ASSEMBLY, No. 1208

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
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SYNOPSIS

Provides tax credits for hiring certain military spouses.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

AN ACT to incentivize the hiring of certain military spouses and supplementing Title 34 of the Revised Statutes

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

1. As used in P.L. , c. (C.) (pending before the Legislature as this bill):

"Commissioner" means the Commissioner of Labor and Workforce Development.

"Employer" means any nongovernmental business entity including, but not limited to, a nonprofit organization, a corporation, S corporation, limited liability company, partnership, limited partnership, and sole proprietorship, and shall include all entities related by common ownership or control.

"Nonresident military spouse employee" means an employee earning at least the State minimum wage on the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) who is a nonresident of this State and is the spouse of an active duty member of the Armed Forces of the United States who has been transferred to this State in the course of the member's service, is legally domiciled in this State, or has moved to this State on a permanent change-of-station basis.

2. a. There is established in the Department of Labor and Workforce Development a Military Spouse Employment Tax Credit Program, administered by the commissioner, to provide tax credits to employers of nonresident military spouse employees. The purpose of the program is to incentivize the employment of individuals, whose careers and livelihoods are impacted by the military service of their spouses.

b. An employer may apply to the commissioner for an award of tax credits under this section. A tax credit awarded pursuant to this section shall be in the form of a tax credit certificate issued by the commissioner in the amount provided in subsection c. of this section against the corporation business tax imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) or the gross income tax imposed pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., whichever of the two taxes is applicable to the employer.

c. (1) The final amount of the tax credit provided to an employer for each nonresident military spouse employee employed by the employer during a taxable year or privilege period shall be a tax credit equal to:

(a) for a nonresident military spouse employee who works for an employer for at least 120 hours but less than 400 hours in a taxable year or privilege period, 15 percent of the wages paid by the employer to the nonresident military spouse employee; or

(b) for a nonresident military spouse employee who works for an employer for at least 400 hours in a taxable year or privilege period, 25 percent of the wages paid by the employer to the nonresident military spouse employee; or

(2) Notwithstanding the provisions of paragraph (1) of this subsection c., the final amount of a tax credit provided to an employer for a nonresident military spouse employee shall not exceed $2,400 in a taxable year or privilege period.

d. An employer may qualify for a tax credit pursuant to P.L. , c. (C.) (pending before the Legislature as this bill) in a taxable year or privilege period beginning on or after January 1, 2020.

3. a. Notwithstanding any provision of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the commissioner, in consultation with the State Treasurer and the Department of Military and Veterans' Affairs, may adopt, upon filing with the Office of Administrative Law, such regulations that the commissioner deems necessary to implement the provisions of P.L. , c. (C.) (pending before the Legislature as this bill), which regulations shall be effective for a period not to exceed 180 days from the date of the filing. The commissioner shall thereafter amend, adopt, or readopt the regulations in accordance with the requirements of P.L.1968, c.410 (C.52:14B-1 et seq.). The regulations adopted by the commissioner shall include the following:

(1) standards and procedures for determining which employees are nonresident military spouse employees for the purpose of determining the eligibility of employers for tax credits;

(2) any additions to, or modifications of, record-keeping requirements needed to calculate the amounts of tax credits under P.L. , c. (C.) (pending before the Legislature as this bill); and

(3) a method for employers to submit tax credit certificates to the Division of Taxation pursuant to P.L. , c. (C.) (pending before the Legislature as this bill).

b. Beginning the year next following the year in which P.L. , c. (C.) (pending before the Legislature as this bill) takes effect and every three years thereafter, the commissioner shall prepare a report concerning the award of tax credits under P.L. , c. (C.) (pending before the Legislature as this bill), and submit the report to the Governor, and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature. Each report required under this subsection shall include the names and locations of, and the amount of tax credits awarded to, each employer awarded a tax credit under P.L. , c. (C.) (pending before the Legislature as this bill).

4. This act shall take effect immediately.

STATEMENT

This bill provides tax credits, to be awarded by the Commissioner of Labor and Workforce Development, for the hiring of certain military spouses. Under the bill, an employer may claim a tax credit for hiring an employee who is a nonresident of this State and is the spouse of an active duty member of the Armed Forces of the United States who has been transferred to this State in the course of the member's service, is legally domiciled in this State, or has moved to this State on a permanent change-of-station basis.

The final amount of the tax credit provided to an employer for hiring a nonresident military spouse employee is to equal:

(1) for a nonresident military spouse employee who works for an employer for at least 120 hours but less than 400 hours in a taxable year or privilege period, 15 percent of the wages provided by the employer to the nonresident military spouse employee; or

(2) for a nonresident military spouse employee who works for an employer for at least 400 hours in a taxable year or privilege period, 25 percent of the wages provided by the employer to the military spouse employee; or

The bill limits the final amount of a tax credit for hiring a nonresident military spouse employee to $2,400 in a tax year.