

SENATE, No. 4254

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED DECEMBER 6, 2021

Sponsored by:

Senator TROY SINGLETON

District 7 (Burlington)

Senator NILSA I. CRUZ-PEREZ

District 5 (Camden and Gloucester)

Senator MICHAEL L. TESTA, JR.

District 1 (Atlantic, Cape May and Cumberland)

Co-Sponsored by:

Senators Diegnan, Oroho, O'Scanlon and Greenstein

SYNOPSIS

Allows taxpayers with fewer than 50 employees to accelerate depreciation of capital expenditures incurred to comply with COVID-19 executive orders.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/20/2021)

1 AN ACT allowing taxpayers to accelerate depreciation of certain
2 expenditures under corporation business and gross income taxes.

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

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7 1. Notwithstanding paragraph (12) of subsection (k) of section
8 4 of P.L.1945, c.162 (C.54:10A-4), a taxpayer with fewer than 50
9 employees shall be allowed the additional depreciation allowance of
10 subsection (k) of section 168 of the federal Internal Revenue Code
11 of 1986 (26 U.S.C. s.168) for up to \$150,000 of eligible property
12 expenditures.

13 As used in this section, “eligible property expenditures” means
14 capital expenditures incurred by the taxpayer to comply with the
15 health and safety requirements imposed under the executive orders
16 issued by the Governor in response to the COVID-19 pandemic.

17 The director of the Division of Taxation in the Department of the
18 Treasury shall prescribe the rules and regulations necessary to carry
19 out the provisions of this section.

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21 2. Notwithstanding section 26 of P.L.2004, c.65 (C.54A:5-1.2),
22 a taxpayer with fewer than 50 employees shall be allowed the
23 additional depreciation allowance of subsection (k) of section 168
24 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.168) for
25 up to \$150,000 of eligible property expenditures, provided that,
26 section 26 of P.L.2004, c.65 (C.54A:5-1.2) prohibited such
27 additional depreciation allowance.

28 As used in this section, “eligible property expenditures” means
29 capital expenditures incurred by the taxpayer to comply with the
30 health and safety requirements imposed under the executive orders
31 issued by the Governor in response to the COVID-19 pandemic.

32 The director of the Division of Taxation in the Department of the
33 Treasury shall prescribe the rules and regulations necessary to carry
34 out the provisions of this section.

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36 3. This act shall take effect immediately.

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STATEMENT

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41 This bill allows taxpayers who have no more than 50 employees
42 to use a bonus depreciation allowance of up to \$150,000 for capital
43 expenditures incurred to comply with the health and safety
44 requirements of the Governor’s executive orders regarding the
45 COVID-19 pandemic.

46 Bonus depreciation allows a business to immediately deduct a
47 large percentage of the purchase price of certain property. New
48 Jersey decoupled from the federal rules regarding bonus

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- 1 depreciation in 2002. This bill re-couples to the federal rules for
- 2 small business owners on up to \$150,000 of expenditures incurred
- 3 to comply with the Governor's COVID-19 executive orders.