

[First Reprint]

**ASSEMBLY, No. 100**

**STATE OF NEW JERSEY**  
**211th LEGISLATURE**

INTRODUCED JUNE 10, 2004

**Sponsored by:**

**Assemblyman ALBIO SIRES**

**District 33 (Hudson)**

**Assemblyman JOSEPH CRYAN**

**District 20 (Union)**

**Assemblyman JERRY GREEN**

**District 22 (Middlesex, Somerset and Union)**

**Assemblywoman BONNIE WATSON COLEMAN**

**District 15 (Mercer)**

**Assemblyman WILFREDO CARABALLO**

**District 29 (Essex and Union)**

**Co-Sponsored by:**

**Assemblymen Vas, Eagler and Senator Kenny**

**SYNOPSIS**

Increases homestead rebates for certain homestead owners, folds NJ SAVER rebates into the Homestead Rebate program and increases gross income tax rate for taxpayers with taxable income over \$500,000 and temporarily adjusts withholding tax.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Appropriations Committee on June 17, 2004, with amendments.

**(Sponsorship Updated As Of: 6/22/2004)**

A100 [1R] SIRES, CRYAN

2

1 AN ACT providing for increased property tax relief for individual  
2 homestead owners in this State through the homestead rebate  
3 program and imposing an adjustment in the rate of gross income tax  
4 for taxpayers with taxable incomes in excess of \$500,000, amending  
5 P.L.1990, c.61, P.L.1999, c.63, P.L.1981, c.239 and N.J.S.54A:2-  
6 1, supplementing Title 54A of the New Jersey Statutes and  
7 repealing section 4 of P.L.1999, c.63 (C.54:4-8.58b).

8  
9 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
10 *of New Jersey:*

11

12 1. Section 1 of P.L.1990, c.61 (C.54:4-8.57) is amended to read as  
13 follows:

14 1. Sections 1 through 10 of P.L.1990, c.61 (C.54:4-8.57 through  
15 54:4-8.66) and sections 3 , [4,] 14 through 16, 18 and 19 of  
16 P.L.1999, c.63 (C.54:4-8.58a [ , C.54:4-8.58b] and C.54:4-8.66a  
17 through C.54:4-8.66e) shall be known and may be cited as the ["New  
18 Jersey School Assessment Valuation Exemption Relief and] "2004  
19 Homestead Property Tax Rebate Act" [(NJ SAVER and Homestead  
20 Rebate Act)].

21 (cf: P.L.1999, c.63, s.1)

22

23 2. Section 2 of P.L.1990, c.61 (C.54:4-8.58) is amended to read as  
24 follows:

25 2. As used in sections 2 through 10 of P.L.1990, c.61 (C.54:4-8.58  
26 through 54:4-8.66) and sections 3 [ , 4,] and 14 through 16 of  
27 P.L.1999, c.63 (C.54:4-8.58a and 54:4-8.66a through C.54:4-8.66c):

28 "Annualized rent" means, for tax years 2004 and thereafter, the rent  
29 paid by the claimant during the tax year for which the homestead  
30 rebate is being claimed, and if paid for a lease term covering less than  
31 the full tax year, the actual rent paid for the days during the term of  
32 the lease of the homestead proportionalized as if the term of the lease  
33 had been for 365 days of the tax year;

34 "Arm's-length transaction" means a transaction in which the parties  
35 are dealing from equal bargaining positions, neither party is subject to  
36 the other's control or dominant influence, and the transaction is  
37 entirely legal in all respects and is treated with fairness and integrity;

38 "Condominium" means the form of real property ownership  
39 provided for under the "Condominium Act," P.L.1969, c.257  
40 (C.46:8B-1 et seq.);

41 "Continuing care retirement community" means a residential facility

**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.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Assembly AAP committee amendments adopted June 17, 2004.

1 primarily for retired persons where lodging and nursing, medical or  
2 other health related services at the same or another location are  
3 provided as continuing care to an individual pursuant to an agreement  
4 effective for the life of the individual or for a period greater than one  
5 year, including mutually terminable contracts, and in consideration of  
6 the payment of an entrance fee with or without other periodic charges;

7 "Cooperative" means a housing corporation or association which  
8 entitles the holder of a share or membership interest thereof to possess  
9 and occupy for dwelling purposes a house, apartment, manufactured  
10 or mobile home or other unit of housing owned or leased by the  
11 corporation or association, or to lease or purchase a unit of housing  
12 constructed or to be constructed by the corporation or association;

13 "Director" means the Director of the Division of Taxation in the  
14 Department of the Treasury;

15 "Dwelling house" means any residential property assessed as real  
16 property which consists of not more than four units, of which not more  
17 than one may be used for commercial purposes, but shall not include  
18 a unit in a condominium, cooperative, horizontal property regime or  
19 mutual housing corporation;

20 ["Equalized property value" means the assessed value of a  
21 homestead on which an NJ SAVER applicant has paid property taxes  
22 for the tax year, as certified by the county board of taxation pursuant  
23 to R.S.54:4-55, divided by the ratio of assessed value to true value of  
24 the municipality, as adopted by the director on October 1 of that year  
25 pursuant to P.L.1954, c.86 (C.54:1-35.1 et seq.);]

26 "Homestead" means:

27 a. (1) a dwelling house and the land on which that dwelling house  
28 is located which constitutes the place of the claimant's domicile and is  
29 owned and used by the claimant as the claimant's principal residence;

30 (2) a dwelling house situated on land owned by a person other than  
31 the claimant which constitutes the place of the claimant's domicile and  
32 is owned and used by the claimant as the claimant's principal residence;

33 (3) a condominium unit or a unit in a horizontal property regime  
34 which constitutes the place of the claimant's domicile and is owned and  
35 used by the claimant as the claimant's principal residence;

36 (4) for purposes of this definition as provided in this subsection, in  
37 addition to the generally accepted meaning of owned or ownership, a  
38 homestead shall be deemed to be owned by a person if that person is  
39 a tenant for life or a tenant under a lease for 99 years or more and is  
40 entitled to and actually takes possession of the homestead under an  
41 executory contract for the sale thereof or under an agreement with a  
42 lending institution which holds title as security for a loan, or is a  
43 resident of a continuing care retirement community pursuant to a  
44 contract for continuing care for the life of that person which requires  
45 the resident to bear a share of the property taxes that are assessed  
46 upon the continuing care retirement community, if a share is

1 attributable to the unit that the resident occupies;

2 b. a unit in a cooperative or mutual housing corporation which  
3 constitutes the place of domicile of a residential shareholder or lessee  
4 therein, or of a lessee, or shareholder who is not a residential  
5 shareholder therein, and which is used by the claimant as the claimant's  
6 principal residence; and

7 c. a unit of residential rental property which unit constitutes the  
8 place of the claimant's domicile and is used by the claimant as the  
9 claimant's principal residence;

10 "Horizontal property regime" means the form of real property  
11 ownership provided for under the "Horizontal Property Act,"  
12 P.L.1963, c.168 (C.46:8A-1 et seq.);

13 "Gross income" means all New Jersey gross income required to be  
14 reported pursuant to the "New Jersey Gross Income Tax Act,"  
15 N.J.S.54A:1-1 et seq., other than income excludable from the gross  
16 income tax return, but before reduction thereof by any applicable  
17 exemptions, deductions and credits, received during the taxable year  
18 by the owner or residential shareholder in, or lessee of, a homestead;

19 "Manufactured home" or "mobile home" means a unit of housing  
20 which:

21 (1) Consists of one or more transportable sections which are  
22 substantially constructed off site and, if more than one section, are  
23 joined together on site;

24 (2) Is built on a permanent chassis;

25 (3) Is designed to be used, when connected to utilities, as a  
26 dwelling on a permanent or nonpermanent foundation; and

27 (4) Is manufactured in accordance with the standards promulgated  
28 for a manufactured home by the Secretary of the United States  
29 Department of Housing and Urban Development pursuant to the  
30 "National Manufactured Housing Construction and Safety Standards  
31 Act of 1974," Pub.L.93-383 (42 U.S.C. s.5401 et seq.) and the  
32 standards promulgated for a manufactured or mobile home by the  
33 commissioner pursuant to the "State Uniform Construction Code Act,"  
34 P.L.1975, c.217 (C.52:27D-119 et seq.);

35 "Mobile home park" means a parcel of land, or two or more parcels  
36 of land, containing no fewer than 10 sites equipped for the installation  
37 of manufactured or mobile homes, where these sites are under  
38 common ownership and control for the purpose of leasing each site to  
39 the owner of a manufactured or mobile home for the installation  
40 thereof, and where the owner or owners provide services, which are  
41 provided by the municipality in which the park is located for property  
42 owners outside the park, which services may include but shall not be  
43 limited to:

44 (1) The construction and maintenance of streets;

45 (2) Lighting of streets and other common areas;

46 (3) Garbage removal;

1 (4) Snow removal; and

2 (5) Provisions for the drainage of surface water from home sites  
3 and common areas;

4 "Mutual housing corporation" means a corporation not-for-profit,  
5 incorporated under the laws of this State on a mutual or cooperative  
6 basis within the scope of section 607 of the Lanham Act (National  
7 Defense Housing), Pub.L.849, 76th Congress (42 U.S.C. s.1521 et  
8 seq.), as amended, which acquired a National Defense Housing Project  
9 pursuant to that act;

10 ["NJ SAVER applicant" means an individual who files an  
11 application for an NJ SAVER rebate pursuant to section 4 of  
12 P.L.1999, c.63 (C.54:4-8.58b);

