

SENATE, No. 3046

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED OCTOBER 19, 2020

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex)

Senator NELLIE POU

District 35 (Bergen and Passaic)

Assemblywoman ELIANA PINTOR MARIN

District 29 (Essex)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Assemblywoman SHAVONDA E. SUMTER

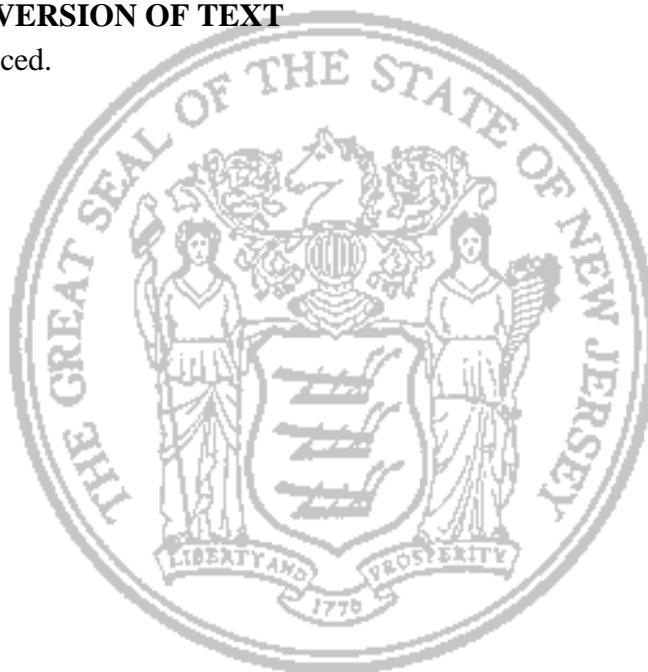
District 35 (Bergen and Passaic)

SYNOPSIS

Extends certain document submission deadlines for Urban Transit Hub Tax Credit program and Economic Redevelopment and Growth Grant Program.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/29/2020)

1 AN ACT extending certain document submission deadlines for
2 business tax credit programs, and amending P.L.2007, c.346 and
3 P.L.2009, c.90.

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

7
8 1. Section 3 of P.L.2007, c.346 (C.34:1B-209) is amended to
9 read as follows:

10 3. a. (1) A business, upon application to and approval from the
11 authority, shall be allowed a credit of 100 percent of its capital
12 investment, made after the effective date of P.L.2007, c.346
13 (C.34:1B-207 et seq.) but prior to its submission of documentation
14 pursuant to subsection c. of this section, in a qualified business
15 facility within an eligible municipality, pursuant to the restrictions
16 and requirements of this section. To be eligible for any tax credits
17 authorized under this section, a business shall demonstrate to the
18 authority, at the time of application, that the State's financial support
19 of the proposed capital investment in a qualified business facility will
20 yield a net positive benefit to both the State and the eligible
21 municipality. The value of all credits approved by the authority
22 pursuant to P.L.2007, c.346 (C.34:1B-207 et seq.) shall not exceed
23 \$1,750,000,000, except as may be increased by the authority as set
24 forth in paragraph (5) of subsection a. of section 35 of P.L.2009, c.90
25 (C.34:1B-209.3) and section 6 of P.L.2010, c.57 (C.34:1B-209.4).

26 (2) A business, other than a tenant eligible pursuant to paragraph
27 (3) of this subsection, shall make or acquire capital investments
28 totaling not less than \$50,000,000 in a qualified business facility, at
29 which the business shall employ not fewer than 250 full-time
30 employees to be eligible for a credit under this section. A business
31 that acquires a qualified business facility shall also be deemed to have
32 acquired the capital investment made or acquired by the seller.

33 (3) A business that is a tenant in a qualified business facility, the
34 owner of which has made or acquired capital investments in the
35 facility totaling not less than \$50,000,000, shall occupy a leased area
36 of the qualified business facility that represents at least \$17,500,000
37 of the capital investment in the facility at which the tenant business
38 and up to two other tenants in the qualified business facility shall
39 employ not fewer than 250 full-time employees in the aggregate to
40 be eligible for a credit under this section. The amount of capital
41 investment in a facility that a leased area represents shall be equal to
42 that percentage of the owner's total capital investment in the facility
43 that the percentage of net leasable area leased by the tenant is of the
44 total net leasable area of the qualified business facility. Capital
45 investments made by a tenant shall be deemed to be included in the

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.

1 calculation of the capital investment made or acquired by the owner,
2 but only to the extent necessary to meet the owner's minimum capital
3 investment of \$50,000,000. Capital investments made by a tenant
4 and not allocated to meet the owner's minimum capital investment
5 threshold of \$50,000,000 shall be added to the amount of capital
6 investment represented by the tenant's leased area in the qualified
7 business facility.

