

ASSEMBLY, No. 496

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman JAY WEBBER

District 26 (Essex, Morris and Passaic)

Co-Sponsored by:

**Assemblywomen N.Munoz, Vainieri Huttie, Assemblymen Peterson,
Wirths, Space, Giblin, Scharfenberger and Assemblywoman Dunn**

SYNOPSIS

Allows gross income tax deduction for charitable contributions to certain New Jersey-based charitable organizations.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 5/5/2021)

1 **AN ACT** allowing a gross income tax deduction for charitable
 2 contributions to certain New Jersey-based charitable
 3 organizations, supplementing chapter 3 of Title 54A of the New
 4 Jersey Statutes.

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

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 9 1. a. A taxpayer shall be allowed to deduct from gross income
 10 the amount of charitable contributions made to a qualified New
 11 Jersey-based charitable organization in the taxable year equal to the
 12 amount that is allowable as a deduction from federal adjusted gross
 13 income for the federal taxable year pursuant to section 170 of the
 14 federal Internal Revenue Code (26 U.S.C. s.170).

15 b. For the purposes of this section, "qualified New Jersey-
 16 based charitable organization" means a charitable organization that
 17 is registered pursuant to the "Charitable Registration and
 18 Investigation Act," P.L.1994, c.16 (C.45:17A-18 et seq.), or an
 19 organization that is exempt from the registration requirements of
 20 that act pursuant to section 9 of P.L.1994, c.16 (C.45:17A-26), and
 21 that maintains an office, employs persons, and provides services in
 22 this State.

23
 24 2. This act shall take effect immediately and apply to charitable
 25 contributions made in taxable years beginning on or after the
 26 January 1 next following the date of enactment.

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STATEMENT

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31 This bill allows a New Jersey gross income tax deduction for
 32 charitable contributions that are made to certain New Jersey-based
 33 charitable organizations to encourage philanthropic giving to
 34 Garden State charities.

35 Under the bill, New Jersey gross income taxpayers are allowed
 36 to deduct from gross income charitable contributions that are made
 37 during the taxable year to a qualified New Jersey-based charitable
 38 organization. The bill provides that the amount of the deduction is
 39 limited to the amount of charitable contributions that is allowable as
 40 a deduction from federal adjusted gross income to the taxpayer for
 41 the federal taxable year pursuant to section 170 of the federal
 42 Internal Revenue Code (26 U.S.C. s.170).

43 The deduction allowed by the bill mirrors the federal income tax
 44 deduction for charitable contributions and is allowed regardless of
 45 whether the federal itemized deduction is taken by the taxpayer.
 46 Thus, the deduction is equal to the amount "allowable" by Internal
 47 Revenue Code section 170, not just the deduction allowed and
 48 taken.

1 The bill defines “qualified New Jersey-based charitable
2 organization” as a charitable organization that is registered pursuant
3 to the "Charitable Registration and Investigation Act," or an
4 organization that is exempt from the registration requirements of
5 that act, and that maintains an office, employs persons, and
6 provides services in this State.

7 The bill takes effect immediately upon enactment and applies to
8 charitable contributions that are made in taxable years beginning on
9 or after the January 1 next following the date of enactment.