SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 1162

STATE OF NEW JERSEY

DATED: OCTOBER 22, 2020

The Senate Commerce Committee reports favorably Senate Bill No. 1162.

This bill allows corporation business tax and gross income tax credits to businesses that employ qualified ex-offenders. The amount of each credit would be equal to 15 percent of the wages paid to the ex-offender with a maximum of $900 per ex-offender.

A qualified ex-offender is defined in the bill as a person who: (1) has been convicted of a crime of the first, second, third or fourth degree in this State; and (2) has been hired within one year of the date of conviction or release from incarceration.

These State tax credits are modeled on the federal Work Opportunity Tax Credit (WOTC), which encourages employers to hire targeted groups of employees, including ex-felons. Under the federal WOTC, employers may claim a federal tax credit of up to 40 percent of the first $6,000 earned by the employee, or $2,400.