SENATE, No. 796

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
Senator SANDRA B. CUNNINGHAM
District 31 (Hudson)
Senator THOMAS H. KEAN, JR.
District 21 (Morris, Somerset and Union)

Co-Sponsored by:
Senator Pou

SYNOPSIS

Increases age of dependent for whom gross income tax exemption for higher education expenses may be claimed from under 22 years to under 25 years.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

(Sponsorship Updated As Of: 8/27/2020)

AN ACT concerning the personal deduction under the gross income tax for support of dependents attending post-secondary institutions of higher education and amending P.L.1976, c.84.

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

1. Section 1 of P.L.1976, c.84 (C.54A:3-1.1) is amended to read as follows:

In addition to the exemptions allowed under N.J.S. 54A:3-1, each taxpayer shall be allowed an additional exemption which may be taken as a deduction from **[**his**]** the taxpayer's New Jersey gross income in amount of $1,000.00 for each dependent under the age of **[**22**]** 25 years who is attending an accredited post-secondary institution of higher education on a full time basis and for whom the taxpayer paid one-half or more of the costs of tuition and maintenance of the dependent's attendance at such institution.

(cf: P.L.1976, c.84, s.1)

2. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1 next following enactment.

STATEMENT

This bill increases the age of a dependent, from under 22 years to under 25 years, for whom a taxpayer is allowed a gross income tax deduction for tuition and maintenance at an accredited post-secondary institution of higher education. Under current law, a taxpayer is allowed a gross income tax deduction for each dependent child under the age of 22 who is attending an accredited post-secondary institution of higher education on a full-time basis. The deduction is available to taxpayers who provide one-half or more of the cost of a dependent's tuition and maintenance at an accredited post-secondary institution of higher education. The age of a dependent child for whom a deduction may be claimed has not been changed since this statute was enacted in 1976.

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.