

ASSEMBLY, No. 3379

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 25, 2020

Sponsored by:

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District 4 (Camden and Gloucester)

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District 6 (Burlington and Camden)

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SYNOPSIS

Establishes corporation business tax and gross income tax credits for certain providers of child care that undertake certain quality improvement initiatives.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** providing credits against the corporation business and
2 gross income taxes for child care centers that undertake quality
3 improvement initiatives and supplementing P.L.1945, c.162 and
4 Title 54A of the New Jersey Statutes.

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

8
9 1. a. (1) A taxpayer that is a child care center licensed
10 pursuant to P.L.1983, c.492 (C.30:5B-1 et seq.) that is awarded a
11 three-star quality rating by Grow NJ Kids during the privilege
12 period shall be allowed a credit against the tax due pursuant to
13 section 5 of P.L.1945, c.162 (C.54:10A-5) for the privilege period
14 in an amount determined according to the following table:

15 Number of Children Enrolled is:	Amount of NJ Credit is:
16 Not Over 50	\$275
17 51 to 99	\$550
18 Over 100	\$800.

19
20 (2) A taxpayer that is a child care center licensed pursuant to
21 P.L.1983, c.492 (C.30:5B-1 et seq.) that is awarded a four-star
22 quality rating by Grow NJ Kids during the privilege period shall be
23 allowed a credit against the tax due pursuant to section 5 of
24 P.L.1945, c.162 (C.54:10A-5) for the privilege period in an amount
25 determined according to the following table:

26 Number of Children Enrolled is:	Amount of NJ Credit is:
27 Not Over 50	\$550
28 51 to 99	\$1,075
29 Over 100	\$1,600.

30
31 (3) A taxpayer that is a child care center licensed pursuant to
32 P.L.1983, c.492 (C.30:5B-1 et seq.) that is awarded a five-star
33 quality rating by Grow NJ Kids during the privilege period shall be
34 allowed a credit against the tax due pursuant to section 5 of
35 P.L.1945, c.162 (C.54:10A-5) for the privilege period in an amount
36 determined according to the following table:

37 Number of Children Enrolled is:	Amount of NJ Credit is:
38 Not Over 50	\$800
39 51 to 99	\$1,600
40 Over 100	\$2,400.

41
42 b. A taxpayer shall not be allowed to claim the credit provided
43 pursuant to this section or section 2 of P.L. , c. (C.)
44 (pending before the Legislature as this bill) if the taxpayer
45 previously received a credit pursuant to this section for the award of
46 an identical or higher Grow NJ Kids quality rating.

1 c. The order of priority of the application of the credit allowed
2 pursuant to this section and any other credits allowed against the tax
3 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) for
4 a privilege period shall be as prescribed by the director.

5 d. The amount of the credit applied pursuant to this section
6 against the tax imposed pursuant to section 5 of P.L.1945, c.162
7 (C.54:10A-5) for a privilege period shall not reduce a taxpayer's tax
8 liability to an amount less than the statutory minimum provided in
9 subsection (e) of section 5 of P.L.1945, c.162 (C.54:10A-5).

10 e. The amount of the credit otherwise allowable under this
11 section which cannot be claimed for the privilege period by a
12 taxpayer may be carried forward for use in the privilege period next
13 following the privilege period for which a portion of the credit is
14 initially claimed.

15

16 2. a. (1) A taxpayer that is a child care center licensed
17 pursuant to P.L.1983, c.492 (30:5B-1 et seq.) or a family day care
18 provider licensed pursuant to P.L.1987, c.27 (C.30:5B-16 et seq.)
19 that is awarded a three-star quality rating by Grow NJ Kids shall be
20 allowed a credit against the tax otherwise due for the taxable year
21 under the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 in an
22 amount determined according to the following table:

23	Number of Children Enrolled is:	Amount of NJ Credit is:
24	Not Over 50	\$275
25	51 to 99	\$550
26	Over 100	\$800.

27

28 (2) A taxpayer that is a child care center licensed pursuant to
29 P.L.1983, c.492 (30:5B-1 et seq.) or a family day care provider
30 licensed pursuant to P.L.1987, c.27 (C.30:5B-16 et seq.) that is
31 awarded a four-star quality rating by Grow NJ Kids shall be
32 allowed a credit against the tax otherwise due for the taxable year
33 under the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 in an
34 amount determined according to the following table::

35	Number of Children Enrolled is:	Amount of NJ Credit is:
36	Not Over 50	\$550
37	51 to 99	\$1,075
38	Over 100	\$1,600.

39

40 (3) A taxpayer that is a child care center licensed pursuant to
41 P.L.1983, c.492 (30:5B-1 et seq.) or a family day care provider
42 licensed pursuant to P.L.1987, c.27 (C.30:5B-16 et seq.) that is
43 awarded a four-star quality rating by Grow NJ Kids shall be
44 allowed a credit against the tax otherwise due for the taxable year
45 under the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 in an
46 amount determined according to the following table:

1 program overseen by the Departments of Children and Families,
2 Education, Health, and Human Services. The amount of the credit
3 ranges from \$275 to \$2,400, depending on the Grow NJ Kids rating
4 awarded to a child care provider and the number of children
5 enrolled in the child care program.

6 The credit against the corporation business tax is available to
7 child care center licenses pursuant to the “Child Care Center
8 Licensing Act,” that is awarded a three-, four-, or five-star quality
9 rating by the Grow NJ Kids program. The credit against the New
10 Jersey gross income tax is available to a child care center licensed
11 pursuant to the “Child Care Licensing Act,” or a family day care
12 provider licensed pursuant to the “Family Care Provider
13 Registration Act”, that is awarded a three-, four-, or five-star quality
14 rating by the Grow NJ Kids program.

15 The bill provides that a taxpayer cannot claim the credit if the
16 taxpayer previously received a credit for the award of an identical
17 or higher Grow NJ Kids quality rating. The credits are not
18 refundable, but any unused credit may be carried forward to the
19 taxable year or privilege period next following that for which a
20 portion of the credit is initially claimed.

21 Grow NJ Kids is the State’s program aimed at raising the quality
22 of early care and education by helping early care and education
23 providers to continuously improve and providing parents with
24 information to assist in their selection of high quality care and early
25 education for their child.