ASSEMBLY, No. 1859

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
Assemblywoman AURA K. DUNN
District 25 (Morris and Somerset)

SYNOPSIS

Provides gross income tax deduction for certain moving expenses for taxpayer moving to New Jersey to commence work in State.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

(Sponsorship Updated As Of: 3/17/2021)

AN ACT providing a gross income tax deduction for certain moving expenses, 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 shall be allowed to deduct from the taxpayer's gross income for the taxable year the moving expenses paid or incurred during the taxable year for a move from a residence not in the State to a residence in this State in connection with commencement of work by the taxpayer at a principal place of work in New Jersey, provided that the continuing work requirements of subsection b. of this section are met.

b. (1) A taxpayer shall be allowed the deduction provided by subsection a. of this section only if:

(a) during the 12-month period immediately following the taxpayer's arrival in the general location of the taxpayer's new principal place of work, the taxpayer is a full-time employee in that general location during at least 39 weeks, or

(b) during the 24-month period immediately following the taxpayer's arrival in the general location of the taxpayer's new principal place of work, the taxpayer is a full-time employee or performs services as a self-employed individual on a full-time basis in that general location during at least 78 weeks, of which not less than 39 weeks are during the 12-month period immediately following the taxpayer's arrival in the general location of the taxpayer's new principal place of work.

(2) The requirements of paragraph (1) of this subsection shall not apply if the taxpayer is unable to satisfy the requirements by reason of:

(a) death or disability, or

(b) involuntary separation, other than for willful misconduct, from the service of, or transfer for the benefit of, an employer after obtaining full-time employment in which the taxpayer could reasonably have been expected to satisfy those requirements.

(3) If the taxpayer has not satisfied the requirements of paragraph (1) of this subsection before the time prescribed by law (including extensions thereof) for filing the return for the taxable year during which the taxpayer paid or incurred moving expenses which would otherwise be deductible under this section, but may still satisfy those requirements, then those expenses may (at the election of the taxpayer) be deducted for that taxable year notwithstanding paragraph (1) of this subsection.

(4) If for a taxable year moving expenses have been deducted pursuant to paragraph (3) of this subsection and the requirements of paragraph (1) cannot be satisfied at the close of a subsequent taxable year, then an amount equal to the expenses which were

deducted shall be included in gross income for the first subsequent taxable year.

c. As used in this section:

"Members of the household" means the taxpayer and any other individual who had the former residence as that individual's principal place of abode, will have the new residence as that individual's principal place of abode, and who is not an employee or a tenant of the taxpayer.

"Moving expenses" means the reasonable expenses of

(1) moving the household goods and personal effects of the members of the household from the former residence to the new residence;

(2) the travel of the members of the household, including lodging but not including meals, from the former residence to the new residence; and

(3) moving the household goods and personal effects of the members of the household to and from storage, and any storage of household goods and personal effects incidental to the move.

"Self-employed individual" means an individual who performs personal services as the owner of the entire interest in an unincorporated trade or business, or as a partner in a partnership carrying on a trade or business.

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

STATEMENT

This bill provides a gross income tax deduction for certain moving expenses for a taxpayer who is moving to New Jersey to commence work in this State.

The bill allows the deduction of moving expenses, including the reasonable expense of moving the household goods and personal effects of the members of the household from the former residence to the new residence, the travel of the members of the household, and the storage of household effects incidental to the move. The bill defines the "members of the household" as all of the individuals who lived at the former residence and who will be living at the new residence, other than employees or tenants of the taxpayer.

The bill requires that the move be in connection with the commencement of work in this State. The bill requires that during the 12-month period immediately following the move, the taxpayer be employed full time for at least 39 weeks. The bill requires that a self-employed taxpayer be employed for performing services full time for at least 78 weeks of the 24 month period following the move.

The bill waives the full time work requirement for death, disability, involuntary separation other than for willful misconduct, or transfer to another location for the benefit of the employer.