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SYNOPSIS
Provides gross income tax credits for certain taxpayers who donate organs.

CURRENT VERSION OF TEXT
As introduced.

(Sponsorship Updated As Of: 3/24/2017)
AN ACT providing credits against the gross income tax for certain
organ donations, and supplementing chapter 4 of Title 54A of the
New Jersey Statutes.

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

1. a. A taxpayer shall be allowed a credit against the tax
otherwise due under the “New Jersey Gross Income Tax Act,”
N.J.S.54A:1-1 et seq., in an amount equal to $1,000 per taxable year
if the taxpayer donates one or more of the taxpayer’s human organs,
as defined by this section, to another human being for
transplantation or therapy. For purposes of this section, “human
organ” means bone marrow, part of a liver, or all or part of a lung
or a kidney.
b. A credit allowed under this section shall be claimed for the
taxable year in which the organ transplantation occurs. (This credit
may be claimed only once per taxable year.)
c. If the amount of credit allowed pursuant to subsection a. of
this section for a taxable year, together with any other payments or
credits against the tax, reduces the tax liability otherwise due for the
taxable year to zero, any amount of credit remaining shall be paid to
the taxpayer as a refund of an overpayment of tax pursuant to
N.J.S.54A:9-7; provided, however, that subsection (f) of that
section, concerning the allowance of interest, shall not apply.
d. The director shall promulgate procedures and forms by
which a taxpayer may certify that the taxpayer has qualified for the
credit under this section.

2. a. Any decedent who, at the time of death, was a resident
taxpayer or nonresident taxpayer, was a registered organ donor as
defined by this section, and donated all or any organs or tissues to
another human being for the purpose of human organ
transplantation, shall be allowed a credit against the tax otherwise
et seq., in an amount equal to $1,000 for the taxable year in which
the donation is made.
b. For purposes of this section, “registered organ donor” means
an individual who, at the time of death, was issued a current and
validly executed driver’s license or non-driver identification card
with an organ donor designation by the New Jersey Motor Vehicle
Commission, was issued a current and validly executed
identification card with an organ donor designation by a county of
this State, or was a current and validly registered organ donor with
the Donate Life New Jersey registry.
c. A credit allowed under this section shall be claimed for the
taxable year in which the organ or tissue donation is made, provided
that if a decedent’s organ or tissue donation is made over the course
of more than one taxable year, the credit shall only be claimed for
the earlier of the taxable years.

d. If the amount of credit allowed pursuant to subsection a. of
this section for a taxable year, together with any other payments or
credits against the tax, reduces the tax liability otherwise due for the
taxable year to zero, any amount of credit remaining shall be paid to
the estate of the decedent as a refund of an overpayment of tax
pursuant to N.J.S.54A:9-7; provided, however, that subsection (f) of
that section, concerning the allowance of interest, shall not apply.

e. To claim a credit under this section, the personal
representative of a decedent’s estate shall obtain documentation
from an agency of the State or its political subdivisions to attest that
the decedent was a registered organ donor, and shall also obtain
documentation from a hospital, organ procurement organization, or
a licensed health care provider to attest that the decedent’s organs,
tissues, or both, were donated to a human being for purposes of
transplantation or therapy. Upon obtaining such documentation, the
personal representative shall include such documentation when
filing a return that includes a claim for a credit allowed in
accordance with this section.

3. This act shall take effect immediately and shall apply to
taxable years beginning on or after January 1, 2017.

STATEMENT

This bill seeks to encourage greater participation in State-
authorized organ donation programs. Currently, approximately
5,000 New Jersey residents are waiting for an organ or tissue
transplant. Meanwhile, one single donor can save up to eight lives
and improve the quality of life for up to 50 individuals. Yet only 34
percent of New Jersey adults are presently registered as organ
donors, which is the sixth lowest participation rate in the country.

This bill creates a $1,000 gross income tax credit for individuals
who have registered as an organ donor with the Motor Vehicle
Commission, with a county of this State, or with the State’s Donate
Life New Jersey Registry, and who, upon death, donate organs for
human transplant. This credit is refundable, with any balance then
given as a credit to the estate. The executor or executrix of the
decedent’s estate would be required to obtain documentation to
confirm that the donor was a registered organ donor and that the
donor’s organs were harvested to be transplanted into another
human being.

This $1,000 credit may also be claimed by a living donor who
donates all or part of his or her organs for human organ
transplantation.