ASSEMBLY, No. 2476

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 3, 2020

Sponsored by:
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SYNOPSIS

Provides gross income tax credit for certain homeschooling expenses.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 7/2/2020)

AN ACT providing a gross income tax credit for certain expenses incurred in homeschooling a child, supplementing chapter 4 of 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, whose gross income for the taxable year does not exceed $150,000, shall be allowed a credit against the tax due pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., in an amount equal to the value of qualified homeschool expenses incurred by the taxpayer in the taxable year, up to $1,000 per child or dependent; provided, however, that the credit allowed by this section shall not exceed $3,000 per taxpayer in a taxable year.

b. As used in this section:

"Qualified homeschool expenses" means expenses for educational textbooks, workbooks, and teachers' edition books; computer software whose primary purpose is for teaching or self-learning; rental fees for educational curriculum; and membership fees for libraries and academic institutions and organizations. Qualified homeschool expenses shall not include materials used to set up a home school, including but not limited to computers, desks, boards; consumable school supplies, including but not limited to pencils, pens, paper; and internet provider fees.

c. In the case of married couples who file separately, each person shall be permitted to claim one-half of the credit allowed pursuant to subsection a. of this section for qualified homeschool expenses jointly incurred in a taxable year.

d. The order of priority of the application of the credit allowed pursuant to this section and any other credits allowed against the New Jersey gross income tax due pursuant to N.J.S.54A:1-1 et seq. for a taxable year shall be as prescribed by the director.

e. The amount of the credit applied against the New Jersey gross income tax due pursuant to N.J.S.54A:1-1 et seq. shall not reduce the liability of a taxpayer under the New Jersey gross income tax to an amount less than zero.

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

STATEMENT

This bill provides a non-refundable gross income tax credit for certain expenses associated with homeschooling a child or dependent.

Under the bill, a taxpayer may claim a gross income tax credit in an amount equal to the qualified homeschool expenses incurred by the taxpayer in a taxable year—for up to $1,000 per child or dependent; however, the taxpayer may not claim more than $3,000 in a taxable year (*i.e.*, three children or dependents). A taxpayer's gross income cannot exceed $150,000 in a taxable year in order to receive the credit. For taxpayers who are married but file separately, each person may claim one-half of the credit otherwise allowable. The term "qualified homeschool expenses" is defined to encompass educational textbooks, workbooks, and teachers' edition books; computer software whose primary purpose is for teaching or self-learning; curriculum rental fees for educational material; and membership fees for libraries and academic institutions and organizations. Qualified homeschool expenses expressly excludes the following: materials used to set up a home school (*e.g.*, computers, desks, boards); consumable school supplies (*e.g.*, pencils, pens, paper); and internet service provider fees.

Parents and guardians who homeschool their children go to great lengths—and incur great costs—in order to provide a quality education to those in their care. The State, moreover, has an interest in supporting the development and access to educational opportunities for all children residing in the State, irrespective of the method by which they are educated. This bill seeks to balance such interests by providing a gross income tax credit to cover the costs of many expensive yet fundamental educational resources, such as textbooks and educational software incurred by parents and guardians homeschooling their children and dependents.