

SENATE, No. 2074

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED MARCH 16, 2020

Sponsored by:

Senator ANTHONY M. BUCCO

District 25 (Morris and Somerset)

SYNOPSIS

Exempts certain non-profit entities from requirement that certain employers offer employees certain pre-tax transportation fringe benefits.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning pre-tax transportation fringe benefits and
2 amending P.L.2019, c.38.

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

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7 1. Section 2 of P.L.2019, c.38 (C.27:26A-16) is amended to
8 read as follows:

9 2. a. Every employer in the State of New Jersey that employs
10 at least 20 persons shall offer to all of that employer's employees
11 the opportunity to utilize a pre-tax transportation fringe benefit.

12 b. Notwithstanding the provisions of subsection a. of this
13 section, an employer shall not be required to offer the opportunity
14 to utilize a pre-tax transportation fringe benefit to employees
15 covered by a collective bargaining agreement until the expiration of
16 any collective bargaining agreement covering those employees that
17 is in effect on the effective date of P.L.2019, c.38 (C.27:26A-
18 16 et al.).

19 c. If an employee is employed by the federal government and
20 that employee is eligible for a benefit through the person's
21 employment with the federal government for a transit benefit that is
22 equal to or greater than a pre-tax transportation fringe benefit, then
23 the federal government shall not be required to provide those
24 employees the opportunity to utilize a pre-tax transportation fringe
25 benefit.

26 d. The requirements of subsection a. of this section shall not
27 apply to an entity that is a tax-exempt non-profit organization under
28 paragraph (3) of subsection c. of section 501 of the Internal
29 Revenue Code (26 U.S.C. s.501).

30 (cf: P.L.2019, c.38, s.2)

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32 2. This act shall take effect immediately.

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35 STATEMENT

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37 This bill provides that an entity organized under 26 U.S.C.
38 s.501(c)(3) is exempt from the requirement under current law that all
39 employers in this State that employ at least 20 persons offer all of
40 that employer's employees the opportunity to utilize a pre-tax
41 transportation fringe benefit.

42 Under current federal law, non-profit organizations are taxed on
43 contributions to the pre-tax transportation fringe benefit at the
44 federal corporate tax rate of 21 percent. This tax rate burdens non-
45 profit organizations that are required to participate in the
46 transportation fringe benefit.

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.