[First Reprint]

ASSEMBLY, No. 4634

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED SEPTEMBER 14, 2020

Sponsored by:
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SYNOPSIS

Allows corporation business tax credit for subcontracting work to NJ small businesses.

CURRENT VERSION OF TEXT

As reported by the Assembly Commerce and Economic Development Committee on March 8, 2021, with amendments.

(Sponsorship Updated As Of: 5/12/2021)

AN ACT allowing a corporation business tax credit for subcontracting work to NJ small businesses, supplementing P.L.1945, c.162 (C.54:10A-1 et seq.).

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

1. a. A taxpayer shall be allowed a credit against the [1]tax[1] imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) in an amount equal to one percent of the amount the taxpayer paid to a New Jersey small business for subcontracted work performed in New Jersey during the privilege period.

As used in this section:

"New Jersey small business" means a business entity or person located in New Jersey, with fewer than 50 total employees. A "New Jersey small business" shall not include any business entity or person that is an affiliate, subsidiary, or under the control of the taxpayer.

"Subcontracted work" means the work that the taxpayer subcontracts to a New Jersey small business for performance of all or an element of the taxpayer's own contracted duties.

b. The director shall prescribe the order of priority of the application of the credit allowed pursuant to this section and any other credits allowed against the tax imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5). The amount of the credit allowed pursuant to this section, when taken together with any other credits allowed, shall not exceed 50 percent of the tax liability otherwise due and shall not reduce the tax liability to an amount less than the statutory minimum provided in subsection (e) of section 5 of P.L.1945, c.162 (C.54:10A-5).

c. The director shall promulgate procedures by which a taxpayer may certify that the taxpayer qualifies for the credit allowed pursuant to this section.

2. This act shall take effect immediately and apply to privilege periods beginning after enactment.

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.
Matter enclosed in superscript numerals has been adopted as follows:
[1]Assembly ACE committee amendments adopted March 8, 2021.