13 "NJ SAVER property value amount" means the lesser of

14 a. \$45,000, or

15 b. the highest equalized property value of a homestead for the 1997  
16 tax year or any subsequent tax year, provided that if in any such year  
17 the equalized property value of that homestead equals \$45,000 or  
18 more, the NJ SAVER property value amount for that homestead shall  
19 be \$45,000 in any subsequent tax year;

20 "NJ SAVER school tax rate" means for a municipality the result of  
21 the total school tax levies divided by the net valuation taxable for the  
22 municipality as shown in the 1997 county abstract of ratables  
23 multiplied by the ratio of assessed value to true value of the  
24 municipality promulgated by the director on October 1, 1997, as  
25 prepared pursuant to P.L.1954, c.86 (C.54:1-35.1 et seq.);]

26 "Principal residence" means a homestead actually and continually  
27 occupied by a claimant as the claimant's permanent residence, as  
28 distinguished from a vacation home, property owned and rented or  
29 offered for rent by the claimant, and other secondary real property  
30 holdings;

31 "Property tax" means payments to a municipality based upon an  
32 assessment made by the municipality upon real property on an ad  
33 valorem basis on land [,] and improvements [or both], but shall not  
34 include payments made in lieu of taxes;

35 "Rent" means the amount due in an arm's-length transaction solely  
36 for the right of occupancy of a homestead that is a unit of residential  
37 rental property. Rent shall not include any amount paid under the  
38 federal Housing Choice Voucher (Section 8) Program. If the director  
39 finds that the parties in a rental transaction have not dealt with each  
40 other in an arm's-length transaction and that the rent due was  
41 excessive, the director may, for purposes of the homestead rebate  
42 claim, adjust the rent claimed in the homestead rebate application to  
43 a reasonable amount of rent;

44 "Rent constituting property taxes" means 18% of the rent paid by  
45 the homestead rebate claimant during the tax year on a unit of  
46 residential rental property which constitutes the claimant's homestead,

1 and in the case of a manufactured home or mobile home in a mobile  
2 home park which constitutes the claimant's homestead means 18% of  
3 the site fee paid by the claimant during the tax year to the owner of the  
4 mobile home park. Provided however, that for tax year 2004 and for  
5 each tax year thereafter, rent constituting property taxes shall equal  
6 18% of annualized rent, and in the case of a manufactured home or  
7 mobile home in a mobile home park rent constituting property taxes  
8 shall equal 18% of a similarly annualized site fee;

9 "Resident" means an individual:

10 a. who is domiciled in this State, unless he maintains no permanent  
11 place of abode in this State, maintains a permanent place of abode  
12 elsewhere, and spends in the aggregate no more than 30 days of the  
13 tax year in this State; or

14 b. who is not domiciled in this State but maintains a permanent  
15 place of abode in this State and spends in the aggregate more than 183  
16 days of the tax year in this State, unless the individual is in the Armed  
17 Forces of the United States;

18 "Residential rental property" means:

19 a. any building or structure or complex of buildings or structures  
20 in which dwelling units are rented or leased or offered for rental or  
21 lease for residential purposes;

22 b. a rooming house, hotel or motel, if the rooms constituting the  
23 homestead are equipped with kitchen and bathroom facilities;

24 c. any building or structure or complex of buildings or structures  
25 constructed under the following sections of the National Housing Act  
26 (Pub. L.73-479) as amended and supplemented: section 202, Housing  
27 Act of 1959 (Pub.L.86-372) and as subsequently amended, section  
28 231, Housing Act of 1959; and

29 d. a site in a mobile home park equipped for the installation of  
30 manufactured or mobile homes, where these sites are under common  
31 ownership and control for the purpose of leasing each site to the  
32 owner of a manufactured or mobile home for the installation thereof;

33 "Residential shareholder in a cooperative or mutual housing  
34 corporation" means a tenant or holder of a membership interest in that  
35 cooperative or corporation, whose residential unit therein constitutes  
36 the tenant or holder's domicile and principal residence, and who may  
37 deduct real property taxes for purposes of federal income tax pursuant  
38 to section 216 of the federal Internal Revenue Code of 1986, 26  
39 U.S.C. s.216; and

40 "Tax year" means the calendar year in which property taxes are due  
41 and payable.

42 (cf: P.L.1999, c.63, s.2)

43  
44 3. Section 3 of P.L.1999, c.63 (C.54:4-8.58a) is amended to read  
45 as follows:

46 3. [The] a. For tax year 2003, the director shall determine the

1 amount of the [NJ SAVER rebate or] homestead rebate that shall be  
2 paid to each claimant pursuant to P.L.1990, c.61 (C.54:4-8.57 et seq.,  
3 and P.L.1999, c.63 (C.54:4-8.58a et al.), as amended by P.L.2004,  
4 c. (now pending before the Legislature as this bill), based upon the  
5 information provided by the individual applicant in the application for  
6 either a NJ SAVER rebate or for a homestead rebate, or from any  
7 other information as may be available to the director in order that each  
8 individual applicant shall be paid the [greater of the NJ SAVER rebate  
9 amount that may be allowed to the applicant pursuant to section 4 of  
10 P.L.1999, c.63 (C.54:4-8.58b) or the] homestead rebate [amount]  
11 that may be allowed to the claimant pursuant to sections 3 through 5  
12 of P.L.1990, c.61 (C.54:4-8.59 through 54:4-8.61), as the director  
13 determines is appropriate. [If the payment of the lesser rebate is  
14 actually first distributed to an individual who may be allowed for the  
15 same tax year the greater rebate, the director may provide for the  
16 payment of the amount of the difference to that individual in any  
17 convenient manner, form and time as the director shall prescribe.]

18 b. (1) For tax year 2003, a resident of this State who has paid  
19 property taxes for the tax year on a homestead that is owned as such,  
20 who has filed an application for an NJ SAVER rebate pursuant to the  
21 provisions of P.L.1999, c.63 (C.54:4-8.58a et al.), or pursuant to that  
22 act as amended and supplemented by P.L.2004, c. (now pending  
23 before the Legislature as this bill), and who meets the prerequisites for  
24 an NJ SAVER rebate at 12:01 A.M. on October 1, 2003 for that tax  
25 year, shall be considered to have applied for a homestead rebate and  
26 shall be allowed a homestead rebate instead of an NJ SAVER rebate  
27 for that tax year pursuant to P.L.1990, c.61 (C.54:4-8.57 et seq., and  
28 P.L.1999, c.63 (C.54:4-8.58a et al.), as amended by P.L.2004, c.  
29 (now pending before the Legislature as this bill). An application for  
30 an NJ SAVER rebate shall be allowed as a homestead rebate for a  
31 homestead the title to which is held by a partnership, to the extent of  
32 the applicant's interest as a partner therein, and by a guardian, trustee,  
33 committee, conservator or other fiduciary for any individual who  
34 would otherwise be eligible for an NJ SAVER rebate. An application  
35 for an NJ SAVER rebate shall not be allowed for a homestead, the title  
36 to which is held partially or entirely by a corporate entity of any type,  
37 except as otherwise specifically allowed for applications from residents  
38 of properties owned by continuing care retirement community,  
39 cooperative or mutual housing corporations.

40 (2) For tax year 2004 and for tax years thereafter, any rebates  
41 applied for and paid pursuant to P.L.1990, c.61 (C.54:4-8.57 et seq.,  
42 and P.L.1999, c.63 (C.54:4-8.58a et al.), as amended and  
43 supplemented by P.L.2004, c. (now pending before the Legislature  
44 as this bill), shall be homestead rebates.

45 (cf: P.L.1999, c.63, s.3)

1 4. Section 3 of P.L.1990, c.61 (C.54:4-8.59) is amended to read as  
2 follows:

3 3. a. A resident of this State [who is 65 years of age or older at  
4 the close of the tax year, or who is allowed to claim a personal  
5 deduction as a blind or disabled taxpayer pursuant to subsection b. of  
6 N.J.S.54A:3-1,] shall be allowed a homestead rebate for the tax year  
7 equal to the amount by which property taxes paid by the claimant in  
8 that tax year on the claimant's homestead exceed 5% of the claimant's  
9 gross income, rounded to the nearest whole dollar, [ up to a maximum  
10 homestead rebate of \$500 for each tax year through the 1999 tax year,  
11 \$750 for the 2000 tax year, and for each tax year thereafter the  
12 director shall recompute the maximum homestead rebate by  
13 multiplying the maximum homestead rebate allowed in the prior tax  
14 year by the cost-of-living adjustment, provided that:

15 (1) in the case of a married couple filing a joint New Jersey gross  
16 income tax return or an individual filing a return who determines gross  
17 income tax pursuant to subsection a. of N.J.S.54A:2-1, gross income  
18 does not exceed \$70,000 for that year;

19 (2) in the case of an unmarried individual who determines gross  
20 income tax pursuant to subsection b. of N.J.S.54A:2-1, gross income  
21 does not exceed \$35,000 for that year;

22 (3) in the case of a married individual filing a separate New Jersey  
23 gross income tax return, if the spouse of the claimant maintains the  
24 same homestead as the claimant and also files a separate gross income  
25 tax return in this State, the combined gross income of both spouses  
26 does not exceed \$70,000, but in no event shall the homestead rebate  
27 claimed under this subsection exceed one-half of the amount of the  
28 homestead rebate allowable had the spouses filed a joint return and  
29 homestead rebate application; and

30 (4) in the case of a married individual filing a separate gross  
31 income tax return and maintaining a homestead apart from that  
32 individual's spouse, gross income does not exceed \$35,000]but within  
33 the appropriate range, but not more than the amount of property taxes  
34 actually paid. As used in this section,

35 Range 1 equals \$1,200 to \$1,000 for tax year 2003, and shall be  
36 subject to the cost-or-living adjustment for each tax year thereafter as  
37 provided in subsection h. of this section;

38 Range 2 equals \$800 to \$600 for tax year 2003, and shall be subject  
39 to the cost-or-living adjustment for each tax year thereafter as  
40 provided in subsection h. of this section; and

41 Range 3 equals \$500 for tax year 2003, and shall be subject to the  
42 cost-or-living adjustment for each tax year thereafter as provided in  
43 subsection h. of this section.

