

**SENATE CONCURRENT
RESOLUTION No. 59**

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 10, 2020

Sponsored by:

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

SYNOPSIS

Amends State Constitution to provide 10.75 percent marginal personal income tax rate on annual taxable income exceeding \$1 million; dedicates amount equal to revenue derived from tax rate to direct real property tax relief.

CURRENT VERSION OF TEXT

As introduced.



1 **A CONCURRENT RESOLUTION** proposing to amend Article VIII,
2 Section I, paragraph 7 of the Constitution of the State of New
3 Jersey.

4
5 **BE IT RESOLVED** *by the Senate of the State of New Jersey (the*
6 *General Assembly concurring):*

7
8 1. The following proposed amendment to the Constitution of
9 the State of New Jersey is agreed to:

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11 PROPOSED AMENDMENT

12
13 Amend Article VIII, Section I, paragraph 7 to read as follows:

14 7. a. No tax shall be levied on personal incomes of individuals,
15 estates and trusts of this State unless the entire net receipts
16 therefrom shall be received into the treasury, placed in a perpetual
17 fund designated the Property Tax Relief Fund and be annually
18 appropriated, pursuant to formulas established from time to time by
19 the Legislature, to the several counties, municipalities and school
20 districts of this State exclusively for the purpose of reducing or
21 offsetting property taxes. In no event, however, shall a tax so levied
22 on personal incomes be levied on payments received under the
23 federal Social Security Act, the federal Railroad Retirement Act, or
24 any federal law which substantially reenacts the provisions of either
25 of those laws.

26 b. There shall be annually credited from the General Fund and
27 placed in a special account in the perpetual Property Tax Relief
28 Fund established pursuant to this paragraph, which account shall be
29 designated the Property Tax Reform Account, an amount equal to
30 the annual revenue derived from a tax rate of 0.5% imposed under
31 the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.),
32 as amended and supplemented, or any other subsequent law of
33 similar effect, which amount shall be appropriated annually by the
34 Legislature exclusively for the purpose of property tax reform.

35 c. For taxable years beginning on or after the January 1, next
36 following the date on which this subparagraph c. becomes part of
37 the Constitution, if a tax is levied on personal incomes of
38 individuals, estates and trusts of this State pursuant to subparagraph
39 a. of this paragraph 7 that tax shall include a marginal tax rate of no
40 less than 10.75 percent upon annual taxable income in excess of
41 \$1,000,000. The marginal tax rate requirement of this subparagraph
42 shall not limit the capacity of the State to change other components
43 of a personal income tax imposed pursuant to subparagraph a. of
44 this paragraph 7, as may otherwise be undertaken in accordance
45 with this Constitution.

 EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

 Matter underlined thus is new matter.

1 There is established in the Property Tax Relief Fund a special
2 account designated the Direct Taxpayer Property Tax Relief
3 Account. An amount equal to the annual revenue derived from the
4 income taxed at the marginal tax rate imposed pursuant to this
5 subparagraph shall be credited to the Direct Taxpayer Property Tax
6 Relief Account, on at least an annual basis. Amounts credited to
7 the Direct Taxpayer Property Tax Relief Account pursuant to this
8 subparagraph shall be annually appropriated for real property
9 taxpayer relief allocable directly to real property taxpayers. Real
10 property taxpayer relief that is allocable directly to real property
11 taxpayers includes but is not limited to homestead rebates and
12 credits pursuant to P.L.1990, c.61 (C.54:4-8.57 et al.), homestead
13 property tax reimbursements pursuant to P.L.1997, c.348 (C.54:4-
14 8.67 et al.), veterans' property tax deductions pursuant to P.L.1963,
15 c.171 (C.54:4-8.10 et seq.), senior citizens' and disabled persons'
16 property tax deductions pursuant to P.L.1963, c.172 (C.54:4-8.40 et
17 seq.), and deductions and credits pursuant to the "Property Tax
18 Deduction Act," P.L.1996, c.60 (C.54A:3A-15 et al.), as those acts
19 may be amended or supplemented or any other subsequent law of
20 similar effect.

21 (cf: Art. VIII, Sec. I, par. 7 effective December 7, 2006)

22
23 2. When this proposed amendment to the Constitution is finally
24 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
25 shall be submitted to the people at the next general election
26 occurring more than three months after the final agreement and
27 shall be published at least once in at least one newspaper of each
28 county designated by the President of the Senate, the Speaker of the
29 General Assembly and the Secretary of State, not less than three
30 months prior to the general election.

31
32 3. This proposed amendment to the Constitution shall be
33 submitted to the people at that election in the following manner and
34 form:

35 There shall be printed on each official ballot to be used at the
36 general election, the following:

37 a. In every municipality in which voting machines are not used,
38 a legend which shall immediately precede the question as follows:

39 If you favor the proposition printed below make a cross (X), plus
40 (+), or check (✓) in the square opposite the word "Yes." If you are
41 opposed thereto make a cross (X), plus (+) or check (✓) in the
42 square opposite the word "No."

43 b. In every municipality the following question:

YES	<p>CONSTITUTIONAL AMENDMENT TO RAISE THE TAX RATE ON PERSONAL INCOME OVER \$1 MILLION TO 10.75% AND DEDICATE THE REVENUE FOR DIRECT PROPERTY TAX RELIEF</p> <p>Do you approve amending the Constitution to set the tax rate on personal income above \$1 million at no less than 10.75%? The money raised would be dedicated to direct property tax relief.</p>
NO	<p>INTERPRETIVE STATEMENT</p> <p>This amendment raises the tax rate on personal income over \$1 million to 10.75%. The money collected from this tax rate is for direct property tax relief.</p>

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STATEMENT

This proposed State constitutional amendment raises the personal income tax rate on annual income over \$1 million to 10.75% and dedicates the money collected from the tax rate to direct property tax relief. Direct property tax relief includes, but is not limited to, homestead rebates, homestead property tax reimbursements, veterans' property tax deductions, senior and disabled citizens' property tax deductions, and property tax deductions and credits. The amendment is scheduled to apply prospectively to tax years beginning on or after the January 1 following voter approval.