

ASSEMBLY, No. 5556

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MAY 5, 2021

Sponsored by:

Assemblyman SEAN T. KEAN

District 30 (Monmouth and Ocean)

Assemblyman EDWARD H. THOMSON

District 30 (Monmouth and Ocean)

SYNOPSIS

Provides gross income tax credits to taxpayers who purchase certain low-speed electric bicycles.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT providing gross income tax credits to taxpayers who
 2 purchase certain low-speed electric bicycles and supplementing
 3 Title 54A of the New Jersey Statutes.

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

7
 8 1. a. A taxpayer shall be allowed a credit against the tax
 9 otherwise due for the taxable year under the "New Jersey Gross
 10 Income Tax Act," N.J.S.54A:1-1 et seq., in an amount equal to 30
 11 percent of the qualified electric bicycle purchase expenses incurred
 12 by the taxpayer during the taxable year, except that the credit shall
 13 not exceed \$1,500.

14 b. The order of priority of the application of the credit allowed
 15 pursuant to this section, and any other credits allowed against the
 16 tax imposed pursuant to N.J.S.54A:1-1 et seq., shall be as
 17 prescribed by the director. The amount of the credit, together with
 18 any other credits allowed by law, shall not reduce the taxpayer's
 19 liability otherwise due for the taxable year under N.J.S.54A:1-1 et
 20 seq. to an amount less than zero.

21 c. Notwithstanding any provision of the "Administrative
 22 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
 23 contrary, the director may adopt, immediately upon filing with the
 24 Office of Administrative Law and no later than the 90th day after
 25 the effective date of this act, such rules and regulations as the
 26 director deems necessary to implement the provisions of this
 27 section, which regulations shall be effective for a period not to
 28 exceed 18 months. The regulations shall thereafter be amended,
 29 adopted, or readopted by the director in accordance with the
 30 provisions of P.L.1968, c.410 (C.52:14B-1 et seq.).

31 d. As used in this section:

32 "Low-speed electric bicycle" means the same as that term is
 33 defined in R.S.39:1-1.

34 "Qualified electric bicycle purchase expense" means an amount
 35 incurred for the purchase of a low-speed electric bicycle, provided
 36 that the low-speed electric bicycle shall not be used in the conduct
 37 of business, and the receipt from the purchase of the low-speed
 38 electric bicycle shall not exceed \$8,000.

39
 40 2. This act shall take effect immediately and apply to taxable
 41 years beginning on or after the date of enactment.

42
 43
 44 STATEMENT

45
 46 This bill provides gross income tax credits to taxpayers who
 47 purchase certain low-speed electric bicycles.

1 Under the bill, the amount of the credit would equal 30 percent
2 of the costs incurred by a taxpayer for the purchase of a qualifying
3 low-speed electric bicycle, up to a maximum credit of \$1,500 for
4 the taxable year. In addition, the amount of the credit, together with
5 any other tax credits allowed by law, may not reduce the taxpayer's
6 gross income tax liability to an amount less than zero. To qualify
7 for the credit, the taxpayer may not use the low-speed electric
8 bicycle for business purposes, and the bicycle may cost no more
9 than \$8,000 to purchase.

10 The bill defines "low-speed electric bicycle" to mean a two or
11 three-wheeled vehicle with fully operable pedals, an electric motor
12 of less than 750 watts, and that meets the requirements of a "class 1
13 low-speed electric bicycle" (i.e., a low-speed electric bicycle
14 equipped with a motor that provides assistance only when the rider
15 is pedaling, and that ceases to provide assistance when the bicycle
16 reaches the speed of 20 miles per hour) or a "class 2 low-speed
17 electric bicycle" (i.e., a low-speed electric bicycle equipped with a
18 motor that may be used exclusively to propel the bicycle, and that is
19 not capable of providing assistance when the bicycle reaches the
20 speed of 20 miles per hour).