44 b. (1) For a resident who is 65 years of age or older at the close  
45 of the tax year, or who is allowed to claim a personal deduction as a  
46 blind or disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1:

1	<u>With Tax Year Gross Income:</u>	<u>Range:</u>
2	<u>not over \$70,000</u>	<u>(1)</u>
3	<u>over \$70,000 but</u>	
4	<u>not over \$125,000</u>	<u>(2)</u>
5	<u>over \$125,000 but</u>	
6	<u>not over \$200,000</u>	<u>(3)</u>

7

8 (2) For a resident homeowner of this State who is not 65 years of  
 9 age or older at the close of the tax year, and who is not allowed to  
 10 claim a personal deduction as a blind or disabled taxpayer pursuant to  
 11 subsection b. of N.J.S.54A:3-1  
 12

13	<u>With Tax Year Gross Income:</u>	<u>Range:</u>
14	<u>not over \$125,000</u>	<u>(2)</u>
15	<u>over \$125,000 but</u>	
16	<u>not over \$200,000</u>	<u>(3)</u>

17

18 (3) <sup>1</sup>(a)<sup>1</sup> A homestead rebate shall be allowed for tax year 2003  
 19 <sup>1</sup>[and thereafter] <sup>1</sup>pursuant to [subsection a. of ] this section in  
 20 relation to the amount of the property taxes actually paid [by or  
 21 allocable to a resident property taxpayer who is a claimant on more  
 22 than one homestead, but the aggregate amount of the property taxes  
 23 claimed shall not exceed the total of the proportionate amounts of  
 24 property taxes assessed and levied against or allocable to each  
 25 homestead for the portion of the tax year the claimant occupied it as  
 26 the claimant's principal residence] <sup>1</sup>[during the tax year for the  
 27 homestead owned and occupied as such at 12:01 a.m. on October 1 of  
 28 the tax year] by or allocable to a resident property taxpayer who is a  
 29 claimant on more than one homestead, but the aggregate amount of  
 30 the property taxes claimed shall not exceed the total of the  
 31 proportionate amounts of property taxes assessed and levied against  
 32 or allocable to each homestead for the portion of the tax year the  
 33 claimant occupied it as the claimant's principal residence<sup>1</sup>.

34 <sup>1</sup>(b) Notwithstanding any provision of this act to the contrary, a  
 35 homestead rebate shall be allowed for tax year 2004 and thereafter  
 36 pursuant to this section in relation to the amount of the property taxes  
 37 actually paid during the tax year for the homestead owned and  
 38 occupied as such at 12:01 a.m. on October 1 of the tax year, whether  
 39 paid for the entire tax year by the claimant or by any pre-October 1  
 40 owner or owners of that homestead during that tax year.<sup>1</sup>

41 c. (1) If title to a homestead is held by more than one individual  
 42 as joint tenants or tenants in common, each individual shall be allowed  
 43 a homestead rebate pursuant to this section only in relation to the

1 individual's proportionate share of the property taxes assessed and  
2 levied against the homestead. The individual's proportionate share of  
3 the property taxes on that homestead shall be equal to the share of that  
4 individual's interest in the title. Title shall be presumed to be held in  
5 equal shares among all co-owners, but if the claimant satisfactorily  
6 demonstrates to the director that the title provides for unequal  
7 interests, either under the conveyance under which the title is held, or  
8 as otherwise may be demonstrated, that claimant's share of the  
9 property taxes paid on that homestead shall be in proportion to the  
10 claimant's interest in the title.

11 (2) Eligible claimants shall include individuals within any of the  
12 filing categories set forth in N.J.S.54A:2-1 and any individual or  
13 individuals not required to file a gross income tax return because their  
14 gross income was below the minimum taxable income threshold  
15 established in N.J.S.54A:2-4 and N.J.S.54A:8-3.1. In the case of a  
16 married individual filing a separate New Jersey gross income tax  
17 return, if the spouse of the claimant maintains the same homestead as  
18 the claimant and also files a separate gross income tax return in this  
19 State the homestead rebate claimed under this subsection shall be  
20 equal to one-half of the amount of the homestead rebate allowable had  
21 the spouses filed a joint return and homestead rebate application.

22 (3) An application for a homestead rebate shall be allowed for a  
23 homestead the title to which is held by a partnership, to the extent of  
24 the applicant's interest as a partner therein, and by a guardian, trustee,  
25 committee, conservator or other fiduciary for any individual who  
26 would otherwise be eligible for a rebate. An application for a  
27 homestead rebate shall not be allowed for a homestead, the title to  
28 which is held partially or entirely by a corporate entity of any type,  
29 except as otherwise specifically allowed for an application from a  
30 resident of a property owned by a continuing care retirement  
31 community, or a cooperative or mutual housing corporation.

32 d. If the homestead of a claimant is a residential property  
33 consisting of more than one unit, that claimant shall be allowed a  
34 homestead rebate pursuant to this section only in relation to the  
35 proportionate share of the property taxes assessed and levied against  
36 the residential unit occupied by that claimant, as determined by the  
37 local tax assessor.

38 e. Nothing in this section shall preclude a co-owner, who is other  
39 than a husband or wife claiming a homestead rebate on the same  
40 homestead, from receiving a homestead rebate determined pursuant to  
41 **[subsection f. or g. of]** this section if another co-owner claims a  
42 homestead rebate pursuant to **[subsection a. of]** this section, provided  
43 however, that each claim for a homestead rebate determined pursuant  
44 to **[subsections a. and f. of]** this section shall be separately subject to  
45 the provisions of subsections c. and d. of this section **[and each claim**  
46 **for a homestead rebate determined pursuant to subsection g. of this**

1 section shall be separately subject to the provisions of that  
2 subsection].

3 f. [(1) Notwithstanding the provisions of subsection a. of this  
4 section to the contrary, a homestead rebate shall be allowed for a  
5 resident of this State who is 65 years of age or older at the close of the  
6 tax year, or who is allowed to claim a personal deduction as a blind or  
7 disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1, who has  
8 paid property taxes in that tax year on the claimant's homestead, which  
9 shall not be less than:

10 (a) \$150 for property taxes paid on one homestead for the tax year  
11 if the claimant's gross income does not exceed \$70,000 for that year;  
12 or

13 (b) \$100 for property taxes paid on one homestead for the tax year  
14 if the claimant's gross income exceeds \$70,000 but does not exceed  
15 \$100,000 for that year.

16 (2) If a claimant who is eligible to receive a homestead rebate in an  
17 amount set forth in paragraph (1) of this subsection paid property  
18 taxes on homesteads maintained as such in this State for less than the  
19 full tax year, the homestead rebate amount set forth in paragraph (1)  
20 shall be prorated in the proportion which the number of days that the  
21 homesteads were maintained during the tax year bears to 365 days.  
22 The homestead rebate amount set forth in paragraph (1) of this  
23 subsection shall be subject to any further proportionate reduction as  
24 may be applicable pursuant to subsections c. and d. of this section. The  
25 homestead rebate amount set forth in paragraph (1) of this subsection  
26 that is subject to any proportionate reduction shall be rounded to the  
27 nearest whole dollar. The homestead rebate amount set forth in  
28 paragraph (1) of this subsection that is claimed based upon a  
29 homestead maintained by both spouses shall be determined based upon  
30 the combined gross income of both spouses regardless of whether the  
31 claimants filed a joint New Jersey gross income tax return or separate  
32 New Jersey gross income tax returns for the tax year.] (Deleted by  
33 amendment, P.L.2004, c. (now pending before the Legislature as this  
34 bill).)

35 g. [(1) A resident of this State who is not 65 years of age or older  
36 at the close of the tax year, and who is not allowed to claim a personal  
37 deduction as a blind or disabled taxpayer pursuant to subsection b. of  
38 N.J.S.54A:3-1, who maintains a homestead for which property taxes  
39 have been paid for the tax year, who has gross income for the tax year  
40 not in excess of \$40,000, shall be allowed a homestead rebate pursuant  
41 to this subsection of \$90, provided however, that the homestead rebate  
42 allowed pursuant to this subsection shall be subject to the limitations  
43 and reductions as may apply pursuant to the provisions of subsections  
44 b. through d. of this section.

45 (2) In the case of a claimant who is a married individual filing a  
46 separate New Jersey gross income tax return, if the spouse of the

1 claimant maintains the same homestead as the claimant and also files  
2 a separate gross income tax return in this State: (a) if the combined  
3 gross income of both spouses exceeds \$40,000 then neither spouse  
4 shall be entitled to a rebate pursuant to this subsection; or (b) if the  
5 combined gross income of both spouses does not exceed \$40,000, then  
6 the maximum homestead rebate paid pursuant to this subsection to  
7 each spouse shall not exceed one-half of the amount of the homestead  
8 rebate allowable had the spouses filed a joint return and homestead  
9 rebate application.

10 (3) A rebate paid pursuant to this subsection shall be subject to  
11 such proportionate reductions in amount as relate to the claimant's  
12 number of days as an owner of the homestead during the tax  
13 year.](Deleted by amendment, P.L.2004, c. (now pending before the  
14 Legislature as this bill).)

