

ASSEMBLY, No. 4097

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MAY 7, 2020

Sponsored by:

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

SYNOPSIS

Provides a STEM graduate retention tax credit for certain employers who pay certain employees' education loan debt.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT providing a STEM graduate retention tax credit for certain
2 employer payments, and supplementing various parts of the
3 statutory law.

4
5 BE IT ENACTED by the Senate and General Assembly of the State
6 of New Jersey:

7 1. a. A taxpayer shall be allowed a credit against the tax
8 imposed pursuant to section 5 of P.L.1945, c.162 (C54:10A-5) for
9 the privilege period in an amount equal to the taxpayer's payments
10 for the privilege period of qualified STEM employee education loan
11 debt paid by the taxpayer as part of the remuneration for the full-
12 time employment of the qualified employee by the taxpayer during
13 the calendar year ending in the taxpayer's privilege period, not to
14 exceed \$5,000 per qualified STEM employee per calendar year of
15 employment.

16 b. As used in this section:

17 "Qualified employee" means an employee who is:

18 a qualified STEM baccalaureate;

19 a resident of this State; and

20 employed, fulltime, at a regular work location in this State.

21 "Qualified STEM baccalaureate" means an individual who has
22 graduated with a baccalaureate degree from a public institution of
23 higher education located in this State in Science, Technology,
24 Engineering, or Mathematics (STEM), has an outstanding balance
25 with a state or federal qualified education loan program and is not
26 in default on a qualified education loan, and been certified by the
27 Higher Education Student Assistance Authority as a qualified
28 employee.

29

30 2. a. A taxpayer shall be allowed a credit against the tax
31 imposed pursuant to the "New Jersey Gross Tax Act," N.J.S.54A:1-
32 1 et seq., for the taxable year in an amount equal to the taxpayer's
33 payments for the taxable year of qualified STEM employee
34 education loan debt paid by the taxpayer as part of the remuneration
35 for the full-time employment of the qualified STEM employee by
36 the taxpayer during the calendar year ending in the taxpayer's
37 taxable year, not to exceed \$5,000 per qualified STEM employee
38 per calendar year of employment.

39 b. As used in this section:

40 "Qualified STEM employee" means an employee who is:

41 a qualified STEM baccalaureate;

42 a resident of this State; and

43 employed, fulltime, at a regular work location in this State.

44 "Qualified STEM baccalaureate" means an individual who has
45 graduated with a baccalaureate degree from a public institution of
46 higher education located in this State in Science, Technology,
47 Engineering, or Mathematics (STEM), has an outstanding balance

1 with a state or federal qualified education loan program and is not
2 in default on a qualified education loan, and been certified by the
3 Higher Education Student Assistance Authority as a qualified
4 employee.

5
6 3. The Higher Education Student Assistance Authority shall
7 provide for the establishment of a STEM baccalaureate recruitment
8 program to identify and certify qualified STEM baccalaureates
9 located in this State. Under the program, the authority shall identify
10 graduates with degrees in the Science, Technology, Engineering,
11 and Mathematics (STEM) fields whose talents and dedication
12 indicate that they will be long-term contributors to the local
13 economy.

14
15 4. This act shall take effect immediately and sections 1 and 2
16 shall apply to loan debt paid on and after the January 1 next
17 following the date of enactment.

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19
20 STATEMENT

21
22 This bill provides STEM graduate retention tax credits under the
23 corporation business tax and the gross income tax for certain
24 employers who pay certain employee's education loan debt.
25 Employer's may receive the credit for paying up to \$5,000 per year
26 for each employee who graduated from a New Jersey public
27 institutions of higher Education, holds a degree in Science,
28 Technology, Engineering, or Mathematics (STEM), and lives and
29 works in this State.

30 As the New Jersey Business & Industry Association has reported
31 in one of its outmigration studies, of all the age groups in New
32 Jersey that experienced a net loss in population from 2007 to 2014,
33 the highest rate was among people between the ages of 18 and 34.
34 That brain drain hurts the overall New Jersey economy and makes it
35 harder for the State to attract the type of companies that rely on
36 young, skilled workers.

37 This bill aims to retain STEM graduates from New Jersey public
38 institutions of higher Education, degree holders in in Science,
39 Technology, Engineering, or Mathematics, in this State. The bill
40 directs the Higher Education Student Assistance Authority to recruit
41 and certify STEM graduates whose talents and dedication indicate
42 that they will be long-term contributors to the local economy.

43 This bill encourages their retention in New Jersey employment
44 by providing their employers with corporation business tax and
45 gross income tax credits for helping them retire their tuition debt.