ASSEMBLY, No. 235

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
Assemblyman WAYNE P. DEANGELO
District 14 (Mercer and Middlesex)
Assemblyman ADAM J. TALIAFERRO
District 3 (Cumberland, Gloucester and Salem)
Assemblywoman CAROL A. MURPHY
District 7 (Burlington)

Co-Sponsored by:
Assemblymen Benson and S.Kean

SYNOPSIS

Establishes a gross income tax credit for attendance at New Jersey county colleges.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

(Sponsorship Updated As Of: 3/15/2021)

AN ACT establishing a gross income tax credit for taxpayers and their dependents attending New Jersey county colleges, supplementing Title 54A of the New Jersey Statutes.

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

1. a. A taxpayer who has paid one-half or more of the costs of tuition and maintenance of a dependent under the age of 22 years in attendance at a New Jersey county college shall be allowed a credit against the tax otherwise due pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., in an amount equal to the amount of the costs of tuition and maintenance paid up to a maximum credit of $750 for a dependent in attendance on a full-time basis and in an amount equal to one-half of the amount of the costs of tuition and maintenance paid up to a maximum credit of $375 for a dependent in attendance on a part-time basis having completed at least six credits per semester. No credit shall be allowed under this subsection for a taxable year if the taxpayer has claimed a deduction for the dependent pursuant to section 1 of P.L.1976, c.84 (C.54A:3-1.1) for that taxable year.

b. A taxpayer who has paid costs of tuition and maintenance for the taxpayer's attendance at a New Jersey county college shall be allowed a credit against the tax otherwise due pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., in an amount equal to the amount of the costs of tuition and maintenance paid up to a maximum credit of $750 for the taxpayer's attendance on a full time basis and in an amount equal to one-half of the amount of the costs of tuition and maintenance paid up to a maximum credit of $375 for the taxpayer's attendance on a part-time basis having completed at least six credits per semester. No credit shall be allowed under this subsection for a taxable year if the taxpayer in attendance at a county college is a dependent of another taxpayer who claims a credit for the taxpayer in attendance at a county college under subsection a. of this section for that taxable year.

2. This act shall take effect immediately and shall apply to taxable years beginning after the date of enactment.

STATEMENT

This bill encourages greater opportunities for attendance at county colleges by establishing a $750 gross income tax credit for payment of tuition and maintenance costs for full time attendance, and a $375 credit for part-time attendance, at a New Jersey county college paid by a taxpayer either for a dependent under 22 years of

age or for the taxpayer's own attendance at a county college. These tax credits provide tax savings that can be used to finance a significant portion of a county college student’s tuition.

The county community college system, comprised of 19 institutions, provides access to higher education for a broad range of New Jersey residents who might otherwise be denied the benefits of a college education. This tax credit can provide a substantial financial subsidy for those taxpayers who are pursuing this gateway to a post-secondary education for themselves or their dependents.