15 h. (1) For the [2001]2005 tax year and each tax year thereafter,  
16 the director shall annually recompute the minimum and maximum  
17 homestead rebate ranges set forth in subsection a. of this section by  
18 multiplying the [maximum]homestead rebate ranges allowed in the  
19 prior tax year by the cost-of- living adjustment, and recomputing the  
20 new [maximum] homestead rebate ranges for the current tax year.  
21 The director shall round the recomputed [maximum] homestead  
22 rebate [amount] ranges to the next highest multiple of \$5.

23 (2) "Cost-of-living adjustment" for any tax year means the factor  
24 calculated by dividing the consumer price index for all urban  
25 consumers for the nation, as prepared by the United States Department  
26 of Labor as of the close of the 12-month period ending on August 31  
27 of the tax year, by that index as of the close of the 12-month period  
28 ending on August 31 of the calendar year preceding the tax year in  
29 which the recomputation of the [maximum]homestead rebate ranges  
30 is made.

31 (cf: P.L.2001, c.159, s.1)

32

33 5. Section 4 of P.L.1990, c.61 (C.54:4-8.60) is amended to read as  
34 follows:

35 4. a. A resident of this State who is 65 years of age or older at the  
36 close of the tax year, or who is allowed to claim a personal deduction  
37 as a blind or disabled taxpayer pursuant to subsection b. of  
38 N.J.S.54A:3-1, whose homestead is a unit of residential rental  
39 property shall be allowed a homestead rebate for the tax year equal to  
40 the <sup>1</sup>sum of the following two amounts: the<sup>1</sup> amount by which the  
41 claimant's rent constituting property taxes in that tax year exceeds 5%  
42 of the claimant's gross income, rounded to the nearest whole dollar [,  
43 up to a maximum homestead rebate of \$500 for each tax year through  
44 the 1999 tax year, \$750 for the 2000 tax year, and for each tax year  
45 thereafter the director shall recompute the maximum homestead rebate  
46 by multiplying the maximum homestead rebate allowed in the prior tax

1 year by the cost-of-living adjustment, provided] <sup>1</sup>, plus the amount of  
2 \$50<sup>1</sup> . For the tax year 2003 the homestead rebate shall be not more  
3 than <sup>1</sup>[\$775] \$825<sup>1</sup> or less than ~~[\$100]~~ \$150<sup>1</sup> which maximum  
4 homestead rebate shall be subject to the cost-of-living adjustment for  
5 each tax year thereafter as provided in subsection g. of this section.  
6 Provided further, that for each tax year the following gross income  
7 limits apply:

8 (1) in the case of a married couple filing a joint New Jersey gross  
9 income tax return or an individual filing a return who determines gross  
10 income tax pursuant to subsection a. of N.J.S.54A:2-1, gross income  
11 does not exceed \$70,000 for that year, or such individual or  
12 individuals not required to file a gross income tax return because their  
13 gross income was below the minimum taxable income threshold  
14 established in N.J.S.54A:2-4 and N.J.S.54A:8-3.1;

15 (2) in the case of an unmarried individual who determines gross  
16 income tax pursuant to subsection b. of N.J.S.54A:2-1, gross income  
17 does not exceed \$35,000 for that year, or such individual not required  
18 to file a gross income tax return because their gross income was below  
19 the minimum taxable income threshold established in N.J.S.54A:2-4  
20 and N.J.S.54A:8-3.1;

21 (3) in the case of a married individual filing a separate New Jersey  
22 gross income tax return, if the spouse of the claimant maintains the  
23 same homestead as the claimant and also files a separate gross income  
24 tax return in this State, the combined gross income of both spouses  
25 does not exceed \$70,000 for that year, or such individual or  
26 individuals not required to file a gross income tax return because their  
27 gross income was below the minimum taxable income threshold  
28 established in N.J.S.54A:2-4 and N.J.S.54A:8-3.1, but in no event  
29 shall the homestead rebate claimed under this subsection exceed  
30 one-half of the amount of the homestead rebate allowable had the  
31 spouses filed a joint return and homestead rebate application; and

32 (4) in the case of a married individual filing a separate gross  
33 income tax return and maintaining a homestead apart from that  
34 individual's spouse, gross income does not exceed \$35,000 for that  
35 year, or such individual not required to file a gross income tax return  
36 because their gross income was below the minimum taxable income  
37 threshold established in N.J.S.54A:2-4 and N.J.S.54A:8-3.1.

38 b. If more than one resident, other than a husband and wife, qualify  
39 for a homestead rebate by reason of their having occupied the same  
40 unit of residential rental property as their homestead, it shall be  
41 presumed that each claimant shall be allowed a homestead rebate  
42 pursuant to this section only in relation to the individual's  
43 proportionate share of the total rent constituting property taxes paid  
44 by that claimant which homestead rebate shall be in proportion to the  
45 percentage that the total rent paid by that claimant bears to the total  
46 rent paid by all tenants of the same unit. For the purposes of a

1 homestead rebate claimed by an individual subject to this subsection,  
2 the names and social security numbers of each co-tenant shall be  
3 reported by the claimant and the total rent paid shall be presumed to  
4 be paid in equal parts among all co-tenants.

5 c. If a claimant for a tax year 2003 homestead rebate pursuant to  
6 this section has no other homestead in this State other than a unit of  
7 residential rental property, and that claimant was not a resident of this  
8 State for the full tax year, but paid rent for the full tax year for one or  
9 more units of residential rental property in this State, the claimant's  
10 total homestead rebate otherwise calculated pursuant to this section  
11 shall be prorated in the proportion which the number of days the  
12 claimant occupied residential rental property in this State as a  
13 homestead during the tax year bears to 365 days. A claimant for a  
14 homestead rebate pursuant to this section for tax year 2004 and any  
15 tax year thereafter shall meet all the prerequisites for the homestead  
16 occupied as such at 12:01 a.m. on October 1 of the tax year.

17 d. Nothing in this section shall preclude a co-tenant, other than a  
18 husband or wife claiming a homestead rebate on the same homestead,  
19 from receiving a homestead rebate determined pursuant to [subsection  
20 e. or f. of] this section if another co-tenant claims a rebate pursuant  
21 to [subsection a. of] this section, provided however, that each such  
22 claim shall be separately subject to the provisions of subsections b. and  
23 c. of this section.

24 e. [(1) Notwithstanding the provisions of subsection a. of this  
25 section to the contrary, a homestead rebate shall be allowed for a  
26 resident of this State who is 65 years of age or older at the close of the  
27 tax year, or who is allowed to claim a personal deduction as a blind or  
28 disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1, whose  
29 homestead is a unit of residential rental property which shall not be  
30 less than:

31 (a) the greater of either the amount determined pursuant to  
32 subsection f. of this section or \$65 for property taxes paid through  
33 rent on the homestead for the tax year if the claimant's gross income  
34 does not exceed \$70,000 for that year; or

35 (b) the greater of either the amount determined pursuant to  
36 subsection f. of this section or \$35 for property taxes paid through  
37 rent on the homestead for the tax year if the claimant's gross income  
38 exceeds \$70,000 but does not exceed \$100,000 for that year.

39 (2) If a claimant who is eligible to receive a homestead rebate in an  
40 amount set forth in paragraph (1) of this subsection paid rent for less  
41 than the full tax year on one or more homesteads in this State  
42 maintained as such for less than the full tax year, the homestead rebate  
43 amount set forth in paragraph (1) shall be prorated in the proportion  
44 which the number of days that the homestead was maintained during  
45 the tax year bears to 365 days. A claim for a homestead rebate in an  
46 amount set forth in paragraph (1) of this subsection shall be subject to

1 such further proportionate reduction as may be required pursuant to  
2 subsections b. and c. of this section. A homestead rebate in an amount  
3 set forth in paragraph (1) of this subsection subject to any  
4 proportionate reduction shall be rounded to the nearest whole dollar.  
5 A claim for a homestead rebate in an amount set forth in paragraph (1)  
6 of this subsection based upon a homestead maintained by both spouses  
7 shall be determined based upon the combined gross income of both  
8 spouses regardless of whether the claimants filed a joint New Jersey  
9 gross income tax return or separate New Jersey gross income tax  
10 returns for the tax year.] (Deleted by amendment, P.L.2004, c. (now  
11 pending before the Legislature as this bill).)

12 f. Notwithstanding any provisions of subsection a. of this section  
13 to the contrary,

14 (1) A resident of this State whose homestead is a unit of residential  
15 rental property,

16 (a) who is 65 years of age or older at the close of the tax year, or  
17 who is allowed to claim a personal deduction as a blind or disabled  
18 taxpayer pursuant to subsection b. of N.J.S.54A:3-1, who has gross  
19 income for the tax year in excess of the gross income limits in  
20 subsection a. but not in excess of \$100,000 for that year; or

21 (b) who is not 65 years of age or older at the close of the tax year,  
22 or who is not allowed to claim a personal deduction as a blind or  
23 disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1, who has  
24 gross income for the tax year, who has gross income not in excess of  
25 \$100,000 for that year,

26 shall be allowed a homestead rebate pursuant to this subsection of  
27 [\$30 for property taxes paid through rent during the 1998 tax year,  
28 \$40 for property taxes paid through rent during the 1999 tax year,]  
29 <sup>1</sup>[\$100] \$150<sup>1</sup> for property taxes paid through rent during the [2000]  
30 2003 tax year and for any tax year thereafter, provided however, that  
31 the homestead rebate allowed pursuant to this subsection shall be  
32 subject to the limitations and reductions as may apply pursuant to the  
33 provisions of subsections b. and c. and d. of this section [and such  
34 proportionate reduction as may relate to the number of days the  
35 claimant was a tenant in a unit of residential rental property maintained  
36 as a homestead in this State during the tax year].

