

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4807

STATE OF NEW JERSEY

DATED: OCTOBER 26, 2020

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4807.

This bill would suspend the State shared responsibility tax for individuals receiving unemployment or experiencing a substantial loss of income during the coronavirus disease public health emergency. Current law imposes the State shared responsibility tax on taxpayers who do not maintain minimum essential health care coverage to provide for the costs of health care services. Under the bill, a “substantial loss of income” means a reduction in monthly income of 50 percent or greater in a month, as compared to the taxpayer’s average monthly income in tax year 2019.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the bill will result in an indeterminate temporary decrease in State revenue for the amount of time during which the State shared responsibility tax is not imposed. Currently, the Department of the Treasury collects and disburses the shared responsibility tax to the dedicated New Jersey Health Insurance Premium Security Fund for purposes of making reinsurance payments to eligible insurance carriers.