

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 4809

STATE OF NEW JERSEY

DATED: OCTOBER 26, 2020

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4809 (1R).

The bill makes numerous corrections and revisions to clarify and simplify various aspects of the changes that were enacted as part of P.L.2018, c.48 and P.L.2018, c.131. Those laws, among other things, mandated mandatory unitary combined returns on a water's-edge basis if no election for an affiliated group basis filing or world-wide group basis filing had been made. The laws also changed the application of the net operating losses from pre-allocation (called pre-apportionment in other states) to post-allocation (called post-apportionment in other states), updated the research and development credit, and amended the dividend received exclusion.

FISCAL IMPACT:

The Office of Legislative Services (OLS) is unable to determine the magnitude and direction of the bill's net impact on annual State revenues. The OLS notes that various changes proposed by the bill would codify existing administrative practices implemented by the Division of Taxation following the enactment of P.L.2018, c.48. Given that these changes are technical in nature and meant to clarify and conform to current practices, the OLS does not expect those changes to yield a discernible fiscal impact. Numerous other provisions in the bill, however will impact annual State revenue collections. The OLS cannot quantify these impacts due to a lack of available information and access to taxpayer data.