

SENATE LABOR COMMITTEE

STATEMENT TO

SENATE, No. 718

STATE OF NEW JERSEY

DATED: FEBRUARY 13, 2020

The Senate Labor Committee reports favorably Senate Bill No. 718.

This bill establishes a program administered by the Commissioner of Labor and Workforce Development to provide tax credits to employers who employ employees less than 18 years old who are subject to the State minimum wage to offset the cost to the employer of any increases in the wages and payroll taxes of those employees caused by the enactment of P.L.2019, c.32 (C.34:11-56a39 et al.). Under the program, an employer is eligible for a refundable tax credit against the corporation business tax or the gross income tax, as applicable, for the cost to the employer of those increases.

The bill limits the combined value of all tax credits approved under the bill to a maximum of \$10 million during any calendar year.

This bill was pre-filed for introduction in the 2020-2021 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.