

SENATE, No. 3308

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JANUARY 7, 2021

Sponsored by:

Senator ANTHONY M. BUCCO

District 25 (Morris and Somerset)

SYNOPSIS

Allows certain taxpayers to receive higher NJ earned income tax credit amount for tax year 2020 if amount of credit falls below credit earned in tax year 2019.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT preventing a lower Taxable Year 2020 New Jersey earned
2 income tax credit amount for certain taxpayers.

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

7 1. a. For Taxable Year 2020, the amount of credit allowed
8 pursuant to section 2 of P.L.2000, c.80 (C.54A:4-7) for a taxpayer
9 shall be the greater of the amount otherwise allowed under the New
10 Jersey earned income tax credit for the taxpayer for Taxable Year
11 2019 or Taxable Year 2020.

b. This section shall only apply to taxpayers with an identical tax filing status for both Taxable Year 2019 and Taxable Year 2020.

15 2. This act shall take effect immediately and only apply to
16 credits allowed for Taxable Year 2020.

19 STATEMENT

21 This bill allows a taxpayer who qualifies for and claims the New
22 Jersey earned income tax credit in both TY 2019 and TY 2020 to
23 receive the higher amount calculated for those years as their credit
24 amount for TY 2020.

Due to the COVID-19 pandemic, some residents have earned less income, which will impact their New Jersey earned income tax credit amounts. The intent of this bill is to protect those residents from receiving a TY 2020 New Jersey earned income credit that is less than their TY 2019 credit. For example, if a taxpayer's credit was calculated out to be \$500 in TY 2019, but falls to \$250 in TY 2020, that taxpayer would receive a \$500 credit for TY 2020 instead.

33 The bill only applies to those taxpayers with an identical filing
34 status for both TY 2019 and TY 2020. Thus, if a taxpayer files as
35 single in TY 2019 and married in TY 2020, that taxpayer would not
36 qualify for the higher credit under this bill.