

ASSEMBLY, No. 4898

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED OCTOBER 29, 2020

Sponsored by:

Assemblyman GARY S. SCHAER

District 36 (Bergen and Passaic)

SYNOPSIS

Increases amount of required deposit into Surplus Revenue Fund by 20 percent of average revenue growth of preceding six fiscal years.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the Surplus Revenue Fund, amending P.L.1990,
2 c.44.

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

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7 1. Section 3 of P.L.1990, c.44 (C.52:9H-16) is amended to read
8 as follows:

9 3. The amount to be annually credited to the Surplus Revenue
10 Fund shall be determined by the State Treasurer in the following
11 manner:

12 a. **【He】** The State Treasurer shall identify the amount of
13 General Fund anticipated revenue certified by the Governor upon
14 approval of the annual appropriation act for the fiscal year
15 immediately preceding the fiscal year in which a credit to the
16 "Surplus Revenue Fund" is required.

17 b. **【He】** The State Treasurer shall determine, from the annual
18 financial report of the General Fund for the fiscal year immediately
19 preceding the fiscal year in which a credit to the "Surplus Revenue
20 Fund" is required, the amount of revenue actually deposited in the
21 General Fund in that fiscal year. **【If in any preceding fiscal year for**
22 **which a determination under this subsection is to be made, there is a**
23 **law enacted which will increase the revenue to the General Fund,**
24 **the yield from that increase for that preceding fiscal year in which**
25 **the increase is in effect shall be disregarded in determining the**
26 **amount to be credited to the "Surplus Revenue Fund."】**

27 c. The State Treasurer shall determine, from the annual
28 financial reports of the General Fund for the six fiscal years
29 immediately preceding the fiscal year in which a credit to the
30 "Surplus Revenue Fund" is required, the average growth in revenue
31 of those six fiscal years.

32 **【c.】** d. The amount of the credit to the "Surplus Revenue Fund"
33 shall be an amount equivalent to: (1) 【50%】 50 percent of the
34 excess, if there be any, of the amount determined in subsection b. of
35 this section over the amount determined in subsection a. of this
36 section; and (2) 20 percent of the amount determined in subsection
37 c. of this section. If actual revenue collections pursuant to the
38 "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., for the
39 fiscal year immediately preceding the fiscal year in which a credit
40 to the "Surplus Revenue Fund" is required are less than the amount
41 of revenue collections pursuant to that act as certified by the
42 Governor upon approval of the annual appropriation act for that
43 fiscal year, the amount of the credit to the "Surplus Revenue Fund"
44 otherwise calculated pursuant to this section shall be reduced by the

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.

1 difference between the amount so certified and the
2 actual collections.

3 (cf: P.L.1990, c.44, s.3)

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5 2. This act shall take effect immediately and shall first apply to
6 the first full State fiscal year next following enactment.

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STATEMENT

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11 This bill increases the amount to be deposited into the Surplus
12 Revenue Fund. Current law provides that if the actual amount of
13 revenue deposited in the General Fund exceeds the amount
14 anticipated in the annual appropriations act, then the Surplus
15 Revenue Fund is to be credited annually with an amount equivalent
16 to 50 percent of the difference between the anticipated revenue
17 collections in the General Fund and the amount of actual revenue
18 collections for the previous fiscal year. The bill requires, in
19 addition to the amount required under current law, 20 percent of the
20 average growth in revenue of the immediately preceding six fiscal
21 years to also be deposited into the Surplus Revenue Fund.

22 The bill also revises provisions of current law concerning the
23 calculation of the amount credited to the Surplus Revenue Fund.
24 Under current law, if the State enacted a law during the previous
25 fiscal year that resulted in an increase in revenue to the General
26 Fund, then that revenue increase cannot be considered when
27 determining the amount to be credited to the Surplus Revenue Fund
28 in the current fiscal year. The bill removes this requirement, thereby
29 increasing the amounts that would be credited to the Surplus
30 Revenue Fund.