

SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE, Nos. 129 and 1025**

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**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

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ADOPTED FEBRUARY 22, 2018

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**Senator KRISTIN M. CORRADO**

**District 40 (Bergen, Essex, Morris and Passaic)**

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**Senator ANTHONY R. BUCCO**

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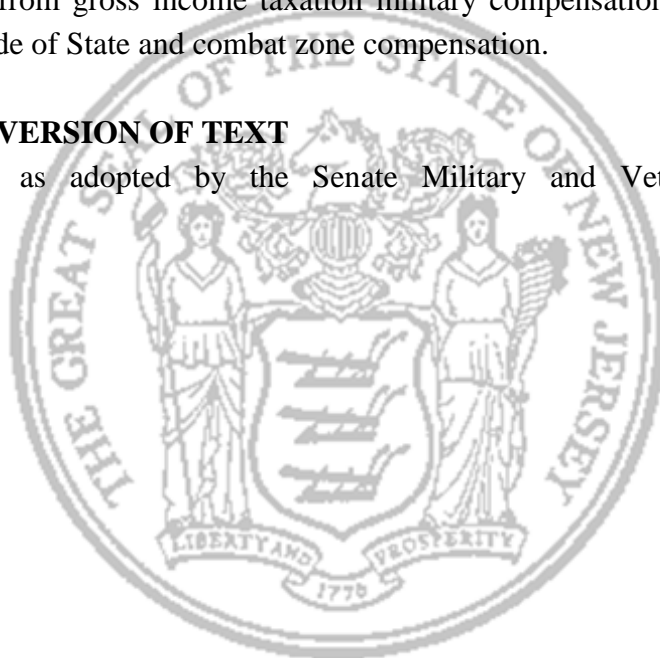
**Senators Oroho, Greenstein and Madden**

**SYNOPSIS**

Excludes from gross income taxation military compensation for personnel serving outside of State and combat zone compensation.

**CURRENT VERSION OF TEXT**

Substitute as adopted by the Senate Military and Veterans' Affairs Committee.



**(Sponsorship Updated As Of: 4/13/2018)**

1 **AN ACT** concerning taxation of military pay and amending  
2 N.J.S.54A:6-7 and supplementing Title 54A of the New Jersey  
3 Statutes.

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

7  
8 1. N.J.S.54A:6-7 is amended to read as follows:

9 54A:6-7. Certain pay of members of the armed forces.

10 a. (1) Compensation paid by the United States for service in  
11 the Armed Forces of the United States performed by an individual  
12 not domiciled in this State.

13 (2) Compensation paid by the United States for service in the  
14 Armed Forces of the United States performed by an individual  
15 domiciled in this State but stationed outside of this State.

16 b. Amounts received during the taxable year as mustering-out  
17 payments with respect to service in the Armed Forces of the United  
18 States.

19 c. Amounts received during the taxable year as housing and  
20 subsistence allowances by members of the active and reserve  
21 components of the Armed Forces of the United States, and by New  
22 Jersey National Guard members while on State active duty.

23 (cf: P.L.2005, c.63, s.1)

24

25 2. (New section) Gross income shall not include amounts  
26 received as combat zone compensation by members of the Armed  
27 Forces of the United States that is excluded from federal taxable  
28 income pursuant to section 112 of the federal Internal Revenue  
29 Code of 1986, 26 U.S.C. s.112.

30

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

**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.