

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE RESOLUTION No. 69

STATE OF NEW JERSEY

DATED: JUNE 25, 2020

The Senate Budget and Appropriations Committee reports favorably Senate Resolution No. 69.

This resolution urges the United States Congress to adopt legislation allowing commercial property owners to claim certain amounts of commercial tenant rent forgiveness during the COVID-19 pandemic as a deduction against the property owner's income.

Non-essential businesses have been forced to close which has resulted in an inability to generate revenue during the months of the COVID-19 pandemic. These businesses are struggling to make rental payments due on their properties and their commercial property owners are faced with potential foreclosures. Businesses that have been negatively impacted by the COVID-19 pandemic are in need of rental forgiveness, so that they can continue to operate after the COVID-19 pandemic ceases. In addition, commercial property owners who forgive rent to businesses during the COVID-19 pandemic should be rewarded with the ability to claim portions of their rental forgiveness, up to \$15,000, as a deduction against their federal income tax. Having the ability to claim this tax deduction will help to incentivize commercial property owners to offer rental forgiveness to businesses that are in need of financial assistance. This legislation will help struggling businesses to survive the COVID-19 pandemic, prevent a glut of vacancies in commercial properties across the state, and help the state of New Jersey economically recover after the COVID-19 pandemic ceases.

FISCAL IMPACT:

This resolution is not certified as requiring a fiscal note.