

ASSEMBLY COMMUNITY DEVELOPMENT AND AFFAIRS COMMITTEE

STATEMENT TO ASSEMBLY, No. 1841

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 14, 2020

The Assembly Community Development and Affairs Committee reports favorably and with committee amendments Assembly Bill No. 1841.

As amended by the committee, this bill allows taxpayers regardless of income to deduct up to a combined \$45,000 from gross income in a year for the following expenses:

- lead-based paint hazard abatement in the taxpayer's residential property, if performed by a certified lead abatement contractor;
- asbestos hazard abatement in the taxpayer's residential property, if performed by a licensed asbestos abatement contractor;
- replacement of a water service line containing hazardous amounts of lead, if the line is owned by the taxpayer, the line is on the real property of the taxpayer's residential property, and the line's replacement is necessary for abatement of the hazard in the taxpayer's residential property; and
- replacement of plumbing containing hazardous amounts of lead in the taxpayer's residential property.
- remediation of lead and other contaminants in the soil of a taxpayer's residential property
- replacement of leaded windows

The Director of the Division of Taxation is required to set the standards by which taxpayers are to prove that they qualify for the deduction. To be eligible for the deduction for amounts paid for lead-based paint hazard abatement or asbestos hazard abatement, a taxpayer must submit a receipt that work was done by a certified or licensed abatement contractor.

As used in the bill, "residential property" means a taxpayer's primary residence, owner occupied home, or rental unit.

COMMITTEE ADMENDMENTS

The committee amendments:

- (1) increase the amount of the deduction to \$45,000;

(2) clarify that eligible expenses include remediation of lead and other contaminants in the soil of a taxpayer's residential property and also include replacement of leaded windows;

(3) clarify that eligibility for this deduction is not based on the taxpayer's income;

(4) define "residential property" and broadens the scope of residential properties for which the deduction may be claimed;

(5) adds a findings and declaration section;

(6) removes the word "State" before certified and licensed;

(7) specifies that during the first taxable year following enactment, a taxpayer can claim a deduction for relevant expenses incurred between January 1, 2018 and the first taxable year following enactment of this bill, and expires on December 31, 2025 following enactment.

This bill was pre-filed for introduction in the 2020-2021 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.