8 (4) A business shall not be allowed tax credits under this section
9 if the business participates in a business employment incentive
10 agreement, pursuant to P.L.1996, c.26 (C.34:1B-124 et seq.), relating
11 to the same capital and employees that qualify the business for this
12 credit, or if the business receives assistance pursuant to P.L.1996,
13 c.25 (C.34:1B-112 et seq.). A business that is allowed a tax credit
14 under this section shall not be eligible for incentives authorized
15 pursuant to P.L.2002, c.43 (C.52:27BBB-1 et al.). A business shall
16 not qualify for a tax credit under this section, based upon its capital
17 investment and the employment of full-time employees, if that capital
18 investment or employment was the basis for which a grant was
19 provided to the business pursuant to the "InvestNJ Business Grant
20 Program Act," P.L.2008, c.112 (C.34:1B-237 et seq.).

21 (5) Full-time employment for an accounting or a privilege period
22 shall be determined as the average of the monthly full-time
23 employment for the period.

24 (6) The capital investment of the owner of a qualified business
25 facility is that percentage of the capital investment made or acquired
26 by the owner of the building that the percentage of net leasable area
27 of the qualified business facility not leased to tenants is of the total
28 net leasable area of the qualified business facility.

29 (7) A business shall be allowed a tax credit of 100 percent of its
30 capital investment, made after the effective date of P.L.2011, c.89
31 but prior to its submission of documentation pursuant to subsection
32 c. of this section, in a qualified business facility that is part of a mixed
33 use project, provided that (a) the qualified business facility represents
34 at least \$17,500,000 of the total capital investment in the mixed use
35 project, (b) the business employs not fewer than 250 full-time
36 employees in the qualified business facility, and (c) the total capital
37 investment in the mixed use project of which the qualified business
38 facility is a part is not less than \$50,000,000. The allowance of
39 credits under this paragraph shall be subject to the restrictions and
40 requirements, to the extent that those are not inconsistent with the
41 provisions of this paragraph, set forth in paragraphs (1) through (6)
42 of this subsection, including, but not limited to, the requirement that
43 the business shall demonstrate to the authority, at the time of
44 application, that the State's financial support of the proposed capital
45 investment in a qualified business facility will yield a net positive
46 benefit to both the State and the eligible municipality.

47 (8) In determining whether a proposed capital investment will
48 yield a net positive benefit, the authority shall not consider the

1 transfer of an existing job from one location in the State to another
2 location in the State as the creation of a new job, unless (a) the
3 business proposes to transfer existing jobs to a municipality in the
4 State as part of a consolidation of business operations from two or
5 more other locations that are not in the same municipality whether
6 in-State or out-of-State, or (b) the business's chief executive officer,
7 or equivalent officer, submits a certification to the authority
8 indicating that the existing jobs are at risk of leaving the State and
9 that the business's chief executive officer, or equivalent officer, has
10 reviewed the information submitted to the authority and that the
11 representations contained therein are accurate, and the business
12 intends to employ not fewer than 500 full-time employees in the
13 qualified business facility. In the event that this certification by the
14 business's chief executive officer, or equivalent officer, is found to
15 be willfully false, the authority may revoke any award of tax credits
16 in their entirety, which revocation shall be in addition to any other
17 criminal or civil penalties that the business and the officer may be
18 subject to. When considering an application involving intra-State job
19 transfers, the authority shall require the company to submit the
20 following information as part of its application: a full economic
21 analysis of all locations under consideration by the company; all
22 lease agreements, ownership documents, or substantially similar
23 documentation for the business's current in-State locations; and all
24 lease agreements, ownership documents, or substantially similar
25 documentation for the potential out-of-State location alternatives, to
26 the extent they exist. Based on this information, and any other
27 information deemed relevant by the authority, the authority shall
28 independently verify and confirm, by way of making a factual finding
29 by separate vote of the authority's board, the business's assertion that
30 the jobs are actually at risk of leaving the State, before a business
31 may be awarded any tax credits under this section.

32 b. (1) If applications under this section have been received by
33 the authority prior to the effective date of the "New Jersey Economic
34 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
35 then, to the extent that there remains sufficient financial authorization
36 for the award of a tax credit, the authority is authorized to consider
37 those applications and to make awards of tax credits to eligible
38 applicants, provided that the authority shall take final action on those
39 applications no later than December 31, 2013.

40 (2) A business shall apply for the credit under this section prior
41 to the effective date of the "New Jersey Economic Opportunity Act
42 of 2013," P.L.2013, c.161 (C.52:27D-489p et al.), and shall submit
43 its documentation for approval of its credit amount no later than
44 **【April 26, 2021】 December 31, 2023.**

45 (3) If a business has submitted an application under this section
46 and that application has not been approved for any reason, the lack
47 of approval shall not serve to prejudice in any way the consideration
48 of a new application as may be submitted for the qualified business

1 facility for the provision of incentives offered pursuant to the "New
2 Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
3 (C.52:27D-489p et al.).

