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District 37 (Bergen)
Assemblyman JAY WEBBER
District 26 (Essex, Morris and Passaic)

Co-Sponsored by:
Assemblyman Scharfenberger

SYNOPSIS
Allows gross income tax deduction for charitable contributions to certain
State-based charitable organizations.

CURRENT VERSION OF TEXT
Introduced Pending Technical Review by Legislative Counsel.

(Sponsorship Updated As Of: 2/3/2020)
AN ACT allowing a gross income tax deduction for charitable contributions to certain New Jersey-based charitable organizations, supplementing chapter 3 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 to deduct from gross income the amount of charitable contributions made to a qualified New Jersey-based charitable organization in the taxable year equal to the amount that is allowable as a deduction from federal adjusted gross income for the federal taxable year pursuant to section 170 of the federal Internal Revenue Code (26 U.S.C. s.170).

b. For the purposes of this section, “qualified New Jersey-based charitable organization” means a charitable organization that:

(1) is registered pursuant to the “Charitable Registration and Investigation Act,” P.L.1994, c.16 (C.45:17A-18 et seq.), or an organization that is exempt from the registration requirements of that act pursuant to section 9 of P.L.1994, c.16 (C.45:17A-26);

(2) maintains an office or employs persons in the State; and

(3) provides services in this State.

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

STATEMENT

This bill allows a New Jersey gross income tax deduction for charitable contributions that are made to certain State-based charitable organizations to encourage philanthropic giving to New Jersey charities.

Under the bill, New Jersey gross income taxpayers are allowed to deduct from gross income charitable contributions that are made during the taxable year to a qualified New Jersey-based charitable organization. The bill provides that the amount of the deduction is limited to the amount of charitable contributions that is allowable as a deduction from federal adjusted gross income to the taxpayer for the federal taxable year pursuant to section 170 of the federal Internal Revenue Code (26 U.S.C. s.170).

The deduction allowed by the bill mirrors the federal income tax deduction for charitable contributions and is allowed regardless of whether the federal itemized deduction is taken by the taxpayer. Thus, the deduction is equal to the amount “allowable” by Internal
Revenue Code section 170, not just the deduction allowed and taken.

The bill defines “qualified New Jersey-based charitable organization” as a charitable organization that: (1) is registered pursuant to the “Charitable Registration and Investigation Act,” or an organization that is exempt from the registration requirements of that act, (2) maintains an office or employs persons in the State, and (3) provides services in the State.