

SENATE, No. 1453

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

Senator BRIAN P. STACK

District 33 (Hudson)

SYNOPSIS

Provides for temporary gross income tax credit for certain monthly ferry service commuting passes.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT providing for a temporary gross income tax credit for
2 certain monthly ferry service commuting passes and
3 supplementing Title 54A of the New Jersey Statutes.

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

7
8 1. a. For each of the first six taxable years beginning on or
9 after the January 1 next following the date of enactment of P.L. ,
10 c. (C.) (pending before the Legislature as this bill), a
11 taxpayer who is a natural person having a principal residence in this
12 State shall be allowed a credit against the tax otherwise due
13 pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
14 et seq., in an amount equal to 30 percent of the purchase price paid
15 by the taxpayer during the taxable year for each monthly ferry
16 commuting pass that the taxpayer purchased and used for ferry
17 commuting during the taxable year. The amount of the tax credit
18 applied under this section against the tax otherwise due under the
19 "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., for a
20 taxable year, when taken together with any other payments, credits,
21 deductions, and adjustments allowed by law shall not reduce the tax
22 liability of the taxpayer to an amount less than zero.

23 b. In addition to the rulemaking authority granted to the
24 director pursuant to N.J.S.54A:9-17, the director shall adopt,
25 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
26 (C.52:14B-1 et seq.), rules and regulations that are necessary to
27 administer the provisions of P.L. , c. (C.) (pending before
28 the Legislature as this bill). The director's rulemaking authority
29 shall include, but not be limited to, rules and regulations necessary
30 to ensure that:

31 (1) the credit allowed pursuant to P.L. , c. (C.) (pending
32 before the Legislature as this bill) is limited to the use of ferry
33 commuting passes for ferry commuting; and

34 (2) the taxpayer provide proof of purchase of one or more ferry
35 commuting passes for the appropriate taxable year.

36 c. On or before May 1 of the sixth calendar year beginning on
37 or after the date of enactment of P.L. , c. (C.) (pending
38 before the Legislature as this bill), the director shall prepare and
39 submit a report to the Governor and, pursuant to section 2 of
40 P.L.1991, c.164 (C.52:14-19.1), to the Legislature addressing the
41 credit allowed pursuant to P.L. , c. (C.) (pending before the
42 Legislature as this bill). The report shall include:

43 (1) the total value of credits allowed in the first five taxable
44 years beginning on or after the date of enactment of P.L. , c.
45 (C.) (pending before the Legislature as this bill);

46 (2) the total value of credits allowed in the first five taxable
47 years beginning on or after the date of enactment of P.L. , c.

1 (C.) (pending before the Legislature as this bill) by taxpayer
2 income levels as defined in \$10,000 increments;
3 (3) estimates of the foregone revenue attributable to the credit
4 for each of the six taxable years beginning on or after the date of
5 enactment of P.L. , c. (C.) (pending before the Legislature
6 as this bill) and each of the immediately succeeding six taxable
7 years if the credit were to be renewed;
8 (4) information on the division's experience in implementing
9 the provisions of P.L. , c. (C.) (pending before the
10 Legislature as this bill), including, but not limited to, a description
11 of increased workload associated with the credit; and
12 (5) an analysis as to the effectiveness of the credit as an
13 incentive for encouraging the use of ferry commuting passes for
14 ferry commuting and as a financial relief instrument for taxpayers
15 who rely on ferry commuting passes for ferry commuting.
16 d. As used in this section:
17 "Director" means the Director of the Division of Taxation in the
18 Department of the Treasury.
19 "Division" means the Division of Taxation in the Department of
20 the Treasury.
21 "Ferry commuting" means traveling from or to the taxpayer's
22 principal residence in this State to or from the taxpayer's
23 workplace, or termini near those places, where the workplace is
24 located in another state, for the primary purpose of reporting to the
25 taxpayer's workplace to render work related services or returning
26 therefrom.
27 "Ferry commuting pass" means a monthly pass purchased by a
28 taxpayer for a purchase price of no less than \$100 that the taxpayer
29 uses to ride ferry passenger service.
30 "Ferry passenger service" shall have the same meaning as
31 provided in section 3 of the "New Jersey Public Transportation Act
32 of 1979," P.L.1979, c.150 (C.27:25-3).

33
34 2. This act shall take effect immediately.
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37 STATEMENT

38
39 This bill provides for a temporary gross income tax credit for 30
40 percent of the amount a New Jersey resident taxpayer spends on
41 monthly commuting passes for ferry service commuting from New
42 Jersey to a workplace in another state. The purpose of this bill is to
43 provide financial relief to New Jersey resident taxpayers who rely
44 on ferry passenger service to get to work in another state and to
45 incentivize the use of this mode of transportation.
46 Under the bill, a taxpayer may take a gross income tax credit for
47 30 percent of the portion of the purchase price paid for a monthly
48 commuting pass costing \$100 or more which is in proportion to the

1 amount of ferry service commuting undertaken with the pass. The
2 amount of the tax credit for a taxable year, when taken together
3 with any other payments, credits, deductions, and adjustments
4 allowed by law is not to reduce the tax liability of the taxpayer to an
5 amount less than zero. The bill takes effect immediately, but the
6 credit is available for the six taxable years beginning on or after the
7 January 1 next following the date of enactment.

8 A ferry commuting pass includes monthly passes for ferry
9 service which taxpayers purchase for their use at a price of no less
10 than \$100. Qualified commuting is limited to travel between the
11 taxpayer's home and work, or termini near those places, one of
12 which is located in the State, for the primary purpose of reporting to
13 the taxpayer's workplace to render work related services or
14 returning therefrom.

15 The bill also requires the Director of the Division of Taxation to
16 complete a report on the credit, which is to be submitted to the
17 Governor and Legislature by May 1 of the sixth year of the credit so
18 as to enable consideration of the renewal or expiration thereof.