

[First Reprint]

SENATE, No. 1522

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Co-Sponsored by:

Senator Brown

SYNOPSIS

The New Jersey Battlefield to Boardroom Act; Provides corporation business tax credits and gross income tax credits for qualified wages of certain veterans.

CURRENT VERSION OF TEXT

As reported by the Senate Military and Veterans' Affairs Committee on June 25, 2020, with amendments.



(Sponsorship Updated As Of: 7/30/2020)

1 **AN ACT** establishing a corporation business tax credit and gross
 2 income tax credit for qualified wages of certain veterans,
 3 supplementing P.L.1945, c.162 (C.54:10A-1 et seq.) and Title
 4 54A of the New Jersey Statutes.

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

8
 9 1. This act shall be known and may be cited as “The New
 10 Jersey Battlefield to Boardroom Act.”

11
 12 2. a. (1) For privilege periods commencing on or after
 13 ¹**[January 1, 2018]** January 1, 2020¹ but before ¹**[January 1, 2022]**
 14 January 1, 2024¹, a taxpayer shall be allowed a credit against the
 15 tax imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5),
 16 in an amount equal to the value of ten percent of qualified wages
 17 paid in the privilege period to a qualified veteran in the course of
 18 sustained employment. For each privilege period, a taxpayer’s
 19 credit allowed pursuant to this section shall not exceed \$1,200 for
 20 each qualified veteran.

21 (2) For a taxpayer to qualify for the credit allowed pursuant to
 22 this section for a privilege period, the taxpayer shall comply with
 23 the requirements of this paragraph.

24 Twenty-five percent of the taxpayer’s new employees for the
 25 privilege period for which credit is claimed shall be qualified
 26 veterans.

27 If the taxpayer received the credit allowed pursuant to this
 28 section for the privilege period immediately preceding the privilege
 29 period for which credit is claimed, then 50 percent of the qualified
 30 veterans hired in the immediately preceding privilege period shall
 31 remain employed by the taxpayer for the privilege period for which
 32 credit is claimed.

33 The taxpayer shall provide veteran support services that are
 34 accessible in the workplace, which services may, but not
 35 necessarily, be procured through a private veteran support services
 36 service provider.

37 The taxpayer shall regularly conduct specific recruitment efforts
 38 to hire qualified veterans and their nuclear family members.

39 The taxpayer shall provide support to outreach efforts of veteran
 40 support organizations.

41 The taxpayer shall comply with the federal Uniformed Services
 42 Employment and Reemployment Rights Act
 43 (38 U.S.C. s.4301 et seq.) and provide additional privileges in
 44 excess of the rights protected by the federal Uniformed Services
 45 Employment and Reemployment Rights Act.

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SMV committee amendments adopted June 25, 2020.

1 b. (1) The order of priority of the application of the credit
2 allowed pursuant to this section and any other credits allowed
3 against the tax imposed pursuant to section 5 of P.L.1945, c.162
4 (C.54:10A-5) for a privilege period shall be as prescribed by the
5 director.

6 The amount of the credit applied pursuant to this section, added
7 together with any other credit allowed against the tax imposed
8 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), shall not
9 exceed 50% of the tax liability otherwise due and shall not reduce
10 the tax liability to an amount less than the statutory minimum
11 provided in subsection (e) of section 5 of P.L.1945, c.162.

12 Unused credit resulting from the limitations of this paragraph
13 may be carried forward, if necessary, for use in the seven privilege
14 periods following the privilege period for which the credit is
15 allowed.

16 (2) A taxpayer shall not be granted a credit pursuant to this
17 section for the qualified wages paid to a qualified veteran in a
18 privilege period if the qualified wages of the qualified veteran or
19 the job providing qualified wages to the qualified veteran is
20 included in the calculation of another credit against any State tax or
21 a grant pursuant to P.L.1996, c.26 (C.34:1B-124 et seq.) for a
22 period of time that coincides with the applicable privilege period.

23 (3) If the director determines that a taxpayer is displacing
24 employees and replacing the employees with qualified veterans for
25 the primary purposes of obtaining the credit allowed pursuant to
26 this section, the director shall deny the credit allowed under this
27 section for the taxpayer and shall issue a tax assessment for the
28 recapture of credit previously allowed to the taxpayer under this
29 section plus an assessment of 50% of any credit subject to recapture
30 as penalty.

31 c. As used in this section:

32 “Sustained employment” means a period of time no less than 185
33 business days during the privilege period in which a qualified
34 veteran is earning qualified wages.

35 “Qualified veteran” means a resident of this State initially hired
36 by the taxpayer on or after January 1, 2010 that has been honorably
37 discharged or released under honorable circumstances from active
38 service, occurring on or after January 1, 1965, in any branch of the
39 Armed Forces of the United States¹, and who has shown proof of
40 military service by providing a copy of the DD-214 form, its
41 equivalent, or federal activation orders showing service under Title
42 10, section 672 or section 12301, of the United States Code¹.

