

[First Reprint]

ASSEMBLY, No. 4634

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED SEPTEMBER 14, 2020

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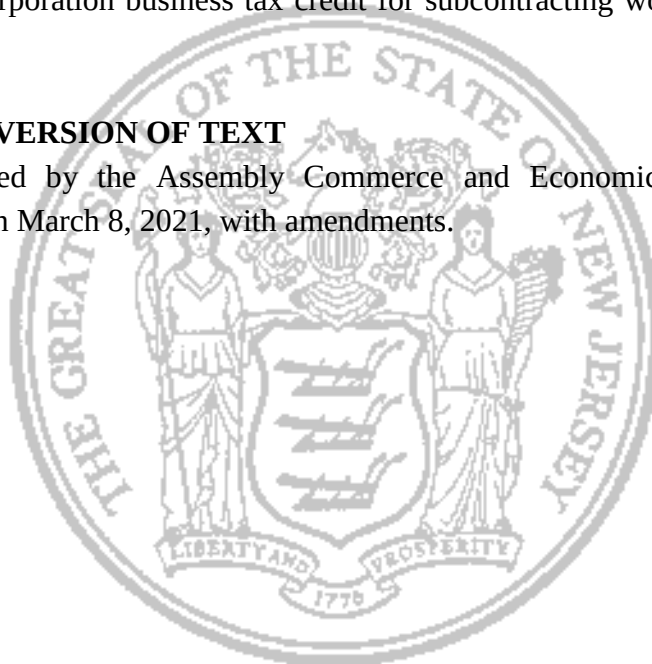
Assemblywomen Dunn, Stanfield and N.Munoz

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)

1 AN ACT allowing a corporation business tax credit for
2 subcontracting work to NJ small businesses, supplementing
3 P.L.1945, c.162 (C.54:10A-1 et seq.).
4

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

8 1. a. A taxpayer shall be allowed a credit against the ¹tax¹
9 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) in
10 an amount equal to one percent of the amount the taxpayer paid to a
11 New Jersey small business for subcontracted work performed in
12 New Jersey during the privilege period.

13 As used in this section:

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

19 “Subcontracted work” means the work that the taxpayer
20 subcontracts to a New Jersey small business for performance of all
21 or an element of the taxpayer’s own contracted duties.

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

31 c. The director shall promulgate procedures by which a
32 taxpayer may certify that the taxpayer qualifies for the credit
33 allowed pursuant to this section.
34

35 2. This act shall take effect immediately and apply to privilege
36 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:

¹Assembly ACE committee amendments adopted March 8, 2021.