4 (4) Tax credits awarded pursuant to P.L.2007, c.346 (C.34:1B-
5 207 et seq.) for applications submitted to and approved by the
6 authority prior to the effective date of the "New Jersey Economic
7 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
8 shall be administered by the authority in the manner established prior
9 to that date.

10 (5) With respect to an application received by the authority prior
11 to the effective date of the "New Jersey Economic Opportunity Act
12 of 2013," P.L.2013, c.161 (C.52:27D-489p et al.) for a qualified
13 business facility that is located on or adjacent to the campus of an
14 acute care medical facility, (a) the minimum number of full-time
15 employees required for eligibility under the program may be
16 employed by any number of tenants or other occupants of the facility,
17 in the aggregate, and the initial satisfaction of the requirement
18 following completion of the project shall be deemed to satisfy the
19 employment requirements of the program in all respects, and (b) if
20 the capital investment in the facility exceeds \$100,000,000, the
21 determination of the net positive benefit yield shall be based on the
22 benefits generated during a period of up to 30 years following the
23 completion of the project, as determined by the authority.

24 c. (1) The amount of credit allowed shall, except as otherwise
25 provided, be equal to the capital investment made by the business, or
26 the capital investment represented by the business's leased area, or
27 area owned by the business as a condominium, and shall be taken
28 over a 10-year period, at the rate of one-tenth of the total amount of
29 the business's credit for each tax accounting or privilege period of the
30 business, beginning with the tax period in which the business is first
31 certified by the authority as having met the investment capital and
32 employment qualifications, subject to any reduction or
33 disqualification as provided by subsection d. of this section as
34 determined by annual review by the authority. In conducting its
35 annual review, the authority may require a business to submit any
36 information determined by the authority to be necessary and relevant
37 to its review.

38 The credit amount for any tax period ending after **July 28, 2021**
39 December 31, 2023 during which the documentation of a business's
40 credit amount remains uncertified shall be forfeited, although credit
41 amounts for the remainder of the years of the 10-year credit period
42 shall remain available to it.

43 The credit amount that may be taken for a tax period of the
44 business that exceeds the final liabilities of the business for the tax
45 period may be carried forward for use by the business in the next 20
46 successive tax periods, and shall expire thereafter, provided that the
47 value of all credits approved by the authority against tax liabilities

1 pursuant to P.L.2007, c.346 (C.34:1B-207 et seq.) in any fiscal year
2 shall not exceed \$260,000,000.

3 The amount of credit allowed for a tax period to a business that is
4 a tenant in a qualified business facility shall not exceed the business's
5 total lease payments for occupancy of the qualified business facility
6 for the tax period.

7 (2) A business that is a partnership shall not be allowed a credit
8 under this section directly, but the amount of credit of an owner of a
9 business shall be determined by allocating to each owner of the
10 partnership that proportion of the credit of the business that is equal
11 to the owner of the partnership's share, whether or not distributed, of
12 the total distributive income or gain of the partnership for its tax
13 period ending within or at the end of the owner's tax period, or that
14 proportion that is allocated by an agreement, if any, among the
15 owners of the partnership that has been provided to the Director of
16 the Division of Taxation in the Department of the Treasury by the
17 time and accompanied by the additional information as the director
18 may require.

19 (3) The amount of credit allowed may be applied against the tax
20 liability otherwise due pursuant to section 5 of P.L.1945, c.162
21 (C.54:10A-5), pursuant to sections 2 and 3 of P.L.1945, c.132
22 (C.54:18A-2 and C.54:18A-3), pursuant to section 1 of P.L.1950,
23 c.231 (C.17:32-15), or pursuant to N.J.S.17B:23-5.

24 d. (1) If, in any tax period, fewer than 200 full-time employees
25 of the business at the qualified business facility are employed in new
26 full-time positions, the amount of the credit otherwise determined
27 pursuant to final calculation of the award of tax credits pursuant to
28 subsection c. of this section shall be reduced by 20 percent for that
29 tax period and each subsequent tax period until the first period for
30 which documentation demonstrating the restoration of the 200 full-
31 time employees employed in new full-time positions at the qualified
32 business facility has been reviewed and approved by the authority,
33 for which tax period and each subsequent tax period the full amount
34 of the credit shall be allowed; provided, however, that for businesses
35 applying before January 1, 2010, there shall be no reduction if a
36 business relocates to an urban transit hub from another location or
37 other locations in the same municipality. For the purposes of this
38 paragraph, a "new full-time position" means a position created by the
39 business at the qualified business facility that did not previously exist
40 in this State.

