SENATE, No. 1437

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:
Senator JAMES W. HOLZAPFEL
District 10 (Ocean)

SYNOPSIS

Provides gross income tax deduction for certain E-ZPass tolls paid.

CURRENT VERSION OF TEXT

As introduced.

AN ACT providing a gross income tax deduction for certain tolls paid, 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. An individual, regardless of filing status, shall be allowed to deduct from the individual's gross income, if any, for the taxable year, an amount equal to $1,000 for tolls paid via an electronic toll collection system, for which the individual has an account, for the operation of a motor vehicle by the individual or any member of the individual's household on any toll roadway in this State or any interstate toll bridge or toll tunnel connecting New Jersey with another state, including, but not limited to those operated by the Delaware River Joint Tollbridge Commission, the Burlington County Bridge Commission, the Delaware River and Bay Authority, the Delaware River Port Authority, or the Port Authority of New York and New Jersey during the taxable, year, if, in the aggregate, such tolls paid by the individual exceed $1,000 for the taxable year.

b. In determining the aggregate tolls paid by the individual for a taxable year, such aggregate tolls paid shall not include amounts:

(1) paid as a fine, penalty, or other payment made for a violation of a toll;

(2) paid as an administrative fee, processing fee, or other payment for the purpose of establishing an electronic toll collection system account, acquiring electronic toll collection system equipment, or other administrative purpose;

(3) reimbursed to the individual by or for the individual's employer;

(4) deductible by the individual from federal adjusted gross income as an unreimbursed employee expense pursuant to section 162 of the federal Internal Revenue Code (26 U.S.C. s.162) but without regard to any limits or floor determined pursuant to section 67 of the federal Internal Revenue Code (26 U.S.C. s.67), even if not so deducted;

(5) deductible in determining net profits from business pursuant to subsection b. of N.J.S.54A:5-1, even if not so deducted;

(6) deductible in determining distributive share of partnership income pursuant to subsection k. of N.J.S.54A:5-1, even if not so deducted; and

(7) deductible in determining net pro rata share of S corporation income pursuant to subsection p. of N.J.S.54A:5-1, even if not so deducted.

2. This act shall take effect immediately and apply to taxable years beginning on or after January 1, 2020.

STATEMENT

This bill provides a deduction from New Jersey gross income for certain tolls paid on State toll roads via the E-ZPass system. The deduction, in the amount of $1,000 per taxable year, is available to an individual who has an E-ZPass account, for the operation of a motor vehicle by the individual or any member of the individual's household on any toll roadway in this State, or any interstate toll bridge or toll tunnel connecting New Jersey with another state, including, but not limited to those operated by the Delaware River Joint Tollbridge Commission, the Burlington County Bridge Commission, the Delaware River and Bay Authority, the Delaware River Port Authority, or the Port Authority of New York and New Jersey, during the taxable year if, in the aggregate, such E-ZPass tolls paid by the individual exceed $1,000 in the aggregate, for the taxable year. The bill provides that amounts paid as fines, penalties, administrative fees, or which are reimbursed, or deductible as business expenses, or otherwise under certain provisions of State or federal law, are not includible in determining the aggregate amount of E-ZPass tolls paid in a taxable year.

This bill is intended to assist individuals in offsetting the considerable expenses associated with commuting, which have been aggravated by the recent increase in the State gasoline tax rate. By providing toll-paying commuters with a way to offset a portion of their costs, this bill recognizes that these individuals are paying more than their fair share of the burden of maintaining safe, modern, and ample roadways in the State.