37 (2) The gross income limit imposed in paragraph (1) of this  
38 subsection for a claim for a homestead rebate made pursuant to this  
39 subsection that is based upon a homestead maintained by both spouses  
40 shall be based upon the combined gross income of both spouses if the  
41 claimants filed a joint New Jersey gross income tax return for the tax  
42 year. If a claim by a married individual for a homestead rebate made  
43 pursuant to this subsection is based upon a homestead maintained by  
44 both spouses who each file separate New Jersey gross income tax  
45 returns for the tax year, no homestead rebate for the tax year shall be  
46 paid to either spouse if their combined gross income exceeds the gross

1 income limit imposed in paragraph (1) of this subsection. For such a  
2 claim, if the combined gross income of both spouses does not exceed  
3 the gross income limit imposed in paragraph (1) of this subsection,  
4 then each such spouse making a claim shall be allowed a homestead  
5 rebate amount equal to one-half of the homestead rebate amount  
6 otherwise allowed pursuant to this subsection.

7 g. (1) For the [2001] 2005 tax year and each tax year thereafter,  
8 the director shall annually recompute the maximum homestead rebate  
9 set forth in subsection a. of this section by multiplying the maximum  
10 homestead rebate allowed in the prior tax year by the cost-of- living  
11 adjustment, and recomputing the new maximum homestead rebate for  
12 the current tax year. The director shall round the recomputed  
13 maximum homestead rebate amount to the next highest multiple of \$5.

14 (2) "Cost-of-living adjustment" for any tax year means the factor  
15 calculated by dividing the consumer price index for all urban  
16 consumers for the nation, as prepared by the United States Department  
17 of Labor as of the close of the 12-month period ending on August 31  
18 of the tax year, by that index as of the close of the 12-month period  
19 ending on August 31 of the calendar year preceding the tax year in  
20 which the recomputation of the maximum homestead rebate is made.  
21 (cf: P.L.2001, c.159, s.2)

22

23 6. Section 5 of P.L.1990, c.61 (C.54:4-8.61) is amended to read as  
24 follows:

25 5. a. [A resident of this State who is 65 years of age or older at the  
26 close of the tax year, or who is allowed to claim a personal deduction  
27 as a blind or disabled taxpayer pursuant to subsection b. of  
28 N.J.S.54A:3-1, who is a resident of this State for the full tax year for  
29 which a homestead rebate is claimed, whose homestead has been other  
30 than a unit of residential rental property for a part of the tax year and  
31 has been a unit of residential rental property for the remainder of that  
32 year, shall be allowed a homestead rebate for that tax year equal to the  
33 amount by which the sum of the actual property taxes paid by the  
34 claimant and the rent constituting property taxes paid by the claimant  
35 in that tax year exceeds 5% of the claimant's gross income, rounded to  
36 the nearest whole dollar, up to a maximum homestead rebate of \$500  
37 for each tax year through the 1999 tax year, \$750 for the 2000 tax  
38 year, and for each tax year thereafter the director shall recompute the  
39 maximum homestead rebate by multiplying the maximum homestead  
40 rebate allowed in the prior tax year by the cost-of-living adjustment,  
41 provided that:

42 (1) in the case of a married couple filing a joint New Jersey gross  
43 income tax return or an individual filing a return who determines gross  
44 income tax pursuant to subsection a. of N.J.S.54A:2-1, gross income  
45 does not exceed \$70,000 for that year;

46 (2) in the case of an unmarried individual who determines gross

1 income tax pursuant to subsection b. of N.J.S.54A:2-1, gross income  
2 does not exceed \$35,000 for that year;

3 (3) in the case of a married individual filing a separate New Jersey  
4 gross income tax return, if the spouse of the claimant maintains the  
5 same homestead as the claimant and also files a separate gross income  
6 tax return in this State, the combined gross income of both spouses  
7 does not exceed \$70,000, but in no event shall the homestead rebate  
8 claimed under this subsection exceed one-half of the amount of the  
9 homestead rebate allowable had the spouses filed a joint return and  
10 rebate application; and

11 (4) in the case of a married individual filing a separate gross income  
12 tax return and maintaining a homestead apart from that individual's  
13 spouse, gross income does not exceed \$35,000.] For tax year 2003,  
14 the director shall determine the amount of the homestead rebate that  
15 shall be paid to an applicant who was a resident of this State for the  
16 full tax year and whose homestead has been other than a unit of  
17 residential rental property for a part of the tax year and has been a unit  
18 of residential rental property for the remainder of that year, based  
19 upon a proportionate application of the provisions of both section 3 of  
20 P.L.1990, c.61 (C.54:4-8.59 and section 4 of P.L.1990, c.61 (C.54:4-  
21 8.60) as may apply for each part of the tax year, and based upon the  
22 information provided by the individual applicant in the applicant's  
23 application or from any other information as may be available to the  
24 director.

25 b. [(1) Notwithstanding the provisions of subsection a. of this  
26 section to the contrary, a homestead rebate shall be allowed for a  
27 resident of this State who is 65 years of age or older at the close of the  
28 tax year, or who is allowed to claim a personal deduction as a blind or  
29 disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1, who is  
30 a resident of this State for the full tax year for which a homestead  
31 rebate is claimed, who has paid property taxes on a homestead other  
32 than a unit of residential rental property for a part of the tax year and  
33 has paid property taxes through rent on a unit of residential rental  
34 property for the remainder of that year, which shall not be less than:

35 (a) the sum of that portion of \$150 which the number of days that  
36 the claimant's homestead was other than a unit of residential rental  
37 property bears to 365 days and that portion of the amount determined  
38 pursuant to paragraph (1) of subsection e. of section 4 of P.L.1990,  
39 c.61 (C.54:4-8.60) which the number of days that the claimant's  
40 homestead was a unit of residential rental property bears to 365 days,  
41 if the claimant's gross income does not exceed \$70,000 for that year;  
42 or

43 (b) the sum of that portion of \$100 which the number of days that  
44 the claimant's homestead was other than a unit of residential rental  
45 property bears to 365 days and that portion of the amount determined  
46 pursuant to paragraph (1) of subsection e. of section 4 of P.L.1990,

1 c.61 (C.54:4-8.60) which the number of days that the claimant's  
2 homestead was a unit of residential rental property bears to 365 days,  
3 if the claimant's gross income exceeds \$70,000 but does not exceed  
4 \$100,000 for that year.

5 (2) A claim for a homestead rebate pursuant to this subsection shall  
6 first be subject to such further proportionate reductions to the  
7 respective portions of the sums determined pursuant to subparagraph  
8 (a) or (b) of paragraph (1) of this subsection as may be required  
9 pursuant to subsections c. and d. of section 3 of P.L.1990, c.61  
10 (C.54:4-8.59) and subsections b. and c. of section 4 of P.L.1990, c.61  
11 (C.54:4-8.60). A homestead rebate determined pursuant to this  
12 subsection shall be rounded to the nearest whole dollar. A claim for  
13 a homestead rebate determined pursuant to this subsection based upon  
14 a homestead maintained by both spouses shall be determined based  
15 upon the combined gross income of both spouses regardless of  
16 whether the claimants filed a joint New Jersey gross income tax return  
17 or separate New Jersey gross income tax returns for the tax year.]  
18 For tax year 2003, the director shall determine the amount of the  
19 homestead rebate that shall be paid to an applicant who was a resident  
20 of this State for less than the full tax year, and whose homestead has  
21 been other than a unit of residential rental property for a part of the  
22 tax year and has been a unit of residential rental property for the  
23 remainder of that year, based upon a proportionate application of the  
24 provisions of both section 3 of P.L.1990, c.61 (C.54:4-8.59 and  
25 section 4 of P.L.1990, c.61 (C.54:4-8.60) as may apply for each part  
26 of the tax year, and based upon the information provided by the  
27 individual applicant in the applicant's application or from any other  
28 information as may be available to the director.

29 c. [A claim for a homestead rebate for a resident of this State who  
30 is not 65 years of age or older at the close of the tax year, and who is  
31 not allowed to claim a personal deduction as a blind or disabled  
32 taxpayer pursuant to subsection b. of N.J.S.54A:3-1, who is a resident  
33 of this State for the full tax year for which a homestead rebate is  
34 claimed, who has paid property taxes on a homestead other than a unit  
35 of residential rental property for a part of the tax year and has paid  
36 property taxes through rent on a unit of residential rental property for  
37 the remainder of that year shall be determined based upon the sum of:

38 (1) a homestead rebate determined under subsection g. of section  
39 3 of P.L.1990, c.61 (C.54:4-8.59), as may apply, subject to such  
40 proportionate reduction as relates to the number of days that the  
41 claimant's homestead was other than a unit of residential rental  
42 property bears to 365 days; and

43 (2) a homestead rebate determined under subsection f. of section 4  
44 of P.L.1990, c.61 (C.54:4-8.60), as may apply, subject to such  
45 proportionate reduction as relates to the number of days that the  
46 claimant's homestead was a unit of residential rental property bears to

1 365 days.] (Deleted by amendment, P.L.2004, c. (now pending  
2 before the Legislature as this bill).)

3 d. [(1) For the 2001 tax year and each tax year thereafter, the  
4 director shall annually recompute the maximum homestead rebate by  
5 multiplying the maximum homestead rebate allowed in the prior tax  
6 year by the cost-of-living adjustment, and recomputing the new  
7 maximum homestead rebate for the current tax year. The director  
8 shall round the recomputed maximum homestead rebate amount to the  
9 next highest multiple of \$5.

