SENATE, No. 1791

STATE OF NEW JERSEY
217th LEGISLATURE

INTRODUCED MARCH 7, 2016

Sponsored by:
Senator ANTHONY R. BUCCO
District 25 (Morris and Somerset)

SYNOPSIS
Provides gross income tax credit for certain costs of home bedbug infestation remediation.

CURRENT VERSION OF TEXT
As introduced.
AN ACT providing a gross income tax credit for certain costs of home bedbug infestation remediation, supplementing 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 having gross income for the taxable year not in excess of $100,000, $50,000 for a married person or a domestic partner filing separately, shall be allowed a credit against the tax otherwise due for the taxable year under the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., in an amount equal to 15% of the costs of services for the remediation of, and the costs of personal property purchased to replace personal property rendered unusable because of, bedbug infestation in the taxpayer’s principal residence, not to exceed $500 per taxable year, $250 for a married person or a domestic partner filing separately.

   If the credit allowed pursuant to 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 the credit allowed pursuant to this section 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, subsection (f) of that section, concerning the allowance of interest, shall not apply.

   b. As used in this section:

   “Bedbug” means an insect of the species "Cimex lectularius,” commonly referred to as a bedbug.

2. This act shall take effect immediately and apply to taxable years beginning on or after the January 1 next following the date of enactment.

STATEMENT

This bill provides a gross income tax credit of up to $500 for some of the immediate and consequential costs of remediating a bedbug infestation in the taxpayer’s home.

Bedbugs are small parasitic insects that can feed off of the blood of humans and tend to multiply in areas where people sleep. While the bites are not usually painful, bites can produce large, itchy welts on the skin, and the bites may cause more severe reactions in persons who are allergic. Infestations may result from the insects being transported into homes on clothing or luggage from hotels or other public place of accommodation, or on household items to which the bugs have attached.

The bill allows a taxpayer with annual gross income of $100,000 or less ($50,000 for a married person or a domestic partner filing
separately) a credit against the gross income tax for 15% of the taxpayer’s cost of services for the remediation of a bedbug infestation in the taxpayer’s principal residence and 15% of the cost of personal property (mattresses, rugs and upholstered furniture are the usual hiding places) purchased to replace personal property rendered unusable by a bedbug infestation in the taxpayer’s principal residence. The amount of a credit is limited to $500 per taxable year ($250 for a married person or domestic partner filing separately).

The tax credit is refundable if the amount of the credit exceeds the taxpayer’s liability.