

ASSEMBLY, No. 2881

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 20, 2020

Sponsored by:

Assemblyman JON M. BRAMNICK

District 21 (Morris, Somerset and Union)

SYNOPSIS

Allows credit against gross income tax for certain eligible taxpayers pursuing education and employment in State.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** allowing a credit against gross income tax for certain
2 eligible taxpayers who pursue their education and employment in
3 the State and supplementing Title 54A of the New Jersey
4 Statutes.

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

8
9 1. a. A resident taxpayer who has graduated from a New
10 Jersey high school and from a New Jersey institute of higher
11 education with a grade point average of 3.5 or higher and is an
12 eligible employee for a New Jersey employer within two years
13 following graduation from a New Jersey institution of higher
14 education, shall be allowed a credit against the tax otherwise due
15 for the taxable year under the “New Jersey Gross Income Tax Act,”
16 N.J.S.54A:1-1 et seq., in an amount of \$1,500 for the taxable year.

17 b. A credit allowed pursuant to this section shall not reduce the
18 tax liability otherwise due pursuant to N.J.S.54A:1-1 et seq. for a
19 taxable year to an amount less than zero.

20 c. A credit allowed pursuant to this section may be claimed
21 only for the first five consecutive tax years following eligible
22 employment and only if the requirements of subsection a. are met
23 the year that the credit is claimed.

24 d. As used in this section:

25 “Eligible employee” means a full-time employee who works a
26 normal work week of 25 or more hours.

27 “Eligible employment” means an eligible employee employed by
28 an employer located in New Jersey.

29 “Employer located in New Jersey” means any partnership,
30 limited liability company or corporation doing business in this
31 State.

32 “Graduation from a New Jersey institute of higher education”
33 means to receive an undergraduate degree from a New Jersey
34 institution of higher education.

35 “New Jersey high school” means a high school located in New
36 Jersey, whether private or public.

37 “New Jersey institution of higher education” means an institution
38 which qualifies as a public institution of higher education pursuant
39 to N.J.S.18A:62-1 et seq., or an institution eligible for assistance
40 pursuant to section 3 of P.L. 1979, c.132 (N.J.S.18A:72B-15 et
41 seq.).

42
43 2. This act shall take effect immediately and apply to taxable
44 years beginning after the date of enactment.

STATEMENT

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3 This bill provides a nonrefundable gross income tax credit in the
4 amount of \$1,500 to resident New Jersey taxpayers who graduate
5 from a New Jersey public or private high school and a New Jersey
6 institute of higher education with a grade point average of 3.5 or
7 higher and who are employed as full time employees working more
8 than 25 hours per week for a New Jersey employer within two years
9 following graduation from a New Jersey institution of higher
10 education. The bill's gross income tax credit is intended to create
11 an incentive for individuals who graduate from a New Jersey high
12 school to pursue their undergraduate degree in New Jersey and
13 subsequently remain in the State and contribute to the New Jersey
14 economy.
15 The bill provides that an institute of higher education in New
16 Jersey is any public or private not for profit university.
17 Additionally, to graduate from a New Jersey institution of higher
18 graduation means to receive an undergraduate degree.
19 Finally, the taxpayer is eligible to claim this credit during the
20 first five consecutive tax years so long as the employee fulfills the
21 requirements of this bill in each of the tax years that the credit is
22 claimed.