41 (2) If, in any tax period, the business reduces the total number of
42 full-time employees in its Statewide workforce by more than 20
43 percent from the number of full-time employees in its Statewide
44 workforce in the last tax accounting or privilege period prior to the
45 credit amount approval under subsection a. of this section, then the
46 business shall forfeit its credit amount for that tax period and each
47 subsequent tax period, until the first tax period for which
48 documentation demonstrating the restoration of the business's

1 Statewide workforce to the threshold levels required by this
2 paragraph has been reviewed and approved by the authority, for
3 which tax period and each subsequent tax period the full amount of
4 the credit shall be allowed.

5 (3) If, in any tax period, (a) the number of full-time employees
6 employed by the business at the qualified business facility located in
7 an urban transit hub within an eligible municipality drops below 250,
8 or (b) the number of full-time employees, who are not the subject of
9 intra-State job transfers, pursuant to paragraph (8) of subsection a. of
10 this section, employed by the business at any other business facility
11 in the State, whether or not located in an urban transit hub within an
12 eligible municipality, drops by more than 20 percent from the number
13 of full-time employees in its workforce in the last tax accounting or
14 privilege period prior to the credit amount approval under this
15 section, then the business shall forfeit its credit amount for that tax
16 period and each subsequent tax period, until the first tax period for
17 which documentation demonstrating the restoration of the number of
18 full-time employees employed by the business at the qualified
19 business facility to 250 or an increase above the 20 percent reduction
20 has been reviewed and approved by the authority, for which tax
21 period and each subsequent tax period the full amount of the credit
22 shall be allowed.

23 (4) (i) If the qualified business facility is sold in whole or in part
24 during the 10-year eligibility period, the new owner shall not acquire
25 the capital investment of the seller and the seller shall forfeit all
26 credits for the tax period in which the sale occurs and all subsequent
27 tax periods; provided, however, that any credits of tenants shall
28 remain unaffected.

29 (ii) If a tenant subleases its tenancy in whole or in part during the
30 10-year eligibility period, the new tenant shall not acquire the credit
31 of the sublessor, and the sublessor tenant shall forfeit all credits for
32 the tax period of its sublease and all subsequent tax periods.

33 e. (1) The Executive Director of the New Jersey Economic
34 Development Authority, in consultation with the Director of the
35 Division of Taxation in the Department of the Treasury, shall adopt
36 rules in accordance with the "Administrative Procedure Act,"
37 P.L.1968, c.410 (C.52:14B-1 et seq.) as are necessary to implement
38 P.L.2007, c.346 (C.34:1B-207 et seq.), including, but not limited to:
39 examples of and the determination of capital investment; the
40 enumeration of eligible municipalities; specific delineation of urban
41 transit hubs; the determination of the limits, if any, on the expense or
42 type of furnishings that may constitute capital improvements; the
43 promulgation of procedures and forms necessary to apply for a credit,
44 including the enumeration of the certification procedures and
45 allocation of tax credits for different phases of a qualified business
46 facility or mixed use project; and provisions for credit applicants to
47 be charged an initial application fee, and ongoing service fees, to
48 cover the administrative costs related to the credit.

1 (2) Through regulation, the authority shall establish standards
2 based on the green building manual prepared by the Commissioner
3 of Community Affairs, pursuant to section 1 of P.L.2007, c.132
4 (C.52:27D-130.6), regarding the use of renewable energy, energy-
5 efficient technology, and non-renewable resources in order to reduce
6 environmental degradation and encourage long-term cost reduction.
7 (cf: P.L.2017, c.314, s.1)

8
9 2. Section 35 of P.L.2009, c.90 (C.34:1B-209.3) is amended to
10 read as follows:

11 35. a. (1) A developer, upon application to and approval from
12 the authority, shall be allowed a credit of up to 35 percent of its
13 capital investment, or up to 40 percent for a project located in a
14 Garden State Growth Zone, made after the effective date of P.L.2009,
15 c.90 (C.52:27D-489a et al.) but prior to its submission of
16 documentation pursuant to subsection c. of this section, in a qualified
17 residential project, pursuant to the restrictions and requirements of
18 this section. To be eligible for any tax credits authorized under this
19 section, a developer shall demonstrate to the authority, through a
20 project pro forma analysis at the time of application, that the qualified
21 residential project is likely to be realized with the provision of tax
22 credits at the level requested, but is not likely to be accomplished by
23 private enterprise without the tax credits. The value of all credits
24 approved by the authority pursuant to this section for qualified
25 residential projects may be up to \$150,000,000, except as may be
26 increased by the authority as set forth below and as set forth in
27 paragraph (5) of this subsection; provided; however, that the
28 combined value of all credits approved by the authority pursuant to
29 section 3 of P.L.2007, c.346 ~~[(C.34:1B-207)]~~ (C.34:1B-209) and this
30 section shall not exceed \$1,750,000,000, except as may be increased
31 by the authority as set forth in paragraph (5) of this subsection. The
32 authority shall monitor application and allocation activity under
33 P.L.2007, c.346 (C.34:1B-207 et seq.), and if sufficient credits are
34 available after taking into account allocation under P.L.2007, c.346
35 (C.34:1B-207 et seq.) to those qualified business facilities for which
36 applications have been filed or for which applications are reasonably
37 anticipated, and if the executive director judges certain qualified
38 residential projects to be meritorious, the aforementioned
39 \$150,000,000 cap may, in the discretion of the executive director,
40 from time to time, be exceeded for allocation to qualified residential
41 projects in amounts as the executive director deems reasonable,
42 justified, and appropriate. In allocating all credits to qualified
43 residential projects under this section, the executive director shall
44 take into account, together with other factors deemed relevant by the
45 executive director: input from the municipality in which the project
46 is to be located; whether the project contributes to the recovery of
47 areas affected by Hurricane Sandy; whether the project furthers
48 specific State or municipal planning and development objectives, or

