ASSEMBLY CONCURRENT RESOLUTION No. 67

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
Assemblyman JOHN J. BURZICHELLI
District 3 (Cumberland, Gloucester and Salem)

SYNOPSIS

Proposes constitutional amendment to increase annual income limitation for senior and disabled citizens' $250 property tax deduction and bases future annual limitations on annual CPI changes.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

A CONCURRENT RESOLUTION proposing to amend Article VIII, Section I, paragraph 4 of the Constitution of the State of New Jersey.

BE IT RESOLVED *by the General Assembly of the State of New Jersey (the Senate concurring):*

1. The following proposed amendment to the Constitution of the State of New Jersey is agreed to:

PROPOSED AMENDMENT

Amend Article VIII, Section 1, paragraph 4 to read as follows:

4. The Legislature may, from time to time, enact laws granting an annual deduction, from the amount of any tax bill for taxes on the real property, and from taxes attributable to a residential unit in a cooperative or mutual housing corporation, of any citizen and resident of this State of the age of 65 or more years, or any citizen and resident of this State less than 65 years of age who is permanently and totally disabled according to the provisions of the Federal Social Security Act, residing in a dwelling house owned by him which is a constituent part of such real property, or residing in a dwelling house owned by him which is assessed as real property but which is situated on land owned by another or others, or residing as tenant-shareholder in a cooperative or mutual housing corporation, but no such deduction shall be in excess of $160.00 with respect to any year prior to 1981, $200.00 per year in 1981, $225.00 per year in 1982, and $250.00 per year in 1983 and any year thereafter and such deduction shall be restricted to owners having an income not in excess of $5,000.00 per year with respect to any year prior to 1981, $8,000.00 per year in 1981, $9,000.00 per year in 1982, **[**and**]** $10,000.00 per year in 1983 and any year **[**thereafter**]** <u>through 2014, $20,000 per year in 2015, and for each year thereafter, the income limitation shall be the income limitation for the previous year adjusted in proportion to any percent increase in the Consumer Price Index during the previous calendar year, which adjusted income limitation amount shall be rounded to the next highest multiple of $100. For the purpose of this paragraph, the definition of "Consumer Price Index" shall be as determined pursuant to law as shall be enacted.</u>

<u>The income of a citizen and resident shall be</u> exclusive of benefits under any one of the following:

a. The Federal Social Security Act and all amendments and supplements thereto;

b. Any other program of the federal government or pursuant to any other federal law which provides benefits in whole or in part in lieu of benefits referred to in, or for persons excluded from

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 <u>thus</u> is new matter.

coverage under, a. hereof including but not limited to the Federal Railroad Retirement Act and federal pension, disability and retirement programs; or

c. Pension, disability or retirement programs of any state or its political subdivisions, or agencies thereof, for persons not covered under a. hereof; provided, however, that the total amount of benefits to be allowed exclusion by any owner under b. or c. hereof shall not be in excess of the maximum amount of benefits payable to, and allowable for exclusion by, an owner in similar circumstances under a. hereof.

The surviving spouse of a deceased citizen and resident of the State who during his or her life received a deduction pursuant to this paragraph shall be entitled, so long as he or she shall remain unmarried and a resident of the same dwelling house situated on the same land with respect to which said deduction was granted, to the same deduction, upon the same conditions, with respect to the same real property or with respect to the same dwelling house which is situated on land owned by another or others, or with respect to the same cooperative or mutual housing corporation, notwithstanding that said surviving spouse is under the age of 65 and is not permanently and totally disabled, provided that said surviving spouse is 55 years of age or older.

Any such deduction when so granted by law shall be granted so that it will not be in addition to any other deduction or exemption, except a deduction granted under authority of paragraph 3 of this section, to which the said citizen and resident may be entitled, but said citizen and resident may receive in addition any homestead rebate or credit provided by law. The State shall annually reimburse each taxing district in an amount equal to one-half of the tax loss to the district resulting from the allowance of tax deductions pursuant to this paragraph.

(cf: Art. VIII, Sec. I, par. 4; effective December 8, 1988)

2. When this proposed amendment to the Constitution is finally agreed to pursuant to Article IX, paragraph 1 of the Constitution, it shall be submitted to the people at the next general election occurring more than three months after the final agreement and shall be published at least once in at least one newspaper of each county designated by the President of the Senate, the Speaker of the General Assembly and the Secretary of State, not less than three months prior to the general election.

3. This proposed amendment to the Constitution shall be submitted to the people at that election in the following manner and form:

There shall be printed on each official ballot to be used at the general election, the following:

a. In every municipality in which voting machines are not used, a legend which shall immediately precede the question as follows:

If you favor the proposition printed below make a cross (X), plus (+), or check (✔) in the square opposite the word "Yes." If you are opposed thereto make a cross (X), plus (+) or check (✔) in the square opposite the word "No."

b. In every municipality the following question:

	YES	CONSTITUTIONAL AMENDMENT TO INCREASE ANNUAL INCOME LIMIT FOR SENIOR AND DISABLED PROPERTY TAX DEDUCTION Do you approve amending the Constitution to increase from $10,000 to $20,000 the annual income limit for the senior and disabled property tax deduction? The increase will take effect in 2015. The new income limit will be adjusted in each year after 2015 according to any increase in the Consumer Price Index.
	NO	INTERPRETIVE STATEMENT Currently the Constitution limits to $10,000 the amount of income that can be earned annually in order to qualify for the senior and disabled property tax deduction. This amendment will increase the annual income limit to $20,000, beginning in 2015. After 2015, the limit will be adjusted each year according to changes in the Consumer Price Index. The income limit was last increased in 1983, from $9,000 to $10,000.

STATEMENT

This resolution proposes a constitutional amendment to increase the annual income limit for seniors and disabled persons to be eligible for an annual $250 property tax deduction. The current annual income limit of $10,000 would be increased to $20,000. That increase would take effect in 2015, and the annual income limit would then be adjusted in each year after 2015 according to any increase in the Consumer Price Index.

The last time that this annual income limit was increased was in 1983, from $9,000 per year to the current $10,000 per year. The proposed constitutional amendment will rely upon enactment of implementing legislation establishing a definition of Consumer Price Index to determine increases in years after 2015 in order to ensure that the income limits remain realistic.