

SENATE, No. 1291

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 10, 2020

Sponsored by:

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

SYNOPSIS

Establishes gross income tax credit for full-time tuition cost at certain New Jersey institutions of post-secondary education.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** establishing a gross income tax credit for the cost of full-
2 time tuition for certain taxpayers and their dependents attending
3 certain institutions of post-secondary education in New Jersey,
4 and supplementing Title 54A of the New Jersey Statutes.

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

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9 1. a. A taxpayer who has a gross income of \$150,000 or less
10 during the taxable year and who has paid one-half or more of the
11 costs of tuition of a dependent under the age of 22 years who is a
12 resident of this State and a full-time student in good standing at a
13 New Jersey four-year institution of higher education, a New Jersey
14 county college, or an accredited post-secondary business, technical,
15 trade or vocational school in this State, shall be allowed a credit
16 against the tax otherwise due pursuant to the "New Jersey Gross
17 Income Tax Act," N.J.S.54A:1-1 et seq., in an amount equal to 10%
18 of the cost of tuition, paid by the taxpayer during the taxable year,
19 up to a maximum credit of \$1,000. A credit shall not be allowed
20 under this subsection for a taxable year if the taxpayer has claimed
21 a deduction for the dependent pursuant to section 1 of P.L.1976,
22 c.84 (C.54A:3-1.1) for that taxable year.

23 b. A resident taxpayer who has a gross income of \$150,000 or
24 less during the taxable year and who has paid the costs of tuition for
25 the taxpayer's full-time attendance in good standing at a New Jersey
26 four-year institution of higher education, a New Jersey county
27 college, or an accredited post-secondary business, technical, trade
28 or vocational school in this State, shall be allowed a credit against
29 the tax otherwise due pursuant to the "New Jersey Gross Income
30 Tax Act," N.J.S.54A:1-1 et seq., in an amount equal to 10% of the
31 cost of tuition, paid by the taxpayer during the taxable year, up to a
32 maximum credit of \$1,000. A credit shall not be allowed under this
33 subsection for a taxable year if the taxpayer is a dependent of
34 another taxpayer who claims a credit for the taxpayer's costs of
35 tuition under subsection a. of this section for that taxable year.

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37 2. This act shall take effect immediately and shall apply to
38 taxable years beginning on or after January 1 next following the
39 date of enactment.

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42 **STATEMENT**

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44 This bill expands opportunities for New Jersey residents to
45 pursue post-secondary education by establishing a gross income tax
46 credit for the costs of full-time tuition at New Jersey institutions of
47 higher education, county colleges and accredited post-secondary
48 training schools. The tax credit is equal to 10 percent of tuition

1 costs of up to \$10,000 paid by a taxpayer with a gross income not
2 exceeding \$150,000 either for the taxpayer or a resident dependent
3 under 22 years of age.

4 Tuition and fees for New Jersey State college students exceed the
5 national average by 26 percent. The College Board relates in its
6 “Trends in College Pricing 2017” report that the national average
7 cost of in-state tuition and fees at four-year public colleges is
8 \$9,970 for academic year 2017-2018. The New Jersey Secretary of
9 Higher Education conveys that the equivalent average for New
10 Jersey senior public colleges is \$13,464.

11 The State’s 19 county community colleges provide access to
12 higher education for many New Jersey residents who might
13 otherwise be denied the benefits of a college education. Post-
14 secondary business, technical, trade or vocational schools, on the
15 other hand, allow the non-college bound to improve their
16 occupational and economic chances by acquiring specialized skills.