1 both; and whether the project furthers a public purpose, such as
2 catalyzing urban development or maximizing the value of vacant,
3 dilapidated, outmoded, government-owned, or underutilized
4 property, or both.

5 (2) A developer shall make or acquire capital investments totaling
6 not less than \$50,000,000 in a qualified residential project to be
7 eligible for a credit under this section. A developer that acquires a
8 qualified residential project shall also be deemed to have acquired
9 the capital investment made or acquired by the seller.

10 (3) The capital investment requirement may be met by the
11 developer or by one or more of its affiliates.

12 (4) A developer of a mixed use project shall be allowed a credit
13 pursuant to subparagraph (a) or (b) of this paragraph, but not both.

14 (a) A developer shall be allowed a credit in accordance with this
15 section for a qualified residential project that includes a mixed use
16 project.

17 (b) A developer shall be allowed a credit of up to 35 percent of
18 its capital investment, or up to 40 percent for a project located in a
19 Garden State Growth Zone, made after the effective date of P.L.2011,
20 c.89, but prior to its submission of documentation pursuant to
21 subsection c. of this section, in a qualified residential project that is
22 part of a mixed use project, provided that:

23 (i) the capital investment in the qualified residential project
24 represents at least \$17,500,000 of the total capital investment in the
25 mixed use project; and

26 (ii) the total capital investment in the mixed use project of which
27 the qualified residential project is a part is not less than \$50,000,000.

28 The allowance of credits under this paragraph shall be subject to
29 the restrictions and requirements, to the extent that those are not
30 inconsistent with the provisions of this paragraph, set forth in
31 paragraphs (1) through (3) of this subsection, including, but not
32 limited to, the requirement prescribed in paragraph (1) of this
33 subsection that the developer shall demonstrate to the authority,
34 through a project pro forma analysis at the time of application, that
35 the qualified residential project is likely to be realized with the
36 provision of tax credits at the level requested but is not likely to be
37 accomplished by private enterprise without the tax credits.

38 As used in this subparagraph:

39 "Mixed use project" means a project comprising both a qualified
40 residential project and a qualified business facility.

41 (5) The authority may approve and allocate credits for qualified
42 residential projects in a value sufficient to meet the requirements of
43 all applications that were received by the authority between October
44 24, 2012 and December 21, 2012, without regard to the terms of any
45 competitive solicitation, except for the \$33,000,000 per project cap,
46 and without need for reapplication by any applicant. The authority
47 shall take final action on those applications prior to the 120th day

1 after the date of enactment of the "New Jersey Economic Opportunity
2 Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.).

3 b. (1) A developer shall apply for the credit under this section
4 on or prior to December 21, 2012 but may thereafter supplement an
5 application as may be requested by the authority. A developer shall
6 submit its documentation for approval of its credit amount no later
7 than **[April 26, 2021]** December 31, 2023.

8 (2) If a developer has submitted an application under this section
9 and the application has not been approved for any reason, the lack of
10 approval shall not serve to prejudice in any way the consideration of
11 a new application as may be submitted for the project for the
12 provision of incentives offered pursuant to the "New Jersey
13 Economic Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-
14 489p et al.).

15 c. The credit shall be administered in accordance with the
16 provisions of subsections c. and e. of section 3 of P.L.2007, c.346
17 (C.34:1B-209), as amended by section 32 of P.L.2009, c.90, and
18 section 33 of P.L.2009, c.90 (C.34:1B-209.1), except that:

19 (1) all references therein to "business" and "qualified business
20 facility" shall be deemed to refer respectively to "developer" and
21 "qualified residential project," as those terms are defined in section
22 34 of P.L.2009, c.90 (C.34:1B-209.2); and

23 (2) all references therein to credits claimed by tenants and to
24 reductions or disqualifications in credits as determined by annual
25 review of the authority shall be disregarded.

26 For purposes of a "mixed use project" as that term is used and
27 defined pursuant to subparagraph (b) of paragraph (4) of subsection
28 a. of this section, "qualified business facility" means that term as
29 defined pursuant to section 2 of P.L.2007, c.346 (C.34:1B-208).

