

SENATE, No. 3104

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED NOVEMBER 5, 2020

Sponsored by:

Senator TROY SINGLETON

District 7 (Burlington)

Senator KRISTIN M. CORRADO

District 40 (Bergen, Essex, Morris and Passaic)

Senator NELLIE POU

District 35 (Bergen and Passaic)

SYNOPSIS

Provides gross income tax credits for certain education and child care expenditures incurred by taxpayers with qualifying children engaged in virtual or remote instruction because of COVID-19 pandemic.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/7/2020)

1 **AN ACT** providing gross income tax credits for certain education
2 and child care expenditures incurred by taxpayers with
3 qualifying children engaged in virtual or remote instruction as a
4 result of the COVID-19 pandemic.

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

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9 1. a. (1) A taxpayer with a qualifying child participating in a
10 program of virtual or remote instruction adopted pursuant to section
11 9 of P.L.1996, c.138 (C.18A:7F-9) or section 2 of P.L.2020, c.27
12 (C.18A:46-21.2) in response to the COVID-19 pandemic shall be
13 allowed a credit against the tax otherwise due for the taxable year
14 under the “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et
15 seq., in an amount equal to 25 percent of the total qualified
16 education expenditures and qualified child care expenditures
17 incurred by the taxpayer, provided that the expenditures are
18 certified by the Director of the Division of Taxation in the
19 Department of the Treasury.

20 (2) The amount of the tax credit allowed to a taxpayer annually
21 pursuant to this section shall not exceed \$3,000 per qualifying child.

22 b. To qualify for the tax credit allowed pursuant to this section,
23 the taxpayer shall file an application prescribed by the director in
24 consultation with the Commissioner of Education.

25 c. The amount of the tax credit applied under this section
26 against the tax otherwise due under the “New Jersey Gross Income
27 Tax Act,” N.J.S.54A:1-1 et seq., for a taxable year, when taken
28 together with any other payments, credits, deductions, and
29 adjustments allowed by law shall not reduce the tax liability of the
30 taxpayer to an amount less than zero. The amount of the tax credit
31 otherwise allowable under this section that cannot be applied for the
32 taxable year due to the limitations of this subsection or under other
33 provisions of N.J.S.54A:1-1 et seq., may be carried forward, if
34 necessary to the taxable year next following the taxable year for
35 which the tax credit was allowed.

36 d. In the case of married individuals filing a separate return,
37 only one individual shall be permitted to claim the credit pursuant
38 to this section in the taxable year.

39 e. The order of priority of the application of the credit allowed
40 pursuant to this section and any other credits allowed against the
41 gross income tax for the taxable year shall be prescribed by the
42 director. No tax credit shall be allowed pursuant to this section for
43 any costs or expenses included in the calculation of any other credit
44 or exemption granted pursuant to a claim made on a tax return filed
45 with the director for a period of time that coincides with the taxable
46 year for which a tax credit authorized pursuant to this section is
47 allowed.

48 f. As used in this section:

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1 during any day in the taxable year in which the qualifying child was
2 required to participate in virtual or remote instruction.

3 A taxpayer cannot claim any other credit for the same costs or
4 expenses for which this credit is claimed.

5 The bill will take effect immediately and will expire when the
6 State of Emergency and Public Health Emergency declared by the
7 Governor in Executive Order No. 103 of 2020 and any extension
8 thereof expires.