10 (2) "Cost-of-living adjustment" for any tax year means the factor  
11 calculated by dividing the consumer price index for all urban  
12 consumers for the nation, as prepared by the United States Department  
13 of Labor as of the close of the 12-month period ending on August 31  
14 of the tax year, by that index as of the close of the 12-month period  
15 ending on August 31 of the calendar year preceding the tax year in  
16 which the recomputation of the maximum homestead rebate is made.]  
17 (Deleted by amendment, P.L.2004, c. (now pending before the  
18 Legislature as this bill).)  
19 (cf: P.L. 2001, c.159, s.3)

20

21 7. Section 6 of P.L.1990, c.61 (C.54:4-8.62) is amended to read as  
22 follows:

23 6. a. No [NJ SAVER rebate or] homestead rebate shall be  
24 allowed pursuant to this act except upon annual application therefor,  
25 in any manner, upon any form, and in any format, whether in writing  
26 or otherwise, as shall be prescribed by the director. The director may  
27 require a claimant for a homestead rebate to attach to the homestead  
28 rebate application a copy of the appropriate property tax bill or proof  
29 of rent paid for the prior tax year. The director may require such  
30 other verification of eligibility for [an NJ SAVER rebate or] a  
31 homestead rebate as the director may deem necessary. The director  
32 may require that the application for a homestead rebate for a unit of  
33 residential rental property authorized pursuant to section 4 of  
34 P.L.1990, c.61 (C.54:4-8.60) shall be submitted (1) as part of the  
35 claimant's gross income tax return filed pursuant to the "New Jersey  
36 Gross Income Tax Act," N.J.S.54A:1-1 et seq., or, (2) on any other  
37 form, in any manner or format and at any time and prior to any date as  
38 the director shall prescribe if (a) the claimant is not required to file a  
39 gross income tax return or (b) the claimant has filed an application for  
40 extension of time to file the claimant's gross income tax return. The  
41 director may require that the application for [an NJ SAVER] a  
42 homestead rebate authorized pursuant to section 3 of P.L.1990, c.61  
43 (C.54:4-8.59) shall be submitted (1) as part of the applicant's gross  
44 income tax return filed pursuant to the "New Jersey Gross Income Tax  
45 Act," N.J.S.54A:1-1 et seq., or (2) on any other form, in any other  
46 format and at any time and prior to any date as the director shall

1 prescribe. The director shall, for good cause shown, extend the time  
2 of any applicant to file a claim for [an NJ SAVER rebate or] a  
3 homestead rebate for a reasonable period, and in such case, the  
4 application shall be processed and payment of [an NJ SAVER or] a  
5 homestead rebate made in accordance with the procedures established  
6 in the case of applications timely filed, except the date for payment of  
7 the rebate may be delayed for a reasonable period. If an applicant or  
8 an applicant's spouse has filed an application for an extension of time  
9 to file a gross income tax return, the date by which the applicant shall  
10 file the homestead rebate application may, in the discretion of the  
11 director, be extended for a reasonable period, and the date for the  
12 payment of the rebate may be delayed for a reasonable period. The  
13 director may require sworn applications. In the event that the director  
14 waives the requirement of sworn applications, all declarations by  
15 claimants shall be considered as if made under oath and claimants, as  
16 to false declarations, shall be subject to the penalties as provided by  
17 law for perjury.

18 For the purposes of this subsection, in order to establish good cause  
19 to extend the time of any applicant to file a claim for a homestead  
20 rebate the applicant shall provide to the director either medical  
21 evidence, such as a doctor's certification, that the claimant was unable  
22 to file the claim by the date prescribed by the director because of  
23 illness or hospitalization, or evidence that the applicant attempted to  
24 file a timely application. Except as may be established by medical  
25 evidence of inability to file a claim, good cause shall not be established  
26 due to a claimant not having received an application from the director.

27 b. Upon approval of [NJ SAVER and] homestead rebate  
28 applications by the director, the director shall prepare lists of  
29 individuals entitled to a rebate, together with the respective amounts  
30 due each claimant and shall forward such lists to the State Treasurer,  
31 the Director of the Division of Budget and Accounting and any other  
32 officials as the director deems appropriate on or before the earliest of  
33 such date or dates as may be convenient for the director to compile  
34 such lists. The director may inspect all records in the offices of the tax  
35 collector and tax assessor of a municipality with respect to  
36 applications, claims and allowances for [NJ SAVER rebates and]  
37 homestead rebates.

38 c. If [an NJ SAVER or] a homestead rebate application contains  
39 a claim for a rebate that is incorrectly determined by the claimant or  
40 is based upon incorrect or insufficient information from which the  
41 director is to approve the claim, the director may determine the  
42 eligibility of the claimant for [an NJ SAVER or] a homestead rebate  
43 and the correct amount of [an NJ SAVER or] a homestead rebate to  
44 be paid to that claimant from such other information as may be  
45 available to the director. In addition, the director may adjust the  
46 amount of any [NJ SAVER or] homestead rebate to which a claimant

1 may be entitled by any part of the amount of any previous [NJ SAVER  
2 or] homestead rebate erroneously claimed by and paid to that  
3 claimant.

4 d. In the case of a claimant for [an NJ SAVER rebate or] a  
5 homestead rebate whose homestead is a unit in a cooperative, mutual  
6 housing corporation or continuing care retirement community, the  
7 director may provide that the application shall include the name and  
8 address of the location of the property and the amount of real property  
9 taxes attributed to the cooperative, mutual housing residential unit or  
10 continuing care retirement community residential unit, as shall be  
11 indicated in an official notice which shall be furnished by the  
12 cooperative, mutual housing corporation or continuing care retirement  
13 community for the same year.

14 e. A [n NJ SAVER rebate or a] homestead rebate shall be allowed  
15 pursuant to this act for a claimant whose ownership of an interest in  
16 a homestead is satisfied by the holding of the beneficial interest if legal  
17 title thereto or share therein is held by another for the benefit of the  
18 claimant.

19 f. All provisions of this section shall apply to NJ SAVER rebate  
20 applications filed for and paid as homestead rebates for tax year 2003.

21 <sup>1</sup>(g) The director may, in writing, require the owner of residential  
22 rental property upon which property tax is not assessed, and the  
23 owner's agents and representatives, to provide the names of residents  
24 and tenants on the residential rental property and such other  
25 information, in such form, as the director deems reasonable to ensure  
26 that no claimant claiming a unit of that residential rental property as  
27 a homestead under this act receives a homestead rebate for which the  
28 claimant is not eligible. Any individual or entity failing to provide the  
29 required information within 60 days of the written request of the  
30 director shall be liable, in the discretion of the director, to a penalty of  
31 up to \$500 for each month that the required information is not  
32 provided, unless it is shown that such failure is due to reasonable  
33 cause and not to willful neglect.<sup>1</sup>

34 (cf: P.L.1999, c.63, s.8)

35

36 8. Section 7 of P.L.1990, c.61 (C.54:4-8.63) is amended to read as  
37 follows:

38 7. The State Treasurer annually on or before October 31, upon  
39 certification of the director and upon warrant of the State Comptroller,  
40 shall pay and distribute the amount of [the NJ SAVER rebate or  
41 homestead] a homestead rebate payable under this act that is claimed  
42 for the prior tax year to each claimant whose [NJ SAVER rebate or  
43 homestead] rebate is approved by the director.

44 (cf: P.L.1999, c.63, s.9)

45

46 9. Section 8 of P.L.1990, c.61 (C.54:4-8.64) is amended to read as

1 follows:

2 8. a. The tax collector of each municipality shall, on or before May  
3 15 of each year, furnish the director with a list of property taxpayers  
4 in the district delinquent for taxes due and payable for the year  
5 immediately preceding and the amounts of such delinquencies. The  
6 collector shall report on such list the name, lot and block number on  
7 the property tax duplicate as may be applicable, and the address of  
8 each owner to whom a delinquency is attributable together with the  
9 amount of such delinquency so identified. No [NJ SAVER rebate or]  
10 homestead rebate payment under this act shall be made to a property  
11 owner while that property owner's delinquency remains, provided  
12 however that for the purposes of this act, for an assessment on a  
13 property which is on appeal and for which the statutory percentage of  
14 the tax as provided in R.S.54:3-27 has been paid, the taxes assessed  
15 on that property shall not be regarded as delinquent.

16 b. If the director receives the list as provided for in subsection a.  
17 of this section, and the director determines that a property tax  
18 delinquency remains for the preceding tax year on May 15, the director  
19 shall ascertain the amount of the [NJ SAVER rebate or] homestead  
20 rebate [, or the amount of both,] required to be withheld because of  
21 such delinquency in each municipality in the State, and shall certify  
22 such amounts to the State Treasurer as soon thereafter as may be  
23 practicable.

24 c. On or before November 15, the director shall notify each [NJ  
25 SAVER rebate and] homestead rebate claimant whose rebate [or  
26 rebates have] has been withheld because of delinquency that the  
27 amount of the rebate [or rebates] to which the claimant otherwise  
28 would have been entitled has been sent to the tax collector in the  
29 municipality to be credited against the claimant's delinquency.

30 d. Upon certification by the director as to the amount of [NJ  
31 SAVER and] homestead rebates required to be withheld because of  
32 delinquency in the several municipalities, the State Treasurer upon the  
33 warrant of the State Comptroller, shall pay such amount on or before  
34 October 30 to the tax collector in each municipality.

35 e. The tax collector in each municipality shall credit the tax  
36 delinquency of each property taxpayer who appears on the delinquency  
37 list set forth in subsection a. of this section in the amount that  
38 otherwise would have been returned to the property taxpayer as [an  
39 NJ SAVER rebate or] a homestead rebate. In the event that the  
40 amount so credited exceeds the amount of delinquency, the tax  
41 collector may return the difference to the taxpayer or credit such  
42 amount to the subsequent property tax bill.