30 (cf: P.L.2017, c.314, s.2)

31

32 3. Section 6 of P.L.2009, c.90 (C.52:27D-489f) is amended to
33 read as follows:

34 6. a. Up to the limits established in subsection b. of this section
35 and in accordance with a redevelopment incentive grant agreement,
36 beginning upon the receipt of occupancy permits for any portion of
37 the redevelopment project, or upon any other event evidencing
38 project completion as set forth in the incentive grant agreement, the
39 State Treasurer shall pay to the developer incremental State revenues
40 directly realized from businesses operating at the site of the
41 redevelopment project from the following taxes: the Corporation
42 Business Tax Act (1945), P.L.1945, c.162 (C.54:10A-1 et seq.), the
43 tax imposed on marine insurance companies pursuant to R.S.54:16-1
44 et seq., the tax imposed on insurers generally, pursuant to P.L.1945,
45 c.132 (C.54:18A-1 et seq.), the public utility franchise tax, public
46 utilities gross receipts tax and public utility excise tax imposed on
47 sewerage and water corporations pursuant to P.L.1940, c.5
48 (C.54:30A-49 et seq.), those tariffs and charges imposed by electric,

1 natural gas, telecommunications, water and sewage utilities, and
2 cable television companies under the jurisdiction of the New Jersey
3 Board of Public Utilities, or comparable entity, except for those
4 tariffs, fees, or taxes related to societal benefits charges assessed
5 pursuant to section 12 of P.L.1999, c.23 (C.48:3-60), any charges
6 paid for compliance with the "Global Warming Response Act,"
7 P.L.2007, c.112 (C.26:2C-37 et seq.), transitional energy facility
8 assessment unit taxes paid pursuant to section 67 of P.L.1997, c.162
9 (C.48:2-21.34), and the sales and use taxes on public utility and cable
10 television services and commodities, the tax derived from net profits
11 from business, a distributive share of partnership income, or a pro
12 rata share of S corporation income under the "New Jersey Gross
13 Income Tax Act," N.J.S.54A:1-1 et seq., the tax derived from a
14 business at the site of a redevelopment project that is required to
15 collect the tax pursuant to the "Sales and Use Tax Act," P.L.1966,
16 c.30 (C.54:32B-1 et seq.), the tax imposed pursuant to P.L.1966, c.30
17 (C.54:32B-1 et seq.) from the purchase of furniture, fixtures and
18 equipment, or materials for the remediation, the construction of new
19 structures at the site of a redevelopment project, the hotel and motel
20 occupancy fee imposed pursuant to section 1 of P.L.2003, c.114
21 (C.54:32D-1), or the portion of the fee imposed pursuant to section 3
22 of P.L.1968, c.49 (C.46:15-7) derived from the sale of real property
23 at the site of the redevelopment project and paid to the State Treasurer
24 for use by the State, that is not credited to the "Shore Protection
25 Fund" or the "Neighborhood Preservation Nonlapsing Revolving
26 Fund" ("New Jersey Affordable Housing Trust Fund") pursuant to
27 section 4 of P.L.1968, c.49 (C.46:15-8). Any developer shall be
28 allowed to assign their ability to apply for the tax credit under this
29 subsection to a non-profit organization with a mission dedicated to
30 attracting investment and completing development and
31 redevelopment projects in a Garden State Growth Zone. The non-
32 profit organization may make an application on behalf of a developer
33 which meets the requirements for the tax credit, or a group of non-
34 qualifying developers, such that these will be considered a unified
35 project for the purposes of the incentives provided under this section.

36 b. (1) Up to an average of 75 percent of the projected annual
37 incremental revenues or 85 percent of the projected annual
38 incremental revenues in a Garden State Growth Zone may be pledged
39 towards the State portion of an incentive grant.

40 (2) In the case of a qualified residential project or a project
41 involving university infrastructure, if the authority determines that
42 the estimated amount of incremental revenues pledged towards the
43 State portion of an incentive grant is inadequate to fully fund the
44 amount of the State portion of the incentive grant, then in lieu of an
45 incentive grant based on the incremental revenues, the developer
46 shall be awarded tax credits equal to the full amount of the incentive
47 grant.

1 (3) In the case of a mixed use parking project, if the authority
2 determines that the estimated amount of incremental revenues
3 pledged towards the State portion of an incentive grant is inadequate
4 to fully fund the amount of the State portion of the incentive grant,
5 then, in lieu of an incentive grant based on the incremental revenues,
6 the developer shall be awarded tax credits equal to the full amount of
7 the incentive grant.

