ASSEMBLY, No. 4258

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JUNE 15, 2020

Sponsored by:
Assemblyman RONALD S. DANCER
District 12 (Burlington, Middlesex, Monmouth and Ocean)

SYNOPSIS

Excludes from gross income tax compensation received by certain nonresident employees related to State's response to COVID-19 pandemic.

CURRENT VERSION OF TEXT

As introduced.

AN ACT excluding from gross income tax compensation received by certain nonresident employees related to the State's response to the COVID-19 pandemic.

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

1. a. For the purposes of the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., gross income shall not include income as defined in subsection a. of N.J.S.54A:5-1 that is paid to a qualified taxpayer for employment in this State that is directly related to assisting in the State's response to the public health emergency caused by the COVID-19 pandemic.

b. The exclusion allowed pursuant to this section shall apply only to income received by a qualified taxpayer during the public health emergency declared by the Governor pursuant to Executive Order No. 103 of 2020, or any extension thereof, and for the four months immediately succeeding the expiration of the public health emergency.

c. For the purposes of P.L. , c. (C.) (pending before the Legislature as this bill):

"COVID-19" means the Coronavirus disease 2019 (COVID-19), caused by the SARS-CoV-2 virus, and identified in the concurrent declaration of the state of emergency and the public health emergency pursuant to Executive Order No. 103 of 2020.

"Qualified taxpayer" means a person otherwise required to pay tax to the State pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., who is not a resident of New Jersey and who:

(1) was licensed to work or practice in this State by a professional or occupational licensing board within the Division of Consumer Affairs in the Department of Law and Public Safety prior to the declaration of the public health emergency pursuant to Executive Order No. 103 of 2020, but who did not actually work or practice in this State at any time during the 60 days prior to the declaration of the public health emergency; or

(2) is temporarily licensed to work or practice in this State by a professional or occupational licensing board pursuant to P.L.2020, c.4 (C.45:1-7.6), P.L.2020, c.25 (C.45:1-7.7), or Executive Order No. 112 of 2020.

2. The Director of the Division of Taxation in the Department of the Treasury shall adopt rules and regulations necessary to implement P.L. , c. (C.) (pending before the Legislature as this bill), including, but not limited to, rules and regulations to secure and verify documentation from qualified taxpayers related to their qualifying employment in this State.

3. This act shall take effect immediately.

STATEMENT

This bill excludes from State gross income taxation the income received by certain nonresident individuals who are employed in New Jersey in jobs that directly assist in the State's response to the public health emergency caused by the COVID-19 pandemic. The exclusion is limited only to income received by a qualified taxpayer during the public health emergency declared by the Governor pursuant to Executive Order No. 103 of 2020, or any extension thereof, and for the four months immediately succeeding the expiration of the public health emergency.

For a taxpayer to qualify for the exclusion under the bill, the taxpayer is required to be a nonresident of New Jersey who would otherwise have been required to pay New Jersey gross income tax and who:

1) was licensed to work or practice in this State by a professional or occupational licensing board prior to the public health emergency, but who did not actually work or practice in this State at any time during the 60 days prior to the declaration; or

2) is temporarily licensed to work or practice in this State by a professional or occupational licensing board.