43 f. In the case of delinquency in the payment of property taxes by  
44 a cooperative, mutual housing corporation or continuing care  
45 retirement community, [an NJ SAVER rebate or] a homestead rebate

1 that may be due an individual resident shall be paid by the State  
2 Treasurer to the tax collector of the municipality. The tax collector  
3 shall credit the cooperative, mutual housing corporation or continuing  
4 care retirement community with such payment and the cooperative,  
5 mutual housing corporation or continuing care retirement community  
6 shall, in turn, credit the individual unit owner to the extent of the  
7 rebate and notify the applicant of the amount to be credited.

8 g. If a tax collector fails to comply with the provisions of  
9 subsection a. of this section requiring the tax collector to furnish the  
10 director with a list, on or before May 15 of each year, of property  
11 taxpayers in the district delinquent for taxes due and payable for the  
12 year immediately preceding and the amounts of such delinquencies, the  
13 director shall pay the [NJ SAVER rebate or] homestead rebate  
14 directly to the delinquent applicant rather than to the tax collector of  
15 the municipality as set forth in subsection d. of this section.

16 h. All provisions of this section shall apply to NJ SAVER rebate  
17 applications filed for and paid as homestead rebates for tax year 2003.  
18 (cf: P.L.1999, c.63, s.10)

19  
20 10. Section 9 of P.L.1990, c.61 (C.54:4-8.65) is amended to read  
21 as follows:

22 9. The [NJ SAVER rebate and] homestead [rebate] rebates  
23 authorized under this act shall not be subject to garnishment,  
24 attachment, execution or other legal process, except as provided in  
25 section 1 of P.L.1981, c.239 (C.54A:9-8.1), or except for an income  
26 withholding order issued pursuant to P.L.1981, c.417 (C.2A:17-56.8  
27 et seq.), nor shall the payment thereof be anticipated.  
28 (cf: P.L.1999, c.63, s.11)

29  
30 11. Section 1 of P.L.1981, c.239 (C.54A:9-8.1) is amended to read  
31 as follows:

32 1. Whenever any taxpayer or resident shall be entitled to any  
33 refund of taxes pursuant to the "New Jersey Gross Income Tax Act"  
34 (N.J.S.54A:1-1 et seq.), including an earned income tax credit  
35 provided as a refund pursuant to P.L.2000, c.80 (C.54A:4-6 et al.), or  
36 whenever any individual is eligible to receive [an NJ SAVER rebate  
37 or] a homestead rebate pursuant to P.L.1990, c.61 (C.54:4-8.57 et al.)  
38 [or], P.L.1999, c.63 (C.54:4-8.58a et al.) or P.L.2004, c. (now  
39 pending before the Legislature as this act), and if the rebate is not  
40 required to be paid over to the municipal tax collector under the  
41 provisions of section 8 of P.L.1990, c.61 (C.54:4-8.64), and at the  
42 same time the taxpayer or resident shall be indebted to any agency or  
43 institution of State Government, to the Victims of Crime  
44 Compensation Board for the portion of an assessment ordered  
45 pursuant to N.J.S.2C:43-3.1 for deposit in the Victims of Crime  
46 Compensation Board Account or restitution ordered to be paid to the

1 board pursuant to N.J.S.2C:44-2 for deposit in the Victims of Crime  
2 Compensation Board Account, or for child support under Title IV-A,  
3 Title IV-D, or Title IV-E of the federal Social Security Act (42 U.S.C.  
4 s.601 et seq.), or other indebtedness in accordance with section 1 of  
5 P.L.1995, c.290 (C.2A:17-56.11b) the Department of the Treasury  
6 shall apply or cause to be applied the refund, [NJ SAVER rebate or]  
7 homestead rebate, or all, or so much of any or all as shall be necessary,  
8 to satisfy the indebtedness. Child support indebtedness shall take  
9 precedence over all other indebtedness. The Department of the  
10 Treasury shall retain a percentage of the proceeds of any collection  
11 setoff as shall be necessary to provide for any expenses of the  
12 collection effort.

13 (cf: P.L.2000, c.80, s.7)

14

15 12. Section 10 of P.L.1990, c.61 (C.54:4-8.66) is amended to read  
16 as follows:

17 10. a. (1) The director shall determine the amount of the rebate,  
18 if any, that shall be paid to each claimant pursuant to P.L.1990, c.61  
19 (C.54:4-8.57 et seq.) based upon the information provided by the  
20 individual applicant in the application or from any other information  
21 as may be available to the director and shall notify the applicant of the  
22 determined amount in the form of the homestead rebate check or in  
23 any other manner as the director may deem appropriate. Subject to  
24 the provisions of the State Uniform Tax Procedure Law, R.S. 54:48-1  
25 et seq., such notification shall finally and irrevocably fix the amount of  
26 the rebate unless the applicant, within 90 days after having been given  
27 notice of such determination, shall apply to the director for a hearing,  
28 or unless the director shall redetermine the same. After such hearing  
29 the director shall give notice of the final determination to the  
30 applicant.

31 (2) An applicant for [an NJ SAVER rebate or a] homestead a  
32 rebate authorized under this act who is aggrieved by [the] any  
33 decision, order, finding, or denial by the director of all or part of that  
34 applicant's [NJ SAVER or] homestead rebate may [protest the denial  
35 under procedures as may be determined by the director by regulation.  
36 If the protest results in a final determination that affirms or modifies  
37 the denial under review, the final determination shall be subject to  
38 judicial review pursuant to N.J.S.54:51A-13 et seq. in] appeal  
39 therefrom to the New Jersey Tax Court [within 90 days of the  
40 issuance of the final determination] in accordance with the provisions  
41 of the State Uniform Tax Procedure Law, R.S. 54-48-1 et seq.

42 b. The appeal provided by this section shall be the exclusive  
43 remedy available to an applicant for review of a decision of the  
44 director in respect to the [denial] determination of all or part of [an  
45 NJ SAVER rebate or] a homestead rebate authorized under this act.

1 (cf: P.L.1999, c.63, s.13)

2

3 13. Section 14 of P.L.1999, c.63 (C.54:4-66a) is amended as  
4 follows:

5 14. Any individual who receives [an NJ SAVER rebate or] a  
6 homestead rebate otherwise authorized under this act but as a result  
7 of an intentional misrepresentation of a material fact shall be required  
8 to repay to the director the amount of the [NJ SAVER rebate or]  
9 homestead rebate and shall be liable to a penalty equal to 150% of the  
10 amount of the [NJ SAVER rebate or] homestead rebate paid as a  
11 result of that misrepresentation.

12 (cf: P.L.1999, c.63, s.14)

13

14 14. Section 15 of P.L.1999, c.63 (C.54:4-66b) is amended as  
15 follows:

16 15. Any person who receives [an NJ SAVER rebate or] a  
17 homestead rebate otherwise authorized under this act but which has  
18 been paid in error and which is recoverable by the director, and fails  
19 to return the payment within 45 days of receiving notice from the  
20 director that such payment was erroneous, shall pay, in addition to the  
21 amount of the erroneous rebate, interest at the rate prescribed in  
22 R.S.54:49-3, assessed for each month or fraction thereof, compounded  
23 annually at the end of each year, from the date next following the 45th  
24 day after receiving the notice from the director that such payment was  
25 erroneous until the date of the return of the erroneous payment.

26 (cf: P.L.1999, c.63, s.15)

27

28 15. Section 16 of P.L.1999, c.63 (C.54:4-66c) is amended as  
29 follows:

30 16. [An NJ SAVER rebate or] A homestead rebate paid as a result  
31 of misrepresentation or paid in error and any penalties and interest as  
32 imposed thereon by this act, shall be payable to and recoverable by the  
33 director in the same manner as a deficiency with respect to the  
34 payment of a State tax in accordance with the State Uniform Tax  
35 [Uniform] Procedure Law, R.S.54:48-1 et seq.

36 (cf: P.L.1999, c.63, s.16)

37

38 16. Section 18 of P.L.1999, c.63 (C.54:4-8.66d) is amended to  
39 read as follows:

40 18. The Director of the Division of Taxation in the Department of  
41 the Treasury is empowered to promulgate rules and regulations in  
42 accordance with the "Administrative Procedure Act," P.L.1968, c.410  
43 (C.52:14B-1 et seq.) and to prescribe forms to administer the  
44 provisions of this act. Notwithstanding any provisions of P.L.1968,  
45 c.410 to the contrary, the director may adopt, immediately upon filing  
46 with the Office of Administrative Law, such regulations as the director

1 deems necessary to implement the provisions of P.L.1999, c.63 (C.  
 2 54:4-8.58a et al.) and P.L.2004, c. \_\_\_\_\_ (now pending before the  
 3 Legislature as this bill) which regulations shall be effective for a period  
 4 not to exceed 180 days from the date of the filing. Such regulations  
 5 may thereafter be amended, adopted or readopted by the director as  
 6 the director deems necessary in accordance with the requirements of  
 7 P.L.1968, c.410.  
 8 (cf: P.L.1999, c.63, s.18)

9  
 10 17. N.J.S.54A:2-1. is amended to read as follows:

11 54A:2-1. Imposition of tax. There is hereby imposed a tax for  
 12 each taxable year (which shall be the same as the taxable year for  
 13 federal income tax purposes) on the New Jersey gross income as  
 14 herein defined of every individual, estate or trust (other than a  
 15 charitable trust or a trust forming part of a pension or profit-sharing  
 16 plan), subject to the deductions, limitations and modifications  
 17 hereinafter provided, determined in accordance with the following  
 18 tables with respect to taxpayers' taxable income:

19 a. For married individuals filing a joint return and individuals filing  
 20 as head of household or as surviving spouse for federal income tax  
 21 purposes:

