

ASSEMBLY, No. 3329

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 25, 2020

Sponsored by:

Assemblywoman MILA M. JASEY

District 27 (Essex and Morris)

Assemblyman JOHN F. MCKEON

District 27 (Essex and Morris)

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Co-Sponsored by:

Assemblywoman Vainieri Huttie

SYNOPSIS

Designates New Jersey Commuter Pass Credit Act; provides for temporary gross income tax credit for certain commuting passes.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/16/2020)

1 AN ACT providing for a temporary gross income tax credit for
2 certain commuting passes and designated as the New Jersey
3 Commuter Pass Credit Act, supplementing Title 54A of the New
4 Jersey Statutes.

5
6 BE IT ENACTED by the Senate and General Assembly of the State
7 of New Jersey:

8
9 1. a. For each of the first three taxable years beginning on or
10 after the January 1 next following the date of enactment of P.L. ,
11 c. (C.) (pending before the Legislature as this bill), a taxpayer
12 shall be allowed a credit against the tax otherwise due under the
13 "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., in an
14 amount equal to eight percent of the proportion of the purchase
15 price paid by the taxpayer during the taxable year for a qualified
16 commuting pass that the amount of qualified commuting completed
17 by use of the qualified commuting pass during the taxable year
18 bears to the total commuting completed by use of the qualified
19 commuting pass during the taxable year, but that amount of credit
20 shall not exceed \$100.

21 For individuals filing a joint return pursuant to subsection a. of
22 N.J.S.54A:2-1, the maximum credit allowed pursuant to this section
23 shall be \$100 per individual.

24 b. On or before August 1 of the third calendar year beginning
25 on or after the date of enactment of P.L. , c. (C.) (pending
26 before the Legislature as this bill), the director shall prepare and
27 submit a report to the Governor and the Legislature, in accordance
28 with section 2 of P.L.1991, c.164 (C.52:14-19.1), addressing the
29 credit allowed pursuant to this section. The report shall include the
30 total value of credits allowed in the first taxable year beginning on
31 or after the date of enactment of P.L. , c. (C.) (pending
32 before the Legislature as this bill), the total value of credits allowed
33 in the first taxable year beginning on or after the date of enactment
34 of P.L. , c. (C.) (pending before the Legislature as this bill)
35 by taxpayer income levels which are defined by \$10,000
36 increments, the total value of credits the director projects would be
37 allowed for the second and third taxable years beginning on and
38 after the date of enactment of P.L. , c. (C.) (pending before
39 the Legislature as this bill) and each of the immediately succeeding
40 three taxable years if the credit were to be renewed, estimates of the
41 foregone revenue attributable to this credit for each of the three
42 taxable years beginning on or after the date of enactment of P.L. ,
43 c. (C.) (pending before the Legislature as this bill) and each
44 of the immediately succeeding three taxable years if the credit were
45 to be renewed, information on the division's experience in
46 implementing this section including but not limited to a description
47 of increased workload associated with the credit, and an analysis as
48 to the effectiveness of the credit as an incentive for encouraging the

1 use of qualified commuting passes for qualified commuting and as a
2 financial relief instrument for taxpayers who rely on qualified
3 commuting passes for qualified commuting.

4 c. In addition to the rulemaking authority granted to the
5 director pursuant to N.J.S.54A:9-17, the director is authorized to
6 adopt such rules and regulations that are necessary to administer
7 this section. The director's rulemaking authority includes but is not
8 limited to rules and regulations necessary to ensure that the credit
9 allowed pursuant to this section is limited to the use of qualified
10 commuting passes for qualified commuting, to provide methods of
11 calculating creditable amounts pursuant to subsection a. of this
12 section, and to provide the appropriate units of measurement for
13 those calculations based on the type of qualified commuting pass.
14 Rules and regulations deemed necessary by the director pursuant to
15 this subsection shall be adopted in accordance with the
16 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
17 seq.).

18 d. As used in this section:

19 "Ferry passenger service" means ferry passenger service as
20 defined pursuant to section 3 of the "New Jersey Public
21 Transportation Act of 1979," P.L.1979, c.150 (C.27:25-3).

22 "Motorbus regular route service" means motorbus regular route
23 service as defined pursuant to section 3 of the "New Jersey Public
24 Transportation Act of 1979," P.L.1979, c.150 (C.27:25-3).

25 "Qualified commuting" means traveling from or to the
26 taxpayer's principal residence to or from the taxpayer's workplace,
27 or termini near those places, one of which is located in this State,
28 for the primary purpose of reporting to the taxpayer's workplace to
29 render work related services or returning therefrom.

30 "Qualified commuting pass" means a pass purchased by a
31 taxpayer for a purchase price of no less than \$30 that the taxpayer
32 uses to ride rail passenger service, motorbus regular route service or
33 ferry passenger service.

34 "Rail passenger service" means rail passenger service as defined
35 pursuant to section 3 of the "New Jersey Public Transportation Act
36 of 1979," P.L.1979, c.150 (C.27:25-3).

37
38 2. This act shall take effect immediately.
39
40

41 STATEMENT

42
43 Designated as the New Jersey Commuter Pass Credit Act, this
44 bill provides for a temporary gross income tax credit for eight
45 percent of the amount a taxpayer spends on qualified commuting
46 passes for qualified commuting, but which is not to exceed \$100 of
47 credit per taxable year. The purpose of this bill is to provide some
48 financial relief to New Jersey taxpayers who rely on train, bus or

1 ferry to get to work and to incentivize the use of those modes of
2 transportation.

3 Under the bill a taxpayer may take a gross income tax credit for
4 eight percent of the portion of the purchase price paid for a
5 qualified commuting pass which is in proportion to the amount of
6 qualified commuting undertaken with the pass. The credit is not to
7 exceed \$100 of credit per taxable year. The bill takes effect
8 immediately, but the credit is available for the three taxable years
9 beginning on or after the January 1 next following the date of
10 enactment. A qualified commuting pass includes passes for train,
11 bus or ferry service which taxpayers purchase for their use at a price
12 of no less than \$30. Qualified commuting is limited to travel
13 between the taxpayer's home and work, or termini near those
14 places, one of which is located in the State, for the primary purpose
15 of reporting to the taxpayer's workplace to render work related
16 services or returning therefrom.

17 The bill also requires the Director of the Division of Taxation to
18 complete a report on the credit, which is to be submitted to the
19 Governor and Legislature in August of the third year of the credit so
20 as to enable consideration of the renewal or expiration thereof.