

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 3116

STATE OF NEW JERSEY

DATED: FEBRUARY 11, 2021

The Senate Commerce Committee reports favorably Senate Bill No. 3116.

This bill provides that, for any month during which the public health emergency declared by the Governor in Executive Order 103 of 2020 concerning the coronavirus disease 2019 pandemic, or an extension or replacement of that Executive Order, is in effect the State shared responsibility tax shall not be imposed with respect to any applicable individual for that month if the taxpayer:

- (1) receives unemployment benefits; or
- (2) is experiencing a substantial loss of income.

Current law requires certain taxpayers to pay the State shared responsibility tax for each month the taxpayer or the taxpayer's dependents do not have minimum essential coverage to provide for the costs of health care services. This bill suspends that requirement during the coronavirus disease 2019 pandemic for taxpayers receiving unemployment benefits and taxpayers who have experienced a substantial loss of income.

Under the bill, a "substantial loss of income" means a reduction in monthly income of 50 percent or greater in a month, as compared to the taxpayer's average monthly income in tax year 2019.