8 The value of all credits approved by the authority pursuant to
9 paragraphs (2) and (3) of this subsection shall not exceed
10 \$823,000,000, of which:

11 (a) \$250,000,000 shall be restricted to qualified residential
12 projects within Atlantic, Burlington, Camden, Cape May,
13 Cumberland, Gloucester, Ocean, and Salem counties, of which
14 \$175,000,000 of the credits shall be restricted to the following
15 categories of projects: (i) qualified residential projects located in a
16 Garden State Growth Zone located within the aforementioned
17 counties; and (ii) mixed use parking projects located in a Garden
18 State Growth Zone or urban transit hub located within the
19 aforementioned counties; (iii) and \$75,000,000 of the credits shall be
20 restricted to qualified residential projects in municipalities with a
21 2007 Municipal Revitalization Index of 400 or higher as of the date
22 of enactment of the "New Jersey Economic Opportunity Act of
23 2013," P.L.2013, c.161 (C.52:27D-489p et al.) and located within the
24 aforementioned counties;

25 (b) \$395,000,000 shall be restricted to the following categories of
26 projects: (i) qualified residential projects located in urban transit hubs
27 that are commuter rail in nature that otherwise do not qualify under
28 subparagraph (a) of this paragraph; (ii) qualified residential projects
29 located in Garden State Growth Zones that do not qualify under
30 subparagraph (a) of this paragraph; (iii) mixed use parking projects
31 located in urban transit hubs or Garden State Growth Zones that do
32 not qualify under subparagraph (a) of this paragraph, provided
33 however, an urban transit hub shall be allocated no more than
34 \$25,000,000 for mixed use parking projects; (iv) qualified residential
35 projects which are disaster recovery projects that otherwise do not
36 qualify under subparagraph (a) of this paragraph; (v) qualified
37 residential projects in SDA municipalities located in Hudson County
38 that were awarded State Aid in State Fiscal Year 2013 through the
39 Transitional Aid to Localities program and otherwise do not qualify
40 under subparagraph (a) of this paragraph; (vi) \$25,000,000 of credits
41 shall be restricted to mixed use parking projects in Garden State
42 Growth Zones which have a population in excess of 125,000 and do
43 not qualify under subparagraph (a) of this paragraph; (vii)
44 \$40,000,000 of credits shall be restricted to qualified residential
45 projects that include a theater venue for the performing arts and do
46 not qualify under subparagraph (a) of this paragraph, which projects
47 are located in a municipality with a population of less than 100,000
48 according to the latest federal decennial census, and within which

1 municipality is located an urban transit hub and a campus of a public
2 research university, as defined in section 1 of P.L.2009, c.308
3 (C.18A:3B-46); and (viii) \$105,000,000 of credits shall be restricted
4 to qualified residential projects and mixed use parking projects in
5 Garden State Growth Zones having a population in excess of 125,000
6 and do not qualify under subparagraph (a) of this paragraph;

7 (c) \$87,000,000 shall be restricted to the following categories of
8 projects: (i) qualified residential projects located in distressed
9 municipalities, deep poverty pockets, highlands development credit
10 receiving areas or redevelopment areas, otherwise not qualifying
11 pursuant to subparagraph (a) or (b) of this paragraph; and (ii) mixed
12 use parking projects that do not qualify under subparagraph (a) or (b)
13 of this paragraph, and which are used by an independent institution
14 of higher education, a school of medicine, a nonprofit hospital
15 system, or any combination thereof; provided, however, that
16 \$20,000,000 of the \$87,000,000 shall be allocated to mixed use
17 parking projects that do not qualify under subparagraph (a) or (b) of
18 this paragraph;

19 (d) (i) \$16,000,000 shall be restricted to qualified residential
20 projects that are located within a qualifying economic redevelopment
21 and growth grant incentive area otherwise not qualifying under
22 subparagraph (a), (b), or (c) of this paragraph; and

23 (ii) an additional \$50,000,000 shall be restricted to qualified
24 residential projects which, as of the effective date of P.L.2016, c.51,
25 are located in a city of the first class with a population in excess of
26 270,000, are subject to a Renewal Contract for a Section 8 Mark-Up-
27 To-Market Project from the United States Department of Housing
28 and Urban Development, and for which an application for the award
29 of tax credits under this subsection was submitted prior to January 1,
30 2016; and

31 (e) \$25,000,000 shall be restricted to projects involving
32 university infrastructure.

