

SENATE, No. 3626

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED APRIL 19, 2021

Sponsored by:

Senator HOLLY T. SCHEPISI

District 39 (Bergen and Passaic)

SYNOPSIS

Provides gross income tax deduction for certain moving expenses for taxpayer moving to New Jersey to commence work in State.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT providing a gross income tax deduction for certain moving
2 expenses, supplementing Title 54A of the New Jersey Statutes.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. a. A taxpayer shall be allowed to deduct from the taxpayer's
8 gross income for the taxable year the moving expenses paid or
9 incurred during the taxable year for a move from a residence not in
10 the State to a residence in this State in connection with
11 commencement of work by the taxpayer at a principal place of work
12 in New Jersey, provided that the continuing work requirements of
13 subsection b. of this section are met.

14 b. (1) A taxpayer shall be allowed the deduction provided by
15 subsection a. of this section only if:

16 (a) during the 12-month period immediately following the
17 taxpayer's arrival in the general location of the taxpayer's new
18 principal place of work, the taxpayer is a full-time employee in that
19 general location during at least 39 weeks, or

20 (b) during the 24-month period immediately following the
21 taxpayer's arrival in the general location of the taxpayer's new
22 principal place of work, the taxpayer is a full-time employee or
23 performs services as a self-employed individual on a full-time basis
24 in that general location during at least 78 weeks, of which not less
25 than 39 weeks are during the 12-month period immediately following
26 the taxpayer's arrival in the general location of the taxpayer's new
27 principal place of work.

28 (2) The requirements of paragraph (1) of this subsection shall not
29 apply if the taxpayer is unable to satisfy the requirements by reason
30 of:

31 (a) death or disability, or

32 (b) involuntary separation, other than for willful misconduct,
33 from the service of, or transfer for the benefit of, an employer after
34 obtaining full-time employment in which the taxpayer could
35 reasonably have been expected to satisfy those requirements.

36 (3) If the taxpayer has not satisfied the requirements of paragraph
37 (1) of this subsection before the time prescribed by law (including
38 extensions thereof) for filing the return for the taxable year during
39 which the taxpayer paid or incurred moving expenses which would
40 otherwise be deductible under this section, but may still satisfy those
41 requirements, then those expenses may (at the election of the
42 taxpayer) be deducted for that taxable year notwithstanding
43 paragraph (1) of this subsection.

44 (4) If for a taxable year moving expenses have been deducted
45 pursuant to paragraph (3) of this subsection and the requirements of
46 paragraph (1) cannot be satisfied at the close of a subsequent taxable
47 year, then an amount equal to the expenses which were deducted shall
48 be included in gross income for the first subsequent taxable year.

1 c. As used in this section:

2 “Members of the household” means the taxpayer and any other
3 individual who had the former residence as that individual’s principal
4 place of abode, will have the new residence as that individual’s
5 principal place of abode, and who is not an employee or a tenant of
6 the taxpayer.

7 “Moving expenses” means the reasonable expenses of

8 (1) moving the household goods and personal effects of the
9 members of the household from the former residence to the new
10 residence;

11 (2) the travel of the members of the household, including lodging
12 but not including meals, from the former residence to the new
13 residence; and

14 (3) moving the household goods and personal effects of the
15 members of the household to and from storage, and any storage of
16 household goods and personal effects incidental to the move.

17 “Self-employed individual” means an individual who performs
18 personal services as the owner of the entire interest in an
19 unincorporated trade or business, or as a partner in a partnership
20 carrying on a trade or business.

21

22 2. This act shall take effect immediately and apply to taxable
23 years beginning on or after the January 1 next following its date of
24 enactment.

25

26

27 STATEMENT

28

29 This bill provides a gross income tax deduction for certain moving
30 expenses for a taxpayer who is moving to New Jersey to commence
31 work in this State.

32 The bill allows the deduction of moving expenses, including the
33 reasonable expense of moving the household goods and personal
34 effects of the members of the household from the former residence to
35 the new residence, the travel of the members of the household, and
36 the storage of household effects incidental to the move. The bill
37 defines the “members of the household” as all of the individuals who
38 lived at the former residence and who will be living at the new
39 residence, other than employees or tenants of the taxpayer.

40 The bill requires that the move be in connection with the
41 commencement of work in this State. The bill requires that during
42 the 12-month period immediately following the move, the taxpayer
43 be employed full time for at least 39 weeks. The bill requires that a
44 self-employed taxpayer be employed for performing services full
45 time for at least 78 weeks of the 24 month period following the move.

46 The bill waives the full time work requirement for death,
47 disability, involuntary separation other than for willful misconduct,
48 or transfer to another location for the benefit of the employer.