22 (1) for taxable years beginning on or after January 1, 1991 but before  
 23 January 1, 1994:

If the taxable income is:	The tax is:
Not over \$20,000.00....	2% of taxable income
Over \$20,000.00 but not over \$50,000.00.....	\$400.00 plus 2.5% of the excess over \$20,000.00
Over \$50,000.00 but not over \$70,000.00.....	\$1,150.00 plus 3.5% of the excess over \$50,000.00
Over \$70,000.00 but not over \$80,000.00.....	\$1,850.00 plus 5.0% of the excess over \$70,000.00
Over \$80,000.00 but not over \$150,000.00.....	\$2,350.00 plus 6.5% of the excess over \$80,000.00
Over \$150,000.00.....	\$6,900.00 plus 7.0% of the excess over \$150,000.00

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27

1 (2) for taxable years beginning on or after January 1, 1994 but  
2 before January 1, 1995:

3

4 If the taxable income is:           The tax is:

5

6 Not over \$20,000.00..... 1.900% of taxable income

7

8 Over \$20,000.00 but not

9 over \$50,000.00..... \$380.00 plus 2.375% of the  
10 excess over \$20,000.00

11

12 Over \$50,000.00 but not

13 over \$70,000.00..... \$1,092.50 plus 3.325% of the  
14 excess over \$50,000.00

15

16 Over \$70,000.00 but not

17 over \$80,000.00..... \$1,757.50 plus 4.750% of the  
18 excess over \$70,000.00

19

20 Over \$80,000.00 but not

21 over \$150,000.00..... \$2,232.50 plus 6.175% of the  
22 excess over \$80,000.00

23

24 Over \$150,000.00 ..... \$6,555.00 plus 6.650% of the  
25 excess over \$150,000.00

26

27 (3) for taxable years beginning on or after January 1, 1995 but before  
28 January 1, 1996:

29

30 If the taxable income is:           The tax is:

31

32 Not over \$20,000.00..... 1.700% of taxable income

33

34 Over \$20,000.00 but not

35 over \$50,000.00..... \$340.00 plus 2.125% of the  
36 excess over \$20,000.00

37

38 Over \$50,000.00 but not

39 over \$70,000.00..... \$977.50 plus 2.975% of the  
40 excess over \$50,000.00

41

42 Over \$70,000.00 but not

43 over \$80,000.00..... \$1,572.50 plus 4.250% of the  
44 excess over \$70,000.00

45

46 Over \$80,000.00 but not

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28

1	over \$150,000.00.....	\$1,997.50 plus 6.013% of the
2		excess over \$80,000.00
3		
4	Over \$150,000.00 .....	\$6,206.60 plus 6.580% of the
5		excess over \$150,000.00



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1		<u>excess over \$80,000.00</u>
2		
3	<u>Over \$150,000.00 but not</u>	
4	<u>over \$500,000.00 .....</u>	<u>\$5,512.50 plus 6.370% of the</u>
5		<u>excess over \$150,000.00</u>
6		
7	<u>Over \$500,000.00 .....</u>	<u>\$27,807.50 plus 8.970% of the</u>
8		<u>excess over \$500,000.00</u>
9		

10 b. For married individuals filing separately, unmarried individuals  
11 other than individuals filing as head of household or as a surviving  
12 spouse for federal income tax purposes, and estates and trusts:

13  
14 (1) for taxable years beginning on or after January 1, 1991 but before  
15 January 1, 1994:

16		
17	If the taxable income is:	The tax is:
18		
19	Not over \$20,000.00.....	2% of taxable income
20		
21	Over \$20,000.00 but not	
22	over \$35,000.00.....	\$400.00 plus 2.5% of the
23		excess over \$20,000.00
24		
25	Over \$35,000.00 but not	
26	over \$40,000.00.....	\$775.00 plus 5.0% of the
27		excess over \$35,000.00
28		
29	Over \$40,000.00 but not	
30	over \$75,000.00.....	\$1,025.00 plus 6.5% of the
31		excess over \$40,000.00
32		
33	Over \$75,000.00.....	\$3,300.00 plus 7.0% of the
34		excess over \$75,000.00
35		

36 (2) for taxable years beginning on or after January 1, 1994 but  
37 before January 1, 1995:

38		
39	If the taxable income is:	The tax is:
40		
41	Not over \$20,000.00.....	1.900% of taxable income
42		
43	Over \$20,000.00 but not	
44	over \$35,000.00.....	\$380.00 plus 2.375% of the
45		excess over \$20,000.00
46		

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1	Over \$35,000.00 but not	
2	over \$40,000.00.....	\$736.25 plus 4.750% of the
3		excess over \$35,000.00
4		
5	Over \$40,000.00 but not	
6	over \$75,000.00.....	\$973.75 plus 6.175% of the
7		excess over \$40,000.00
8		
9	Over \$75,000.00.....	\$3,135.00 plus 6.650% of the
10		excess over \$75,000.00
11		

12 (3) for taxable years beginning on or after January 1, 1995 but  
13 before January 1, 1996:

14		
15	If the taxable income is:	The tax is:
16		
17	Not over \$20,000.00.....	1.700% of taxable income
18		
19	Over \$20,000.00 but not	
20	over \$35,000.00.....	\$340.00 plus 2.125% of the
21		excess over \$20,000.00
22		
23	Over \$35,000.00 but not	
24	over \$40,000.00.....	\$658.75 plus 4.250% of the
25		excess over \$35,000.00
26		
27	Over \$40,000.00 but not	
28	over \$75,000.00.....	\$871.25 plus 6.013% of the
29		excess over \$40,000.00
30		
31	Over \$75,000.00.....	\$2,975.80 plus 6.580% of the
32		excess over \$75,000.00
33		

34 (4) for taxable years beginning on or after January 1, 1996 but  
35 before January 1, 2004:

36		
37	If the taxable income is:	The tax is:
38		
39	Not over \$20,000.00.....	1.400% of taxable income
40		
41	Over \$20,000.00 but not	
42	over \$35,000.00.....	\$280.00 plus 1.750% of the
43		excess over \$20,000.00
44		
45	Over \$35,000.00 but not	
46	over \$40,000.00.....	\$542.50 plus 3.500% of the

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1		excess over \$35,000.00
2		
3	Over \$40,000.00 but not	
4	over \$75,000.00.....	\$717.50 plus 5.525% of the
5		excess over \$40,000.00
6		
7	Over \$75,000.00.....	\$2,651.25 plus 6.370% of the
8		excess over \$75,000.00
9		
10	<u>(5) for taxable years beginning on or after January 1, 2004:</u>	
11		
12	<u>If the taxable income is:</u>	<u>The tax is:</u>
13		
14	<u>Not over \$20,000.00 .....</u>	<u>1.400% of taxable income</u>
15		
16	<u>Over \$20,000.00 but not</u>	
17	<u>over \$35,000.00 .....</u>	<u>\$280.00 plus 1.750% of the</u>
18		<u>excess over \$20,000.00</u>
19		
20	<u>Over \$35,000.00 but not</u>	
21	<u>over \$40,000.00 .....</u>	<u>\$542.50 plus 3.500% of the</u>
22		<u>excess over \$35,000.00</u>
23		
24	<u>Over \$40,000.00 but not</u>	
25	<u>over \$75,000.00 .....</u>	<u>\$717.50 plus 5.525% of the</u>
26		<u>excess over \$40,000.00</u>
27		
28	<u>Over \$75,000.00 but not</u>	
29	<u>over \$500,000.00 .....</u>	<u>\$2,651.25 plus 6.370% of the</u>
30		<u>excess over \$75,000.00</u>
31		
32	<u>Over \$500,000.00 .....</u>	<u>\$29,723.75 plus 8.970% of the</u>
33		<u>excess over \$500,000.00</u>
34		

35 c. For the purposes of this section, an individual who would be  
36 eligible to file as a head of household for federal income tax purposes  
37 but for the fact that such taxpayer is a nonresident alien, shall  
38 determine tax pursuant to subsection a. of this section.

39 (cf: P.L.1995, c.165, s.1)

40

41 18. (New section) For the purposes of the amendment made to  
42 N.J.S.54A:2-1 in section 17 of P.L.2004, c. (now pending before the  
43 Legislature as this bill), for taxable year 2004, withholding by every  
44 employer from salaries, wages and other remuneration paid by an  
45 employer for services rendered described in subsection a. of  
46 N.J.S.54A:2-1, in excess of \$500,000 during that taxable year, shall be

1 at the rate of 12% as soon as practicable but no later than September  
2 1, 2004. The Director of the Division of Taxation is authorized to do  
3 all things necessary to implement the withholding tax prescribed by  
4 this section for taxable year 2004.

5  
6 19. (New section) All revenue derived annually from the tax rate  
7 change effectuated in the amendment made to N.J.S.54A:2-1 in section  
8 17 of P.L.2004, c. (now pending before the Legislature as this bill)  
9 shall be annually appropriated for direct real property taxpayer relief.

10  
11 20. Section 4 of P.L.1999, c.63 (C.54:4-8.58b) is repealed.

12  
13 21. This act shall take effect <sup>1</sup>**[immediately]** upon the enactment  
14 into law of P.L. , c. (C. ), P.L. , c. (C. ), and P.L. , c. (C. ) (now  
15 pending before the Legislature as Senate Bill No. 1701 or Assembly  
16 Bill No. 99 of 2004, Senate Bill No. 1702 or Assembly Bill No. 98 of  
17 2004, and Senate Bill No. 1787 or Assembly Bill No. 97 of 2004)<sup>1</sup> and  
18 sections 17, 18 and 19 shall apply to taxable years beginning on or  
19 after January 1, 2004.