33 (f) For subparagraphs (a) through (d) of this paragraph, not more
34 than \$40,000,000 of credits shall be awarded to any qualified
35 residential project in a deep poverty pocket or distressed municipality
36 and not more than \$20,000,000 of credits shall be awarded to any
37 other qualified residential project. The developer of a qualified
38 residential project seeking an award of credits towards the funding of
39 its incentive grant shall submit an incentive grant application prior to
40 July 1, 2016 and if approved after September 18, 2013, the effective
41 date of P.L.2013, c.161 (C.52:27D-489p et al.) shall submit a
42 temporary certificate of occupancy for the project no later than **July**
43 **28, 2021** December 31, 2023. The developer of a mixed use parking
44 project seeking an award of credits towards the funding of its
45 incentive grant pursuant to subparagraph (c) of this paragraph and if
46 approved after the effective date of P.L.2015, c.217, shall submit a
47 temporary certificate of occupancy for the project no later than **July**
48 **28, 2021** December 31, 2023. The developer of a qualified

1 residential project or a mixed use parking project seeking an award
2 of credits toward the funding of its incentive grant for a project
3 restricted under categories (vi) and (viii) of subparagraph (b) of this
4 paragraph shall submit an incentive grant application prior to July 1,
5 2019, and if approved after the effective date of P.L.2017, c.59, shall
6 submit a temporary certificate of occupancy for the project no later
7 than **July 28, 2022** December 31, 2023 provided that the
8 municipality in which the project is located shall have submitted to
9 the chief executive officer of the authority a letter of support
10 identifying up to six projects prior to July 1, 2018. The letter of
11 support is to contain a project scope for each of the projects and may
12 be supplemented from time to time until July 1, 2019. Applications
13 for tax credits pursuant to this subsection relating to an ancillary
14 infrastructure project or infrastructure improvement in the public
15 right-of-way, or both, shall be accompanied with a letter of support
16 relating to the project or improvement by the governing body or
17 agency in which the project is located. Credits awarded to a
18 developer pursuant to this subsection shall be subject to the same
19 financial and related analysis by the authority, the same term of the
20 grant, and the same mechanism for administering the credits, and
21 shall be utilized or transferred by the developer as if the credits had
22 been awarded to the developer pursuant to section 35 of P.L.2009,
23 c.90 (C.34:1B-209.3) for qualified residential projects thereunder.
24 No portion of the revenues pledged pursuant to the "New Jersey
25 Economic Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-
26 489p et al.) shall be subject to withholding or retainage for
27 adjustment, in the event the developer or taxpayer waives its rights
28 to claim a refund thereof.

29 (4) A developer may apply to the Director of the Division of
30 Taxation in the Department of the Treasury and the chief executive
31 officer of the authority for a tax credit transfer certificate, if the
32 developer is awarded a tax credit pursuant to paragraph (2) or
33 paragraph (3) of this subsection, covering one or more years, in lieu
34 of the developer being allowed any amount of the credit against the
35 tax liability of the developer. The tax credit transfer certificate, upon
36 receipt thereof by the developer from the director and the chief
37 executive officer of the authority, may be sold or assigned, in full or
38 in part, to any other person who may have a tax liability pursuant to
39 section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2 and 3 of
40 P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1 of
41 P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. The certificate
42 provided to the developer shall include a statement waiving the
43 developer's right to claim that amount of the credit against the taxes
44 that the developer has elected to sell or assign. The sale or
45 assignment of any amount of a tax credit transfer certificate allowed
46 under this paragraph shall not be exchanged for consideration
47 received by the developer of less than 75 percent of the transferred
48 credit amount before considering any further discounting to present

1 value that may be permitted. Any amount of a tax credit transfer
2 certificate used by a purchaser or assignee against a tax liability shall
3 be subject to the same limitations and conditions that apply to the use
4 of the credit by the developer who originally applied for and was
5 allowed the credit.

6 c. All administrative costs associated with the incentive grant
7 shall be assessed to the applicant and be retained by the State
8 Treasurer from the annual incentive grant payments.

9 d. The incremental revenue for the revenues listed in subsection
10 a. of this section shall be calculated as the difference between the
11 amount collected in any fiscal year from any eligible revenue source
12 included in the State redevelopment incentive grant agreement, less
13 the revenue increment base for that eligible revenue.

14 e. The municipality is authorized to collect any information
15 necessary to facilitate grants under this program and remit that
16 information in order to assist in the calculation of incremental
17 revenue.

18 (cf: P.L.2018, c.44, s.2)

19
20 4. This act shall take effect immediately.

21
22
23 STATEMENT

24
25 This bill extends for two years the document submission deadlines
26 applicable to a business or developer that is seeking to receive tax
27 credits under the Economic Redevelopment and Growth Grant
28 Program (ERGG) and the Urban Transit Hub Tax Credit Program
29 (UTHTC).

30 The deadline to submit the required documentation for approval
31 of tax documents for certain residential and commercial UTHTC
32 projects is extended from April 26, 2021 to December 31, 2023. The
33 bill also changes from July 28, 2021 to December 31, 2023 the date
34 when approved UTHTC projects will begin forfeiting annual tax
35 credit awards if the project has not been certified as having met its
36 investment capital and employment qualifications.

37 Finally, the bill extends, to December 31, 2023, the deadline by
38 which developers of certain qualified residential and mixed use
39 parking ERGG projects are required to submit temporary certificates
40 of occupancy.