

# SENATE, No. 2243

## STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED MARCH 7, 2022

**Sponsored by:**

**Senator STEVEN V. OROHO**

**District 24 (Morris, Sussex and Warren)**

**Senator DECLAN J. O'SCANLON, JR.**

**District 13 (Monmouth)**

**Co-Sponsored by:**

**Senators A.M.Bucco, Corrado, Doherty, Durr, Holzapfel, Pennacchio,  
Schepisi, Singer, Stanfield, Testa, Thompson and Bramnick**

**SYNOPSIS**

Allows gross income tax credit for Tax Year 2021.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT allowing a gross income tax credit for Tax Year 2021.

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

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6 1. a. For Tax Year 2021, a taxpayer with gross income of  
7 \$500,000 or less shall be allowed a credit against the tax otherwise  
8 due pursuant to the "New Jersey Gross Income Tax Act,"  
9 N.J.S.54A:1-1 et seq., in the amount of \$1,000 for married  
10 individuals filing a joint return and an individual filing as a head of  
11 household or as a surviving spouse, or \$500 for married individuals  
12 filing separately and an individual filing as a single taxpayer.

13 b. The amount of the credit allowed pursuant to this section  
14 shall be applied against the tax otherwise due under N.J.S.54A:1-1  
15 et seq., after all other credits and payments. If the credit exceeds the  
16 amount of tax otherwise due, that amount of excess shall be an  
17 overpayment for the purposes of N.J.S.54A:9-7; provided however,  
18 that subsection (f) of N.J.S.54A:9-7 shall not apply.

19 c. If a taxpayer has already filed their Tax Year 2021 gross  
20 income tax return, the Director of the Division of Taxation shall  
21 credit the amount owed to the taxpayer pursuant to this section  
22 based on the taxpayer's filing status.

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24 2. This act shall take effect immediately.

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#### STATEMENT

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29 This bill allows a tax credit against the gross income tax for Tax  
30 Year 2021. The credit amount is \$500 for individuals who are single  
31 or married and filing separately or \$1,000 for married individuals  
32 filing a joint return and an individual filing as a head of household  
33 or as a surviving spouse. The credit is refundable, meaning that any  
34 excess credit beyond the taxpayer's tax liability will be paid to the  
35 taxpayer in the form of tax refund.

36 The amount of the credit set forth in the bill is intended by the  
37 sponsors to effectuate a return of approximately \$3 billion collected  
38 from taxpayers in the current State fiscal year that was not budgeted  
39 and is not needed to fully fund all appropriations. Current year tax  
40 over-collections are attributable to the worst inflation in 40 years  
41 and other factors that are causing taxpayers to pay more in taxes  
42 than necessary. Currently, excess tax collections remain unused and  
43 unallocated in State accounts. Inflation rates far exceed investment  
44 returns, thereby eroding real purchasing power over time. The bill  
45 sponsors believe that putting money back into the pockets of  
46 taxpayers will not only provide appropriate and immediate relief  
47 from over-taxation and soaring inflation, it will help increase  
48 economic activity and prevent the value of over-collections from  
49 eroding over time.