

SENATE, No. 1280

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED FEBRUARY 10, 2020

Sponsored by:
Senator SHIRLEY K. TURNER
District 15 (Hunterdon and Mercer)

SYNOPSIS

Increases minimum income thresholds requiring filing and paying of gross income tax.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** increasing the minimum income necessary to be subject to
2 the gross income tax, amending N.J.S.54A:2-4 and N.J.S.54A:8-
3 3.1.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. N.J.S.54A:2-4 is amended to read as follows:

9 54A:2-4. Minimum taxable income. Notwithstanding any other
10 provisions of this act, a taxpayer shall not be subject to tax under
11 this act if:

12 a. The taxpayer is filing as an unmarried individual, an estate
13 or trust, with a gross income of

14 (1) \$3,000 or less for taxable years beginning before January 1,
15 1994,

16 (2) \$7,500 or less for taxable years beginning on or after
17 January 1, 1994 but before January 1, 1999, **[and]**

18 (3) \$10,000 or less for taxable years beginning on or after
19 January 1, 1999 but before January 1, 2020, and

20 (4) \$12,000 or less for taxable years beginning on or after
21 January 1, 2020;

22 b. The taxpayer is determining tax pursuant to subsection a. of
23 N.J.S.54A:2-1, or is a married couple filing a joint return, with a
24 gross income of

25 (1) \$3,000 or less for taxable years beginning before January 1,
26 1994,

27 (2) \$7,500 or less for taxable years beginning on or after
28 January 1, 1994 but before January 1, 1999,

29 (3) \$10,000 or less for taxable years beginning on or after
30 January 1, 1999 but before January 1, 2000,

31 (4) \$15,000 or less for taxable years beginning on or after
32 January 1, 2000 but before January 1, 2001, **[and]**

33 (5) \$20,000 or less for taxable years beginning on or after
34 January 1, 2001 but before January 1, 2020, and

35 (6) \$24,000 or less for taxable years beginning on or after
36 January 1, 2020; or

37 c. The taxpayer is a married person filing separately with a
38 gross income of

39 (1) \$1,500 or less for taxable years beginning before January 1,
40 1994,

41 (2) \$3,750 or less for taxable years beginning on or after
42 January 1, 1994 but before January 1, 1999,

43 (3) \$5,000 or less for taxable years beginning on or after
44 January 1, 1999 but before January 1, 2000,

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.

1 (4) \$7,500 or less for taxable years beginning on or after
2 January 1, 2000 but before January 1, 2001, **[and]**

3 (5) \$10,000 or less for taxable years beginning on or after
4 January 1, 2001 but before January 1, 2020, and

5 (6) \$12,000 or less for taxable years beginning on or after
6 January 1, 2020.

7 In the case of a nonresident, gross income shall mean gross
8 income which such nonresident would have reported if he had been
9 a resident.

10 (cf: P.L.1999, c.260, s.1)

11

12 2. N.J.S.54A:8-3.1 is amended to read as follows:

13 54A:8-3.1. Persons required to file. a. On or before the filing
14 date prescribed in section 1 of this chapter (N.J.S.54A:8-1), an
15 income tax return shall be made and filed by or for:

16 (1) A taxpayer filing as an unmarried individual, an estate or
17 trust, with a gross income

18 (a) in excess of \$3,000 for taxable years beginning before
19 January 1, 1994,

20 (b) in excess of \$7,500 for taxable years beginning on or after
21 January 1, 1994 but before January 1, 1999, **[and]**

22 (c) in excess of \$10,000 for taxable years beginning on or after
23 January 1, 1999 but before January 1, 2020, and

24 (d) in excess of \$12,000 for taxable years beginning on or after
25 January 1, 2020;

26 (2) A taxpayer determining tax pursuant to subsection a. of
27 N.J.S.54A:2-1 having gross income, or a married couple filing a
28 joint return having joint gross income

29 (a) in excess of \$3,000 for taxable years beginning before
30 January 1, 1994,

31 (b) in excess of \$7,500 for taxable years beginning on or after
32 January 1, 1994 but before January 1, 1999,

33 (c) in excess of \$10,000 for taxable years beginning on or after
34 January 1, 1999 but before January 1, 2000,

35 (d) in excess of \$15,000 for taxable years beginning on or after
36 January 1, 2000 but before January 1, 2001, **[and]**

37 (e) in excess of \$20,000 for taxable years beginning on or after
38 January 1, 2001 but before January 1, 2020, and

39 (f) in excess of \$24,000 for taxable years beginning on or after
40 January 1, 2020; or

41 (3) A taxpayer who is a married person filing separately with
42 gross income of

43 (a) in excess of \$1,500 for taxable years beginning before
44 January 1, 1994,

45 (b) in excess of \$3,750 for taxable years beginning on or after
46 January 1, 1994 but before January 1, 1999,

47 (c) in excess of \$5,000 for taxable years beginning on or after
48 January 1, 1999 but before January 1, 2000,

(d) in excess of \$7,500 for taxable years beginning on or after January 1, 2000 but before January 1, 2001, and

(e) in excess of \$10,000 for taxable years beginning on or after January 1, 2001 but before January 1, 2020, and

(f) in excess of \$12,000 for taxable years beginning on or after January 1, 2020.

b. If the income tax liability of husband and wife is determined on a separate return for federal income tax purposes, they shall each also file a separate return for New Jersey income tax purposes and their income tax liabilities under this act shall be separate.

c. If the income tax liabilities of husband and wife, both residents, are determined on a joint return for federal income tax purposes, they shall also file a joint return for New Jersey income tax purposes and their tax liabilities under this act shall be joint and several.

d. If either husband or wife is a resident and the other is a nonresident, they shall file separate tax returns under this act on such single or separate forms as may be required by the director in which event their tax liabilities shall be separate unless both elect to determine their joint taxable income as if both were residents, in which event their liabilities shall be joint and several.

e. The return for any deceased individual shall be made and filed by his fiduciary or other person charged with his property.

f. The return for an individual who is unable to make a return by reason of minority or other disability shall be made and filed by his fiduciary or other person charged with the care of his person or property (other than a receiver in possession of only a part of his property), or by his duly authorized agent.

g. Any tax under this act, and any increase, interest or penalty thereon, shall, from the time it is due and payable, be a personal debt of the person liable to pay the same, to the State of New Jersey.

h. If both husband and wife are nonresidents but only one spouse earns, receives or acquires income from sources within this State, they shall file separate forms as may be required by the director and their tax liabilities shall be separate, unless both elect to determine their joint taxable income in accord with N.J.S.54A:5-7 and their liabilities under this act shall be joint and several.

(cf: P.L.1999, c.260, s.2)

3. This act shall take effect immediately.

STATEMENT

This bill would increase the minimum income threshold at which a person becomes liable for New Jersey gross income tax and is required to file a return.

1 Currently, a single taxpayer, an estate or trust, or a married
2 person filing separately with a gross income of \$10,000 or less is
3 not subject to the gross income tax or required to file a return. A
4 married couple filing a joint return or an individual filing as head
5 of household or as surviving spouse for federal income tax purposes
6 with a gross income of \$20,000 or less is not subject to the gross
7 income tax or required to file a return.

8 Under this bill, beginning in tax year 2020, these income
9 thresholds would be increased from \$10,000 to \$12,000 and from
10 \$20,000 to \$24,000. These income thresholds have not been
11 increased since tax year 2001.