

SENATE, No. 3957

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JUNE 16, 2021

Sponsored by:
Senator THOMAS H. KEAN, JR.
District 21 (Morris, Somerset and Union)

SYNOPSIS

Allows limited gross income tax deduction for charitable contributions to certain New Jersey-based charitable organizations.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT allowing a limited gross income tax deduction for
2 charitable contributions to certain New Jersey-based charitable
3 organizations, supplementing chapter 3 of Title 54A of the New
4 Jersey Statutes.

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

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9 1. a. A taxpayer shall be allowed to deduct from gross income
10 the amount of charitable contributions the taxpayer made to a
11 qualified New Jersey-based charitable organization in the taxable
12 year in an amount not to exceed \$20,000 for a married couple filing
13 jointly, \$10,000 for a married person filing separately, or \$10,000
14 for an individual filing as a single taxpayer or an individual
15 determining tax pursuant to subsection a. of N.J.S.54A:2-1.

16 b. The deduction allowed pursuant to this section shall only be
17 allowed if the charitable contributions would qualify for the
18 charitable contributions deduction pursuant to section 170 of the
19 federal Internal Revenue Code (26 U.S.C. s.170); provided,
20 however, that (1) a taxpayer shall be allowed the deduction pursuant
21 to this section regardless of whether the taxpayer claimed the
22 deduction for federal tax purposes, and (2) the percentage
23 limitations of section 170 of the federal Internal Revenue Code (26
24 U.S.C. s.170) shall not apply to the deduction allowed pursuant to
25 this section.

26 c. For the purposes of this section, “qualified New Jersey-
27 based charitable organization” means a charitable organization that:
28 maintains an office, employs persons, and provides services in this
29 State; and is registered pursuant to the “Charitable Registration and
30 Investigation Act,” P.L.1994, c.16 (C.45:17A-18 et seq.) or is
31 exempt from those registration requirements pursuant to section 9
32 of P.L.1994, c.16 (C.45:17A-26).

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34 2. This act shall take effect immediately and apply to charitable
35 contributions made in taxable years beginning on or after the
36 January 1 next following the date of enactment.

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STATEMENT

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41 This bill allows a gross income tax deduction for charitable
42 contributions that are made to New Jersey-based charitable
43 organizations. The bill provides that the amount of the deduction
44 cannot be more than \$20,000 for a married couple filing jointly,
45 \$10,000 for a married person filing separately, or \$10,000 for an
46 individual filing as a single taxpayer.

47 The federal charitable contributions deduction is only allowed if
48 the taxpayer itemizes deductions on their federal tax return. This

1 means that if a federal taxpayer takes the standard deduction instead
2 of itemizing deductions, the taxpayer cannot claim a charitable
3 contributions deduction on their federal tax return. In contrast, the
4 deduction allowed by this bill is allowed regardless of whether the
5 taxpayer itemized deductions or took the standard deduction on
6 their federal tax return. However, the deduction allowed by this bill
7 is tied to the federal charitable contributions deduction for purposes
8 of what qualifies as a charitable contribution.