

ASSEMBLY MILITARY AND VETERANS' AFFAIRS
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2764

STATE OF NEW JERSEY

DATED: MAY 12, 2021

The Assembly Military and Veterans' Affairs Committee reports favorably Assembly Bill No. 2764.

This bill eliminates the requirement that a veteran taxpayer serve in active duty status or federal active duty status in order to qualify for the \$6,000 veterans' gross income tax exemption.

Under current law, a member of the Armed Forces of the United States, or a reserve component thereof, who has been honorably discharged or released under honorable circumstances, is required to have served in active duty status in order to qualify for the veterans' gross income tax exemption, pursuant to N.J.S.A.54A:3-1(b)(7). Likewise, a member of the National Guard of New Jersey, who has been honorably discharged or released under honorable circumstances, is required to have served in federal active duty status in order to qualify for the same. This tax credit may be claimed by the veteran taxpayer for each tax year in which the veteran so qualifies.

This bill changes the law to remove the respective active duty requirements. Accordingly, pursuant to the bill, a veteran of the Armed Forces of the United States, a reserve component thereof, or a member of the National Guard of New Jersey, who has been honorably discharged or released under honorable circumstances, may claim the veterans' gross income tax exemption, irrespective of whether he or she served in active duty or federal active duty status.