

SENATE, No. 1932

STATE OF NEW JERSEY

218th LEGISLATURE

INTRODUCED FEBRUARY 22, 2018

Sponsored by:
Senator SHIRLEY K. TURNER
District 15 (Hunterdon and Mercer)

SYNOPSIS

Increases minimum income thresholds requiring filing and paying of gross income tax.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT increasing the minimum income necessary to be subject to
2 the gross income tax, amending N.J.S.54A:2-4 and N.J.S.54A:8-
3 3.1.

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:2-4 is amended to read as follows:

9 54A:2-4. Minimum taxable income. Notwithstanding any other
10 provisions of this act, a taxpayer shall not be subject to tax under
11 this act if:

12 a. The taxpayer is filing as an unmarried individual, an estate
13 or trust, with a gross income of

14 (1) \$3,000 or less for taxable years beginning before January 1,
15 1994,

16 (2) \$7,500 or less for taxable years beginning on or after
17 January 1, 1994 but before January 1, 1999, **[and]**

18 (3) \$10,000 or less for taxable years beginning on or after
19 January 1, 1999 but before January 1, 2018, and

20 (4) \$12,000 or less for taxable years beginning on or after
21 January 1, 2018;

22 b. The taxpayer is determining tax pursuant to subsection a. of
23 N.J.S.54A:2-1, or is a married couple filing a joint return, with a
24 gross income of

25 (1) \$3,000 or less for taxable years beginning before January 1,
26 1994,

27 (2) \$7,500 or less for taxable years beginning on or after
28 January 1, 1994 but before January 1, 1999,

29 (3) \$10,000 or less for taxable years beginning on or after
30 January 1, 1999 but before January 1, 2000,

31 (4) \$15,000 or less for taxable years beginning on or after
32 January 1, 2000 but before January 1, 2001, **[and]**

33 (5) \$20,000 or less for taxable years beginning on or after
34 January 1, 2001 but before January 1, 2018, and

35 (6) \$24,000 or less for taxable years beginning on or after
36 January 1, 2018; or

37 c. The taxpayer is a married person filing separately with a
38 gross income of

39 (1) \$1,500 or less for taxable years beginning before January 1,
40 1994,

41 (2) \$3,750 or less for taxable years beginning on or after
42 January 1, 1994 but before January 1, 1999,

43 (3) \$5,000 or less for taxable years beginning on or after
44 January 1, 1999 but before January 1, 2000,

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.

(4) \$7,500 or less for taxable years beginning on or after January 1, 2000 but before January 1, 2001, **[and]**

(5) \$10,000 or less for taxable years beginning on or after January 1, 2001 but before January 1, 2018, and

(6) \$12,000 or less for taxable years beginning on or after January 1, 2018.

In the case of a nonresident, gross income shall mean gross income which such nonresident would have reported if he had been a resident.

(cf: P.L.1999, c.260, s.1)

2. N.J.S.54A:8-3.1 is amended to read as follows:

54A:8-3.1. Persons required to file. a. On or before the filing date prescribed in section 1 of this chapter (N.J.S.54A:8-1), an income tax return shall be made and filed by or for:

(1) A taxpayer filing as an unmarried individual, an estate or trust, with a gross income

(a) in excess of \$3,000 for taxable years beginning before January 1, 1994,

(b) in excess of \$7,500 for taxable years beginning on or after January 1, 1994 but before January 1, 1999, **[and]**

(c) in excess of \$10,000 for taxable years beginning on or after January 1, 1999 but before January 1, 2018, and

(d) in excess of \$12,000 for taxable years beginning on or after January 1, 2018;

(2) A taxpayer determining tax pursuant to subsection a. of N.J.S.54A:2-1 having gross income, or a married couple filing a joint return having joint gross income

(a) in excess of \$3,000 for taxable years beginning before January 1, 1994,

(b) in excess of \$7,500 for taxable years beginning on or after January 1, 1994 but before January 1, 1999,

(c) in excess of \$10,000 for taxable years beginning on or after January 1, 1999 but before January 1, 2000,

(d) in excess of \$15,000 for taxable years beginning on or after January 1, 2000 but before January 1, 2001, **[and]**

(e) in excess of \$20,000 for taxable years beginning on or after January 1, 2001 but before January 1, 2018, and

(f) in excess of \$24,000 for taxable years beginning on or after January 1, 2018; or

(3) A taxpayer who is a married person filing separately with gross income of

(a) in excess of \$1,500 for taxable years beginning before January 1, 1994,

(b) in excess of \$3,750 for taxable years beginning on or after January 1, 1994 but before January 1, 1999,

(c) in excess of \$5,000 for taxable years beginning on or after January 1, 1999 but before January 1, 2000,

1 (d) in excess of \$7,500 for taxable years beginning on or after
2 January 1, 2000 but before January 1, 2001, and

3 (e) in excess of \$10,000 for taxable years beginning on or after
4 January 1, 2001 but before January 1, 2018, and

5 (f) in excess of \$12,000 for taxable years beginning on or after
6 January 1, 2018.

7 b. If the income tax liability of husband and wife is determined
8 on a separate return for federal income tax purposes, they shall each
9 also file a separate return for New Jersey income tax purposes and
10 their income tax liabilities under this act shall be separate.

11 c. If the income tax liabilities of husband and wife, both
12 residents, are determined on a joint return for federal income tax
13 purposes, they shall also file a joint return for New Jersey income
14 tax purposes and their tax liabilities under this act shall be joint and
15 several.

16 d. If either husband or wife is a resident and the other is a
17 nonresident, they shall file separate tax returns under this act on
18 such single or separate forms as may be required by the director in
19 which event their tax liabilities shall be separate unless both elect to
20 determine their joint taxable income as if both were residents, in
21 which event their liabilities shall be joint and several.

22 e. The return for any deceased individual shall be made and
23 filed by his fiduciary or other person charged with his property.

24 f. The return for an individual who is unable to make a return
25 by reason of minority or other disability shall be made and filed by
26 his fiduciary or other person charged with the care of his person or
27 property (other than a receiver in possession of only a part of his
28 property), or by his duly authorized agent.

29 g. Any tax under this act, and any increase, interest or penalty
30 thereon, shall, from the time it is due and payable, be a personal
31 debt of the person liable to pay the same, to the State of New
32 Jersey.

33 h. If both husband and wife are nonresidents but only one
34 spouse earns, receives or acquires income from sources within this
35 State, they shall file separate forms as may be required by the
36 director and their tax liabilities shall be separate, unless both elect
37 to determine their joint taxable income in accord with N.J.S.54A:5-
38 7 and their liabilities under this act shall be joint and several.

39 (cf: P.L.1999, c.260, s.2)

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41 3. This act shall take effect immediately.

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44 STATEMENT

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46 This bill would increase the minimum income threshold at which
47 a person becomes liable for New Jersey gross income tax and is
48 required to file a return.

1 Currently, a single taxpayer, an estate or trust, or a married
2 person filing separately with a gross income of \$10,000 or less is
3 not subject to the gross income tax or required to file a return. A
4 married couple filing a joint return or an individual filing as head
5 of household or as surviving spouse for federal income tax purposes
6 with a gross income of \$20,000 or less is not subject to the gross
7 income tax or required to file a return.

8 Under this bill, beginning in tax year 2018, these income
9 thresholds would be increased from \$10,000 to \$12,000 and from
10 \$20,000 to \$24,000. These income thresholds have not been
11 increased since tax year 2001.