

**SENATE CONCURRENT
RESOLUTION No. 87**

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 24, 2020

Sponsored by:

Senator JOSEPH A. LAGANA

District 38 (Bergen and Passaic)

SYNOPSIS

Proposes constitutional amendment to increase annual income limitation for senior and disabled citizens' \$250 property tax deduction and bases future annual limitations on annual CPI changes.

CURRENT VERSION OF TEXT

As introduced.



1 **A CONCURRENT RESOLUTION** proposing to amend Article VIII,
2 Section I, paragraph 4 of the Constitution of the State of New
3 Jersey.

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

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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

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13 Amend Article VIII, Section 1, paragraph 4 to read as follows:

14 4. The Legislature may, from time to time, enact laws granting
15 an annual deduction, from the amount of any tax bill for taxes on
16 the real property, and from taxes attributable to a residential unit in
17 a cooperative or mutual housing corporation, of any citizen and
18 resident of this State of the age of 65 or more years, or any citizen
19 and resident of this State less than 65 years of age who is
20 permanently and totally disabled according to the provisions of the
21 Federal Social Security Act, residing in a dwelling house owned by
22 him which is a constituent part of such real property, or residing in
23 a dwelling house owned by him which is assessed as real property
24 but which is situated on land owned by another or others, or
25 residing as tenant-shareholder in a cooperative or mutual housing
26 corporation, but no such deduction shall be in excess of \$160.00
27 with respect to any year prior to 1981, \$200.00 per year in 1981,
28 \$225.00 per year in 1982, and \$250.00 per year in 1983 and any
29 year thereafter and such deduction shall be restricted to owners
30 having an income not in excess of \$5,000.00 per year with respect
31 to any year prior to 1981, \$8,000.00 per year in 1981, \$9,000.00 per
32 year in 1982, **[and]** \$10,000.00 per year in 1983 and any year
33 **[thereafter]** through 2020, \$20,000 per year in 2021, and for each
34 year thereafter, the income limitation shall be the income limitation
35 for the previous year adjusted in proportion to any percent increase
36 in the Consumer Price Index during the previous calendar year,
37 which adjusted income limitation amount shall be rounded to the
38 next highest multiple of \$100. For the purpose of this paragraph,
39 the definition of "Consumer Price Index" shall be as determined
40 pursuant to law as shall be enacted.

41 The income of a citizen and resident shall be exclusive of
42 benefits under any one of the following:

43 a. The Federal Social Security Act and all amendments and
44 supplements thereto;

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 b. Any other program of the federal government or pursuant to
2 any other federal law which provides benefits in whole or in part in
3 lieu of benefits referred to in, or for persons excluded from
4 coverage under, a. hereof including but not limited to the Federal
5 Railroad Retirement Act and federal pension, disability and
6 retirement programs; or

7 c. Pension, disability or retirement programs of any state or its
8 political subdivisions, or agencies thereof, for persons not covered
9 under a. hereof; provided, however, that the total amount of benefits
10 to be allowed exclusion by any owner under b. or c. hereof shall not
11 be in excess of the maximum amount of benefits payable to, and
12 allowable for exclusion by, an owner in similar circumstances under
13 a. hereof.

14 The surviving spouse of a deceased citizen and resident of the
15 State who during his or her life received a deduction pursuant to
16 this paragraph shall be entitled, so long as he or she shall remain
17 unmarried and a resident of the same dwelling house situated on the
18 same land with respect to which said deduction was granted, to the
19 same deduction, upon the same conditions, with respect to the same
20 real property or with respect to the same dwelling house which is
21 situated on land owned by another or others, or with respect to the
22 same cooperative or mutual housing corporation, notwithstanding
23 that said surviving spouse is under the age of 65 and is not
24 permanently and totally disabled, provided that said surviving
25 spouse is 55 years of age or older.

26 Any such deduction when so granted by law shall be granted so
27 that it will not be in addition to any other deduction or exemption,
28 except a deduction granted under authority of paragraph 3 of this
29 section, to which the said citizen and resident may be entitled, but
30 said citizen and resident may receive in addition any homestead
31 rebate or credit provided by law. The State shall annually reimburse
32 each taxing district in an amount equal to one-half of the tax loss to
33 the district resulting from the allowance of tax deductions pursuant
34 to this paragraph.

35 (cf: Art. VIII, Sec. I, par. 4; effective December 8, 1988)

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37 2. When this proposed amendment to the Constitution is finally
38 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
39 shall be submitted to the people at the next general election
40 occurring more than three months after the final agreement and
41 shall be published at least once in at least one newspaper of each
42 county designated by the President of the Senate, the Speaker of the
43 General Assembly and the Secretary of State, not less than three
44 months prior to the general election.

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46 3. This proposed amendment to the Constitution shall be
47 submitted to the people at that election in the following manner and
48 form:

- 1 There shall be printed on each official ballot to be used at the
2 general election, the following:
- 3 a. In every municipality in which voting machines are not used,
4 a legend which shall immediately precede the question as follows:
5 If you favor the proposition printed below make a cross (X), plus
6 (+), or check (✓) in the square opposite the word "Yes." If you are
7 opposed thereto make a cross (X), plus (+) or check (✓) in the
8 square opposite the word "No."
9 b. In every municipality the following question:
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	YES	<p>CONSTITUTIONAL AMENDMENT TO INCREASE ANNUAL INCOME LIMIT FOR SENIOR AND DISABLED PROPERTY TAX DEDUCTION</p> <p>Do you approve amending the Constitution to increase from \$10,000 to \$20,000 the annual income limit for the senior and disabled property tax deduction? The increase will take effect in 2021. The new income limit will be adjusted in each year after 2021 according to any increase in the Consumer Price Index.</p>
	NO	<p>INTERPRETIVE STATEMENT</p> <p>Currently the Constitution limits to \$10,000 the amount of income that can be earned annually in order to qualify for the senior and disabled property tax deduction.</p> <p>This amendment will increase the annual income limit to \$20,000, beginning in 2021. After 2021, the limit will be adjusted each year according to changes in the Consumer Price Index.</p> <p>The income limit was last increased in 1983, from \$9,000 to \$10,000.</p>

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STATEMENT

- 15 This resolution proposes a constitutional amendment to increase
16 the annual income limit for seniors and disabled persons to be
17 eligible for an annual \$250 property tax deduction. The current
18 annual income limit of \$10,000 would be increased to \$20,000.
19 That increase would take effect in 2021, and the annual income
20 limit would then be adjusted in each year after 2021 according to
21 any increase in the Consumer Price Index.
- 22 The last time that this annual income limit was increased was in
23 1983, from \$9,000 per year to the current \$10,000 per year. The

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- 1 proposed constitutional amendment will rely upon enactment of
- 2 implementing legislation establishing a definition of Consumer
- 3 Price Index to determine increases in years after 2021 in order to
- 4 ensure that the income limits remain realistic.