

SENATE, No. 2012

STATE OF NEW JERSEY
214th LEGISLATURE

INTRODUCED JUNE 3, 2010

Sponsored by:

Senator MICHAEL J. DOHERTY

District 23 (Warren and Hunterdon)

SYNOPSIS

Allows gross income tax refunds to be credited against a taxpayer's delinquent local property taxes.

CURRENT VERSION OF TEXT

As introduced.



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1 AN ACT allowing gross income tax refunds to be credited against a
2 taxpayer's delinquent local property taxes, amending section 1 of
3 P.L.1981, c.239 (C.54A:9-8.1) and section 8 of P.L.1990, c.61
4 (C.54:4-8.64).

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8

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

11 1. a. Whenever any taxpayer or resident shall be entitled to
12 any refund of taxes pursuant to the "New Jersey Gross Income Tax
13 Act" (N.J.S.54A:1-1 et seq.), including an earned income tax credit
14 provided as a refund pursuant to P.L.2000, c.80 (C.54A:4-6 et al.),
15 or whenever any individual is eligible to receive a homestead rebate
16 or credit pursuant to P.L.1990, c.61 (C.54:4-8.57 et al.), P.L.1999,
17 c.63 (C.54:4-8.58a et al.), P.L.2004, c.40 or P.L.2007, c.62
18 (C.18A:7F-37 et al.), and if the refund or homestead rebate or credit
19 is not required to be paid over to the municipal tax collector under
20 the provisions of section 8 of P.L.1990, c.61 (C.54:4-8.64), and at
21 the same time the taxpayer or resident shall be indebted to any
22 agency or institution of State Government, to the Victims of Crime
23 Compensation Board for the portion of an assessment ordered
24 pursuant to section 2 of P.L.1979, c.396 (2C:43-3.1) for deposit in
25 the Victims of Crime Compensation Board Account or restitution
26 ordered to be paid to the board pursuant to N.J.S.2C:44-2 for
27 deposit in the Victims of Crime Compensation Board Account, or
28 for child support under Title IV-A, Title IV-D, or Title IV-E of the
29 federal Social Security Act (42 U.S.C. s.601 et seq.), or other
30 indebtedness in accordance with section 1 of P.L.1995, c.290
31 (C.2A:17-56.11b) the Department of the Treasury shall apply or
32 cause to be applied the refund, homestead rebate or credit, or all, or
33 so much of any or all as shall be necessary, to satisfy the
34 indebtedness. Child support indebtedness shall take precedence
35 over all other indebtedness. The Department of the Treasury shall
36 retain a percentage of the proceeds of any collection setoff as shall
37 be necessary to provide for any expenses of the collection effort.

38 b. A State department or agency which is owed a debt shall
39 notify the Department of the Treasury of the existence of the debt
40 and shall request that the Department of the Treasury execute a
41 setoff as provided for in this section.

42 c. As used in this section, "refund of taxes pursuant to the
43 "New Jersey Gross Income Tax Act" (N.J.S.54A:1-1 et seq.)" or
44 "refund" shall include any interest allowed on a refund of an

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.

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1 overpayment pursuant to subsection f. of N.J.S.54A:9-7.
2 (cf: P.L.2007, c.62, s.38)

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

6 8. a. The tax collector of each municipality shall, on or before
7 April 1 of each year, furnish the director with a list of property
8 taxpayers in the district delinquent for taxes due and payable for the
9 year immediately preceding and the amounts of such delinquencies.
10 The collector shall report on such list the name, lot and block
11 number on the property tax duplicate as may be applicable, and the
12 address of each owner to whom a delinquency is attributable
13 together with the amount of such delinquency so identified. No
14 homestead rebate payment under this act or refund of taxes pursuant
15 to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq.,
16 shall be made to a property owner, and no homestead credit shall be
17 applied as provided in subsection b. of section 7 of P.L.1990, c.61
18 (C.54:4-8.63), while that property owner's delinquency remains;
19 provided however that for the purposes of this act, for an
20 assessment on a property which is on appeal and for which the
21 statutory percentage of the tax as provided in R.S.54:3-27 has been
22 paid, the taxes assessed on that property shall not be regarded as
23 delinquent.

