

**ASSEMBLY, No. 1115**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

**Sponsored by:**

**Assemblywoman CAROL A. MURPHY**

**District 7 (Burlington)**

**Assemblyman GORDON M. JOHNSON**

**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)**

1 AN ACT allowing a gross income tax deduction for charitable  
2 contributions to certain New Jersey-based charitable  
3 organizations, supplementing chapter 3 of Title 54A of the New  
4 Jersey Statutes.

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

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9 1. a. A taxpayer shall be allowed to deduct from gross  
10 income the amount of charitable contributions made to a qualified  
11 New Jersey-based charitable organization in the taxable year equal  
12 to the amount that is allowable as a deduction from federal adjusted  
13 gross income for the federal taxable year pursuant to section 170 of  
14 the federal Internal Revenue Code (26 U.S.C. s.170).

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

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

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

22 (3) provides services in this State.

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

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#### STATEMENT

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

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

43 The deduction allowed by the bill mirrors the federal income tax  
44 deduction for charitable contributions and is allowed regardless of  
45 whether the federal itemized deduction is taken by the taxpayer.  
46 Thus, the deduction is equal to the amount “allowable” by Internal

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1 Revenue Code section 170, not just the deduction allowed and  
2 taken.

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