

ASSEMBLY, No. 5460

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED MARCH 15, 2021

Sponsored by:

Assemblyman JOHN F. MCKEON

District 27 (Essex and Morris)

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

Co-Sponsored by:

Assemblyman Dancer and Assemblywoman McKnight

SYNOPSIS

Broadens eligibility for gross income tax credit to family caregivers of certain armed service members with physical disabilities.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/15/2021)

1 AN ACT concerning eligibility for the gross income tax credit to
2 family caregivers of certain armed service members with
3 physical disabilities, and amending P.L.2017, c.67.

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

7
8 1. Section 2 of P.L.2017, c.67 (C.54A:4-15) is amended to read
9 as follows:

10 2. a. A qualified family caregiver shall be allowed a qualified
11 veteran care credit against the tax otherwise due for the taxable year
12 under the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et
13 seq., in an amount equal to 100 percent of the federal veteran
14 disability compensation of a qualified armed service member for
15 which the qualified family caregiver renders care or \$675,
16 whichever is less.

17 b. If two or more qualified family caregivers qualify for the
18 qualified veteran care credit for the same qualified armed service
19 member, the amount of the credit allowed shall be allocated in
20 proportion to each qualified family caregiver's share of total care
21 expenses provided for the taxable year.

22 c. If the qualified veteran care credit allowed pursuant to this
23 section, together with any other payments, credits, deductions, and
24 adjustments allowed by law, reduces a qualified family caregiver's
25 tax liability otherwise due for the taxable year under N.J.S.54A:1-1
26 et seq. to zero, the amount of the credit remaining shall be paid to
27 the taxpayer as a refund of an overpayment of tax in accordance
28 with N.J.S.54A:9-7; provided however, that subsection (f) of that
29 section, concerning the allowance of interest, shall not apply.

30 d. A qualified family caregiver who is not subject to tax in
31 accordance with N.J.S.54A:2-4 for a taxable year may apply for a
32 qualified veteran care credit using an application to be made
33 available by the director. The due date for a qualified veteran care
34 credit application shall coincide with the due date for annual gross
35 income tax returns.

36 e. As used in this section:

37 "Qualified armed service member" means an individual who has
38 a disability arising out of service in the active military or naval
39 service of the United States in any war or conflict **【on or after**
40 **September 11, 2001】**, has been honorably discharged or released
41 under conditions other than dishonorable, meets the requirements
42 for total disability ratings for compensation based upon
43 unemployability of the individual as determined by the United
44 States Department of Veterans Affairs, and has resided with 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 qualified family caregiver in this State for not less than six months
2 of the taxable year.

3 "Qualified family caregiver" means an individual resident of this
4 State with gross income for the taxable year not in excess of
5 \$100,000 if filing jointly, as a head of household, or as a surviving
6 spouse, or not in excess of \$50,000 if filing separately or unmarried,
7 who provides care and support to a qualifying armed service
8 member to whom the caregiver is a relative.

9 "Relative" means an individual related by consanguinity within
10 the third degree by law or blood.

11 (cf: P.L.2017, c.67, s.2)

12

13 2. This act shall take effect immediately and apply to taxable
14 years beginning on or after January 1 next following the date of
15 enactment.

16

17

18 STATEMENT

19

20 This bill amends the "Wounded Warrior Caregivers Relief Act,"
21 P.L.2017, c.67 (C.54A:4-14 et seq.), to expand eligibility for the tax
22 credit to include qualified family caregivers of former service
23 members with service-connected disabilities arising out of service
24 in the active military or naval service of the United States in any
25 war or military conflict.

26 Current law limits eligibility for the tax credit to qualified family
27 caregivers of former service members with service-connected
28 disabilities arising out of service in the active military or naval
29 service of the United States in any war or military conflict on or
30 after September 11, 2001.

31 Current law provides qualified family caregivers of qualified
32 armed service members with a refundable tax credit equal to 100
33 percent of the service member's federal disability compensation or
34 \$675, whichever is less. The credit is refundable and may be
35 claimed for each taxable year a family caregiver qualifies. The
36 credit's \$675 limit applies per service member.

37 Under current law, several prerequisites are required to be met in
38 order for a family caregiver to qualify for the tax credit. For
39 example, a qualified family caregiver is required to be related to the
40 service member within the third degree. The service member is
41 required to have resided with the family caregiver, in this State, for
42 at least six months of the taxable year for which the credit is
43 claimed.