43 “Qualified wages” mean any salaries, wages and remuneration
44 subject to the “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1
45 et seq., paid to a qualified veteran on or after ¹**[January 1, 2018]**
46 January 1, 2020¹ but before ¹**[January 1, 2022]** January 1, 2024¹
47 for labor rendered in service to an enterprise of the taxpayer.

1 3. a. (1) For taxable years commencing on or after
2 ¹~~January 1, 2018~~ January 1, 2020¹ but before ¹~~January 1, 2022~~
3 January 1, 2024¹, a taxpayer shall be allowed a credit against the
4 tax due pursuant to the “New Jersey Gross Income Tax Act,”
5 N.J.S.54A:1-1 et seq., in an amount equal to the value of ten
6 percent of qualified wages paid in the taxable year to a qualified
7 veteran in the course of sustained employment. For each taxable
8 year, a taxpayer’s credit allowed pursuant to this section shall not
9 exceed \$1,200 for each qualified veteran.

10 (2) For a taxpayer to qualify for the credit allowed pursuant to
11 this section for a taxable year, the taxpayer shall comply with the
12 requirements of this paragraph.

13 Twenty-five percent of the taxpayer’s new employees for the
14 taxable year for which credit is claimed shall be qualified veterans.

15 If the taxpayer received the credit allowed pursuant to this
16 section for the taxable year immediately preceding the taxable year
17 for which credit is claimed, then 50 percent of the qualified veterans
18 hired in the immediately preceding taxable year shall remain
19 employed by the taxpayer for the taxable year for which credit is
20 claimed.

21 The taxpayer shall provide veteran support services that are
22 accessible in the workplace, which services may, but not
23 necessarily, be procured through a private veteran support services
24 service provider.

25 The taxpayer shall regularly conduct specific recruitment efforts
26 to hire qualified veterans and their nuclear family members.

27 The taxpayer shall provide support to outreach efforts of veteran
28 support organizations.

29 The taxpayer shall comply with the federal Uniformed Services
30 Employment and Reemployment Rights Act (38 U.S.C. s.4301 et
31 seq.) and provide additional privileges in excess of the rights
32 protected by the federal Uniformed Services Employment and
33 Reemployment Rights Act.

34 b. (1) A credit allowed pursuant to this section shall not
35 reduce the tax liability otherwise due pursuant to the “New Jersey
36 Gross Income Tax Act,” N.J.S.54A:1-1 et seq., for a taxable year to
37 less than zero.

38 Unused credit resulting from the limitations of this paragraph
39 may be carried forward if necessary to the seven taxable years
40 following the taxable year for which the credit was allowed. The
41 form and method of carry forward shall be as prescribed by the
42 director.

43 (2) A taxpayer shall not be granted a credit pursuant to this
44 section for the qualified wages paid to a qualified veteran in a
45 taxable year if the qualified wages of the qualified veteran or the
46 job providing qualified wages to the qualified veteran is included in
47 the calculation of another credit against any State tax or a grant

1 pursuant to P.L.1996, c.26 (C.34:1B-124 et seq.) for a period of
2 time that coincides with the applicable taxable year.

3 (3) If the director determines that a taxpayer is displacing
4 employees and replacing the employees with qualified veterans for
5 the primary purposes of obtaining the credit allowed pursuant to
6 this section, the director shall deny the credit allowed under this
7 section for the taxpayer and shall issue a tax assessment for the
8 recapture of credit previously allowed to the taxpayer under this
9 section plus an assessment of 50% of any credit subject to recapture
10 as penalty.

11 c. As used in this section:

12 “Sustained employment” means a period of time no less than 185
13 business days during the privilege period in which a qualified
14 veteran is earning qualified wages.

15 “Qualified veteran” means a resident of this State initially hired
16 by the taxpayer on or after January 1, 2010 that has been honorably
17 discharged or released under honorable circumstances from active
18 service, occurring on or after January 1, 1965, in any branch of the
19 Armed Forces of the United States¹, and who has shown proof of
20 military service by providing a copy of the DD-214 form, its
21 equivalent, or federal activation orders showing service under Title
22 10, section 672 or section 12301, of the United States Code¹.

23 “Qualified wages” mean any salaries, wages and remuneration
24 subject to the “New Jersey Gross Income Tax Act,” N.J.S.54A:1-
25 1 et seq., paid to a qualified veteran on or after ¹**January 1, 2018**
26 January 1, 2020¹ but before ¹**January 1, 2022** January 1, 2024¹
27 for labor rendered in service to an enterprise of the taxpayer.

28

29 4. This act shall take effect immediately.