ASSEMBLY, No. 4092

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED MAY 7, 2020

Sponsored by:
Assemblyman RONALD S. DANCER
District 12 (Burlington, Middlesex, Monmouth and Ocean)
Assemblyman DANIEL R. BENSON
District 14 (Mercer and Middlesex)

SYNOPSIS
Establishes disabled veteran tenant gross income tax credit.

CURRENT VERSION OF TEXT
As introduced.

(Sponsorship Updated As Of: 5/7/2020)

AN ACT establishing a disabled veteran tenant gross income tax credit, supplementing chapter 3A 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 disabled veteran resident taxpayer whose homestead is a unit of residential rental property shall be allowed a credit against the tax otherwise due for the taxable year under the "New Jersey Gross Income Tax Act," N.J.S.A.54A:1-1 et seq., for that portion of the rent constituting property taxes, due and paid for the calendar year in which the rent constituting taxes is due and payable for occupancy of that homestead up to a maximum allowed credit of $1,000 for the taxable year.

b. Spouses who elect to file separate income tax returns pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., shall each be entitled to one-half of the credit allowed pursuant to this section.

c. If more than one taxpayer, other than the taxpayer and his spouse, occupy the unit of residential rental property for which this credit is to be claimed, a taxpayer qualifying for the credit provided in this section may only claim a credit for rent constituting property taxes in the amount of rent actually paid by the taxpayer.

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

e. A credit allowed pursuant to this section shall be in addition to a credit allowed for rent constituting property taxes pursuant to section 6 of P.L.1996, c.60 (C.54A:3A-20).

f. As used in this section:

"Disabled veteran" means an individual who would qualify as a disabled veteran pursuant to the definition set forth in N.J.S.11A:5-1.

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

STATEMENT

This bill establishes a disabled veteran tenant gross income tax credit.

This bill allows a disabled veteran to claim a nonrefundable credit, up to a maximum allowable amount of $1,000, for that portion of the veteran's rent constituting property taxes. Currently, 18 percent of rent paid is considered to constitute property taxes. If a qualifying disabled veteran is married but is filing with a status of

"married, filing separately," each spouse will be entitled to claim one half of the credit for which the disabled veteran qualifies. However, if a qualifying disabled veteran rents a homestead with another taxpayer, other than the qualifying disabled veteran's spouse, the qualifying disabled veteran may only claim a credit for the rent constituting property taxes that the qualifying disabled veteran actually paid. The credit established by this bill can be claimed in addition to the $50 credit that can be claimed by a taxpayer or a resident, who is 65 years of age or older, blind, or disabled not subject to tax, who paid rent constituting property taxes on a homestead.

A disabled veteran is a veteran who, as a result of war service, is eligible to be compensated for a service connected disability by the United States Veteran Administration. War service is service at some time during the following conflicts: World War I, World War II, the Korean conflict, the Lebanon crisis, the Vietnam conflict, the Lebanon peacekeeping mission, the Grenada peacekeeping mission, the Panama peacekeeping mission, Operation "Desert Shield/Desert Storm," Operation Northern Watch and Operation Southern Watch, Operation "Restore Hope," Operations "Joint Endeavor" and "Joint Guard," Operation "Uphold Democracy," Operation "Enduring Freedom," and Operation "Iraqi Freedom."