

SENATE, No. 824

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator JOSEPH A. LAGANA

District 38 (Bergen and Passaic)

Senator VIN GOPAL

District 11 (Monmouth)

Co-Sponsored by:

Senator Greenstein

SYNOPSIS

Provides temporary gross income tax credit to first time home buyers and seniors.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** providing a temporary gross income tax credit to first time
2 home buyers and seniors, supplementing chapter 4 of Title 54A
3 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. For taxable years beginning January 1, 2019, January 1,
9 2020, and January 1, 2021, a qualified taxpayer shall be allowed a
10 credit against the tax otherwise due under the “New Jersey Gross
11 Income Tax Act,” N.J.S.54A:1-1 et seq., in an amount equal to 25
12 percent of the property tax due and paid on the taxpayer’s qualified
13 residential property, up to \$2,500.

14 b. The amount of the credit allowed shall be applied against the
15 tax otherwise due under N.J.S.54A:1-1 et seq. in each taxable year
16 after all other credits and payments allowed in the taxable year. If
17 the credit allowed reduces the tax liability otherwise due to zero,
18 any amount of the credit remaining shall be paid to the taxpayer as
19 a refund of an overpayment of tax pursuant to N.J.S.54A:9-7,
20 provided however, subsection (f) of that section, concerning the
21 allowance of interest, shall not apply. The director shall determine
22 the form and manner by which a qualified taxpayer shall apply for
23 and be eligible to receive a refund of an overpayment pursuant to
24 this section.

25 c. (1) If title to qualified residential property is held by more
26 than one taxpayer as joint tenants or tenants in common, each
27 taxpayer shall be allowed a credit pursuant to this section only in
28 relation to the taxpayer’s proportionate share of the property taxes
29 due and paid for the qualified residential property. The
30 proportionate share shall be equal to that of all other taxpayers who
31 hold the title, but if the conveyance under which the title is held
32 provides for unequal interests therein, a taxpayer’s share of the
33 property taxes shall be in proportion to the taxpayer’s interest in the
34 title.

35 (2) If title to a qualified residential property is held by taxpayers
36 who own the qualified residential property as tenants by the
37 entirety, or if those taxpayers are both residential shareholders of a
38 cooperative or mutual housing corporation and occupy the same
39 qualified residential property therein, and who elect to file separate
40 income tax returns pursuant to the “New Jersey Gross Income Tax
41 Act,” N.J.S.54A:1-1 et seq., those taxpayers shall each be entitled to
42 one-half of the credit for which they may be jointly eligible
43 pursuant to this section.

44 d. As used in this section:

45 “Qualified taxpayer” means a taxpayer:

46 (1) (a) who is a State resident and a natural person;

47 (b) who purchases a qualified residential property in taxable
48 years 2019, 2020, or 2021;

1 (c) who has not previously owned qualified residential property;
2 or

3 (2) (a) who is a State resident and a natural person;

4 (b) who is 65 years of age or older at the close of the taxable
5 year.

6 “Qualified residential property” means a homestead, as defined
7 in section 2 of P.L.1996, c.60 (C.54A:3A-16).

8 e. Notwithstanding any provision of P.L.1968, c.410
9 (C.52:14B-1 et seq.) to the contrary, the director may adopt
10 immediately upon filing with the Office of Administrative Law
11 such regulations as the director deems necessary to implement the
12 provisions of this act, which shall be effective for a period not to
13 exceed 180 days following the date of enactment of
14 P.L. , c. (C.) (pending before the Legislature as this bill)
15 and may thereafter be amended, adopted, or readopted by the
16 director in accordance with the requirements of P.L.1968, c.410.

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18 2. This act shall take effect immediately.

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STATEMENT

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23 This bill provides temporary but immediate property tax relief to
24 first time home buyers and senior citizens while a structural
25 solution for relief from high property taxes is developed.

26 Pursuant to the bill, a gross income tax credit is provided to
27 eligible taxpayers in the amount of 25 percent of the taxpayer’s
28 property taxes each year from 2019 through 2021, up to \$2,500. If
29 the value of the credit is more than what the taxpayer owes for
30 income taxes, the amount of credit left over will be paid to the
31 taxpayer.

32 To be eligible for the credit, a taxpayer must have bought the
33 home in 2019, 2020, or 2021, or instead, be at least 65 years old.