[First Reprint]

SENATE, No. 917

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JANUARY 27, 2020

Sponsored by:
Senator TROY SINGLETON
District 7 (Burlington)
Senator CHRIS A. BROWN
District 2 (Atlantic)

SYNOPSIS

Allows gross income tax deduction for employees for amounts paid by employers for certain educational assistance programs for employees and for employees' student loans.

CURRENT VERSION OF TEXT

As reported by the Senate Higher Education Committee on January 30, 2020, with amendments.

(Sponsorship Updated As Of: 2/13/2020)

AN ACT allowing a deduction from [1]**[**employees**]** employees'[1] gross income of amounts paid by employers for certain educational assistance programs for employees and for [1]**[**employee's**]** employees'[1] student loans, supplementing Title 54A of the New Jersey Statutes.

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

1. A taxpayer may deduct from the taxpayer's gross income an amount equal to the amounts paid or expenses incurred by the employer of the taxpayer for the taxable year for education assistance to the taxpayer as an employee of the employer during that taxable year up to the amount of $5,250 that is allowed to be excluded for the taxable year from the taxpayer's computation of federal taxable income for federal income tax purposes pursuant to section 127 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.127. The deduction allowed pursuant to this section may be in addition to all other exemptions and deductions allowed the taxpayer for the taxable year including the deduction allowed pursuant to section 2 of P.L. , c. (C.) (pending before the Legislature as this bill).

2. a. A taxpayer may deduct from the taxpayer's gross income an amount equal to amounts paid or expenses incurred by the employer of the taxpayer for the taxable year for qualified student loan payment assistance to the taxpayer as an employee of the employer during that taxable year up to the amount of $5,250.

b. The deduction allowed pursuant to this section may be in addition to all other exemptions and deductions allowed the taxpayer for the taxable year including the deduction allowed pursuant to section 1 of P.L. , c. (C.) (pending before the Legislature as this bill).

c. As used in this section:

"Qualified higher education [1]**[**expense**]** expenses[1]" means the cost of attendance as defined in section 472 of the federal "Higher Education Act of 1965," Pub.L.89 329 (20 U.S.C. s.1087ll);

"Qualified student loan payment assistance" means amounts paid or incurred by an employer under a plan for the exclusive benefit of the employees of the employer to provide those employees with student loan payment assistance; and

"Student loan payment assistance" means the payment of principal or interest on any indebtedness incurred by an employee for qualified higher education expenses incurred by the employee

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:
[1]Senate SHI committee amendments adopted January 30, 2020.

for education furnished to the employee, and any indebtedness used to refinance that indebtedness.

3. This act shall take effect immediately and sections 1 and 2 shall apply to taxable years beginning after the date of enactment.