

[Second Reprint]

**ASSEMBLY, No. 5218**

**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

INTRODUCED JANUARY 7, 2021

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**SYNOPSIS**

Allows certain taxpayers to accelerate depreciation of certain expenditures under corporation business and gross income taxes.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Appropriations Committee on May 18, 2021, with amendments.

**(Sponsorship Updated As Of: 12/20/2021)**

1 AN ACT allowing certain <sup>2</sup>**[restaurant owners]** taxpayers<sup>2</sup> to  
2 accelerate depreciation of certain expenditures under corporation  
3 business and gross income taxes, supplementing P.L.1945, c.162  
4 and Title 54A of Revised Statutes.

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

8  
9 1. a. Notwithstanding paragraph (12) of subsection (k) of  
10 section 4 of P.L.1945, c.162 (C.54:10A-4), a taxpayer who is <sup>1</sup>the  
11 owner of<sup>1</sup> a small business restaurant<sup>2</sup>, wedding venue, banquet  
12 hall,<sup>2</sup> <sup>1</sup>**[owner]** or an alcoholic beverage manufacturer<sup>1</sup> shall be  
13 allowed the additional depreciation allowance of subsection (k) of  
14 section 168 of the federal Internal Revenue Code of 1986 (26  
15 U.S.C. s.168) for up to \$150,000 of eligible property expenditures  
16 for the restaurant<sup>2</sup>, wedding venue, banquet hall,<sup>2</sup> <sup>1</sup>or alcoholic  
17 beverage manufacturer<sup>1</sup>. The director shall prescribe the rules and  
18 regulations necessary to carry out the provisions of this section.

19 b. As used in this section:

20 <sup>1</sup>“Alcoholic beverage manufacturer” means a limited brewery,  
21 winery, distillery, cidery, or meadery licensed pursuant to R.S.33:1-  
22 10.<sup>1</sup>

23 “Director” means Director of the Division of Taxation in the  
24 Department of the Treasury.

25 “Eligible property expenditures” means capital expenditures  
26 incurred by the taxpayer to comply with the health and safety  
27 requirements imposed under the executive orders issued by the  
28 Governor in response to the COVID-19 pandemic, including but not  
29 limited to the purchase of heaters and overhangs<sup>2</sup>**[.]** and upgrades  
30 to heating, ventilation, and air conditioning systems.<sup>2</sup>

31 “Small business restaurant” means a restaurant as defined in  
32 section 1 of P.L.1983, c.488 (C.26:3E-1) with not more than 100  
33 employees, but shall not include a restaurant <sup>1</sup>**[with]** if its owner  
34 also owns<sup>1</sup> more than two <sup>1</sup>**[separate]** restaurants that are operated  
35 under the same name as the small business restaurant at<sup>1</sup> locations  
36 outside the State.

37  
38 2. a. Notwithstanding section 26 of P.L.2004, c.65 (C.54A:5-  
39 1.2), a taxpayer who is <sup>1</sup>the owner of<sup>1</sup> a small business restaurant<sup>2</sup>,  
40 wedding venue, banquet hall,<sup>2</sup> <sup>1</sup>**[owner]** or an alcoholic beverage  
41 manufacturer<sup>1</sup> shall be allowed the additional depreciation  
42 allowance of subsection (k) of section 168 of the federal Internal  
43 Revenue Code of 1986 (26 U.S.C. s.168) for up to \$150,000 of

**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:

<sup>1</sup>Assembly ACE committee amendments adopted March 8, 2021.

<sup>2</sup>Assembly AAP committee amendments adopted May 18, 2021.

1 eligible property expenditures for the restaurant<sup>2</sup>, wedding venue,  
2 banquet hall,<sup>2</sup> <sup>1</sup>or alcoholic beverage manufacturer<sup>1</sup>, provided that,  
3 section 26 of P.L.2004, c.65 (C.54A:5-1.2) prohibited such  
4 additional depreciation allowance. The director shall prescribe the  
5 rules and regulations necessary to carry out the provisions of this  
6 section.

7 b. As used in this section:

8 <sup>1</sup>“Alcoholic beverage manufacturer” means a limited brewery,  
9 winery, distillery, cidery, or meadery licensed pursuant to R.S.33:1-  
10 10.<sup>1</sup>

11 “Director” means Director of the Division of Taxation in the  
12 Department of the Treasury.

13 “Eligible property expenditures” means capital expenditures  
14 incurred by the taxpayer to comply with the health and safety  
15 requirements imposed under the executive orders issued by the  
16 Governor in response to the COVID-19 pandemic, including but not  
17 limited to the purchase of heaters and overhangs<sup>2</sup>【.】 and upgrades  
18 to heating, ventilation, and air conditioning systems.<sup>2</sup>

19 “Small business restaurant” means a restaurant as defined in  
20 section 1 of P.L.1983, c.488 (C.26:3E-1) with not more than 100  
21 employees, but shall not include a restaurant <sup>1</sup>【with】 if its owner  
22 also owns<sup>1</sup> more than two <sup>1</sup>【separate】 restaurants that are operated  
23 under the same name as the small business restaurant at<sup>1</sup> locations  
24 outside the State.

25

26 3. This act shall take effect immediately <sup>1</sup>and shall be  
27 retroactive to March 9, 2020<sup>1</sup>.