24 b. If the director receives the list as provided for in subsection
25 a. of this section, and the director determines that a property tax
26 delinquency remains for the preceding tax year on April 1, the
27 director shall ascertain the amount of the homestead rebate or credit
28 or refund of taxes pursuant to N.J.S.54A:1-1 et seq., required to be
29 withheld because of such delinquency in each municipality in the
30 State, and shall certify such amounts to the State Treasurer as soon
31 thereafter as may be practicable.

32 c. On or before November 15, the director shall notify each
33 homestead rebate or credit claimant whose rebate or credit has been
34 withheld, or gross income tax taxpayer whose refund has been
35 withheld, because of delinquency that the amount of the rebate or
36 credit or refund to which the claimant or gross income taxpayer
37 otherwise would have been entitled has been sent to the tax
38 collector in the municipality to be credited against the claimant's
39 delinquency.

40 d. Upon certification by the director as to the amount of
41 homestead rebates or credits or refund of taxes pursuant to
42 N.J.S.54A:1-1 et seq., required to be withheld because of
43 delinquency in the several municipalities, the State Treasurer upon
44 the warrant of the Director of the Division of Budget and
45 Accounting, shall pay such amount on or before October 30 to the
46 tax collector in each municipality.

47 e. The tax collector in each municipality shall credit the tax
48 delinquency of each property taxpayer who appears on the

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1 delinquency list set forth in subsection a. of this section in the
2 amount that otherwise would have been returned to the property
3 taxpayer as a homestead rebate or credit or a refund of taxes
4 pursuant to N.J.S.54A:1-1 et seq. In the event that the amount so
5 credited by the tax collector exceeds the amount of delinquency, the
6 tax collector may return the difference to the taxpayer or credit such
7 amount to the subsequent property tax bill.

8 f. In the case of delinquency in the payment of property taxes
9 by a cooperative, mutual housing corporation or continuing care
10 retirement community, a homestead rebate that may be due an
11 individual resident shall be paid by the State Treasurer to the tax
12 collector of the municipality. The tax collector shall credit the
13 cooperative, mutual housing corporation or continuing care
14 retirement community with such payment and the cooperative,
15 mutual housing corporation or continuing care retirement
16 community shall, in turn, credit the individual unit owner to the
17 extent of the rebate and notify the applicant of the amount to be
18 credited.

19 g. If a tax collector fails to comply with the provisions of
20 subsection a. of this section requiring the tax collector to furnish the
21 director with a list, on or before April 1 of each year, of property
22 taxpayers in the district delinquent for taxes due and payable for the
23 year immediately preceding and the amounts of such delinquencies,
24 the director shall refund any taxes pursuant to N.J.S.54A:1-1 et
25 seq., and either pay the homestead rebate directly to the delinquent
26 applicant rather than to the tax collector of the municipality as set
27 forth in subsection d. of this section or provide a credit for the
28 applicant under this act.

29 h. All provisions of this section shall apply to NJ SAVER
30 rebate applications filed for and paid as homestead rebates for tax
31 year 2003.

32 i. As used in this section, "refund of taxes pursuant to
33 N.J.S.54A:1-1 et seq.," or "refund" shall include any interest
34 allowed on a refund of an overpayment pursuant to subsection f. of
35 N.J.S.54A:9-7.

36 (cf: P.L.2007, c.62, s.26)

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38 3. This act shall take effect on July 1, 2010.

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STATEMENT

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43 This bill allows gross income tax refunds to be credited against a
44 taxpayer's delinquent local property taxes in the same manner as is
45 currently allowed for homestead property tax rebates and credits
46 claimed by delinquent property tax taxpayers.