

ASSEMBLY, No. 4278

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JUNE 18, 2020

Sponsored by:

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

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District 37 (Bergen)

SYNOPSIS

Allows corporation business tax and gross income tax credits to certain businesses providing annual physical and mental health screenings to full-time and part-time employees.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/22/2020)

1 **AN ACT** allowing a credit against the corporation business tax and
2 the New Jersey gross income tax to certain businesses providing
3 annual physical and mental health screenings to their full-time
4 and part-time employees, supplementing P.L.1945, c.162
5 (C.54:10A-1 et seq.) and Title 54A of the New Jersey Statutes.

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

9
10 1. a. A taxpayer with 25 or more full-time or part-time
11 employees shall be allowed a credit against the tax imposed
12 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), in an
13 amount equal to 20 percent of the cost of the taxpayer's provision
14 of annual physical and mental health screening services for the
15 taxpayer's full-time and part-time employees. This amount shall
16 not include the cost of health insurance provided by the taxpayer to
17 the taxpayer's employees.

18 b. As used in this section:

19 "Annual physical and mental health screening services" means
20 an annual physical health wellness screening conducted by a
21 qualified medical practitioner and an annual mental health wellness
22 screening conducted by a qualified mental health practitioner.

23 c. The amount of the credit applied under this section against
24 the tax imposed pursuant to section 5 of P.L.1945, c.162
25 (C.54:10A-5), for a privilege period, when taken together with any
26 other credits allowed against the tax imposed pursuant to section 5
27 of P.L.1945, c.162, shall not exceed 50 percent of the tax liability
28 otherwise due and shall not reduce the tax liability to an amount
29 less than the statutory minimum provided in subsection (e) of
30 section 5 of P.L.1945, c.162. The priority in which credits allowed
31 pursuant to this section and any other credits shall be taken shall be
32 determined by the director. The amount of the credit otherwise
33 allowable under this section which cannot be applied for the
34 privilege period due to the limitations of this subsection or under
35 other provisions of P.L.1945, c.162 may be carried over, if
36 necessary, to the seven privilege periods following the privilege
37 period for which the credit was allowed.

38
39 2. a. A taxpayer with 25 or more full-time or part-time
40 employees shall be allowed a credit against the tax otherwise due
41 for the taxable year under the "New Jersey Gross Income Tax Act,"
42 N.J.S.54A:1-1 et seq., in an amount equal to 20 percent of the cost
43 of the taxpayer's provision of annual physical and mental health
44 screening services for the taxpayer's full-time and part-time
45 employees. This amount shall not include the cost of health
46 insurance provided by the taxpayer to the taxpayer's employees.

47 b. As used in this section:

48 "Annual physical and mental health screening services" means

1 an annual physical health wellness screening conducted by a
2 qualified medical practitioner and an annual mental health wellness
3 screening conducted by a qualified mental health practitioner.

4 c. The amount of the credits applied under this section for a
5 taxable year, when taken together with any other credits allowed
6 against the tax imposed pursuant to N.J.S.54A:1-1 et seq., shall not
7 exceed 50 percent of the taxpayer's liability otherwise due for the
8 taxable year. The priority in which credits allowed pursuant to this
9 section and any other credits shall be taken shall be determined by
10 the director. The amount of the credit otherwise allowable under
11 this section which cannot be applied for the taxable year due to the
12 limitations of this subsection may be carried over, if necessary to
13 the seven taxable years following the taxable year for which the
14 credit was allowed.

15 d. (1) A partnership shall not be allowed a credit under this
16 section directly, but the amount of credit of a taxpayer in respect of
17 a distributive share of partnership income under the "New Jersey
18 Gross Income Tax Act," N.J.S.54A:1-1 et seq., shall be determined
19 by allocating to the taxpayer that proportion of the credit acquired
20 by the partnership that is equal to the taxpayer's share, whether or
21 not distributed, of the total distributive income or gain of the
22 partnership for its taxable year ending within or with the taxpayer's
23 taxable year.

24 (2) A New Jersey S Corporation shall not be allowed a credit
25 under this section directly, but the amount of the tax credit of a
26 taxpayer in respect of a pro rata share of S Corporation income,
27 shall be determined by allocating to the taxpayer that proportion of
28 the tax credit acquired by the New Jersey S Corporation that is
29 equal to the taxpayer's share, whether or not distributed, of the total
30 pro rata share of S Corporation income of the New Jersey S
31 Corporation for its privilege period ending within or with the
32 taxpayer's taxable year.

33
34 3. The Director of the Division of Taxation, in consultation
35 with the Commissioner of Health, shall promulgate regulations
36 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
37 (C.52:14B-1 et seq.), necessary to effectuate the provisions of this
38 act.

39
40 4. This act shall take effect immediately, and sections 1 and 2
41 shall apply to privilege periods and taxable years beginning on or
42 after January 1 next following enactment.

43 44 STATEMENT

45
46 This bill would provide corporation business tax and gross
47 income tax credits to certain businesses that provide annual
48 physical and mental health screening services for their full-time and

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1 part-time employees. To be eligible for the credit, a business is
2 required to have 25 or more full-time or part-time employees. The
3 amount of the credit would be equal to 20 percent of the cost of the
4 annual physical and mental health screening services. This amount
5 will not include the cost of health insurance provided by the
6 taxpayer to the taxpayer's employees.