received by members of the Armed Forces. Amounts received as bonuses for reenlisting or voluntarily extending enlistment may be excluded from gross income pursuant to this bill.

The purpose of the bill is to provide tax relief to taxpayers that valiantly and unselfishly serve their country, often at considerable sacrifice to themselves and their families, by allowing them to exclude reenlistment and voluntary extension of enlistment bonuses from taxable gross income.

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.