

[First Reprint]

**ASSEMBLY, No. 6071**

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

INTRODUCED NOVEMBER 8, 2021

**Sponsored by:**

**Assemblywoman GABRIELA M. MOSQUERA**

**District 4 (Camden and Gloucester)**

**Assemblyman ROY FREIMAN**

**District 16 (Hunterdon, Mercer, Middlesex and Somerset)**

**Assemblywoman LISA SWAIN**

**District 38 (Bergen and Passaic)**

**Assemblywoman BRITNEE N. TIMBERLAKE**

**District 34 (Essex and Passaic)**

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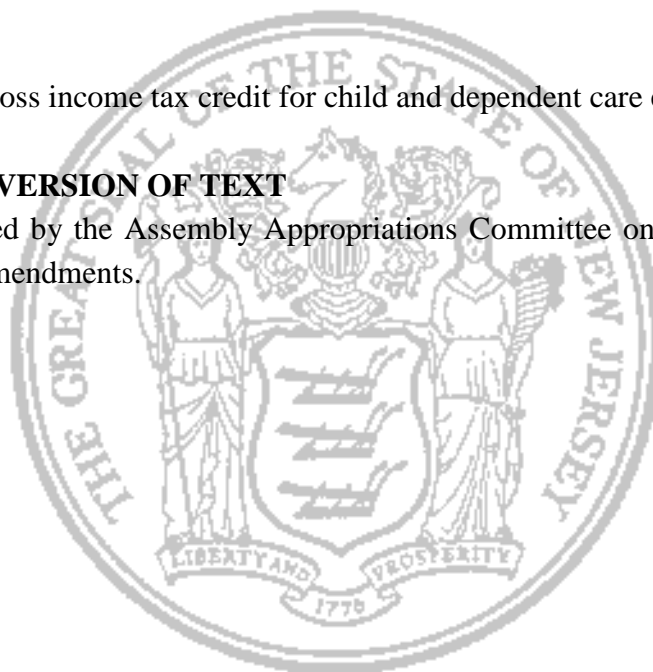
**Assemblymen Benson, Calabrese, Assemblywomen McKnight, Murphy, Vainieri Huttler, Jimenez, Speight, Assemblymen Tully, Mejia, Stanley and Wimberly**

**SYNOPSIS**

Revises gross income tax credit for child and dependent care expenses.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Appropriations Committee on November 15, 2021, with amendments.



**(Sponsorship Updated As Of: 12/2/2021)**

1 AN ACT concerning the gross income tax credit for child and  
 2 dependent care expenses, amending P.L.2018, c.45.

3

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

6

7 1. Section 5 of P.L.2018, c.45 (C.54A:4-17) is amended to read  
 8 as follows:

9 5. a. A resident taxpayer with New Jersey taxable income of  
 10 **[\$60,000]** \$150,000 or less who is allowed a credit for expenses for  
 11 household and dependent care services for federal income tax  
 12 purposes pursuant to section 21 of the Internal Revenue Code (26  
 13 U.S.C. s.21) shall be allowed a credit against the tax otherwise due  
 14 pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1  
 15 et seq. The credit shall be in an amount equal to a percentage of the  
 16 credit allowed the taxpayer for federal income tax purposes for the  
 17 taxable year, according to the following schedule:

18

19 NJ taxable income is:	Amount of NJ credit is:
20 <b>[Not over \$20,000</b>	50% of federal credit
21 over \$20,000 but not over \$30,000	40% of federal credit
22 over \$30,000 but not over \$40,000	30% of federal credit
23 over \$40,000 but not over \$50,000	20% of federal credit
24 over \$50,000 but not over \$60,000	10% of federal credit. <b>]</b>
25	
26 <u>Not over \$30,000</u>	50% of federal credit
27 <u>over \$30,000 but not over \$60,000</u>	40% of federal credit
28 <u>over \$60,000 but not over \$90,000</u>	30% of federal credit
29 <u>over \$90,000 but not over \$120,000</u>	20% of federal credit
30 <u>over \$120,000 but not over \$150,000</u>	10% of federal
31 <u>credit.</u>	

32

33 **[**The credit allowed by this section for a taxable year shall not  
 34 exceed \$500 for employment-related expenses paid by the taxpayer  
 35 for one qualifying individual and \$1,000 for employment-related  
 36 expenses paid by the taxpayer for two or more qualifying  
 37 individuals. **]** The **[\$60,000]** \$150,000 income limit set forth in this  
 38 subsection shall apply to taxpayers of any filing status.

39 b. **[**A credit allowed pursuant to this section shall not reduce  
 40 the tax liability otherwise due pursuant to N.J.S.54A:1-1 et seq. for  
 41 a taxable year to an amount less than zero. **]** If the amount of the  
 42 credit allowed pursuant to this section exceeds the amount of gross  
 43 income tax otherwise due pursuant to the "New Jersey Gross  
 44 Income Tax Act," N.J.S.54A:1-1 et seq., the amount of excess shall

**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 AAP committee amendments adopted November 15, 2021.

1 be treated as a refundable overpayment. <sup>1</sup>【The Director of the  
2 Division of Taxation shall determine the order of priority of the  
3 application of the credit allowed pursuant to this section and any  
4 other credits allowed by law.】<sup>1</sup>

5 c. Married couples shall file a joint return in order to claim the  
6 credit provided by this section. A taxpayer eligible to receive a  
7 credit pursuant to paragraph (3) or (4) of subsection (e) of section  
8 21 of the federal Internal Revenue Code (26 U.S.C. s.21) shall be  
9 eligible for the credit provided by this section, provided the  
10 taxpayer satisfies the income limit set forth in subsection a. of this  
11 section.

12 d. In the case of a part-year resident claimant, the amount of  
13 the credit allowed pursuant to this section shall be pro-rated, based  
14 upon that proportion which the total number of months of the  
15 claimant's residency in the taxable year bears to 12 in that period.  
16 For this purpose, 15 days or more shall constitute a month.  
17 (cf: P.L.2018, c.45, s.5)

18

19 2. This act shall take effect immediately and shall apply  
20 retroactively to taxable years beginning on and after January 1,  
21 2021.