ASSEMBLY, No. 2481

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 3, 2020

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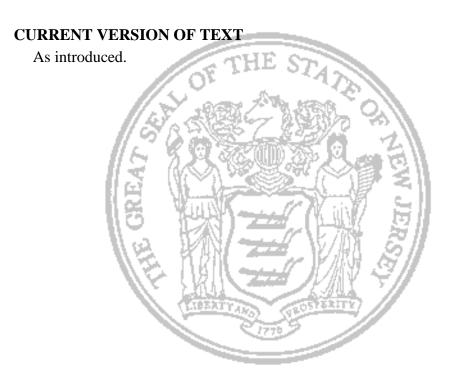
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SYNOPSIS

Excludes Armed Services combat zone pay from gross income taxation.



(Sponsorship Updated As Of: 9/24/2020)

A2481 QUIJANO, TUCKER

1	AN ACT excluding United States Armed Services combat zone pay
2	from gross income taxation, and supplementing Title 54A of the
3	New Jersey Statutes.

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

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

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

STATEMENT

This bill excludes military pay for service in a combat zone or for hospitalization as the result of injury while serving in a combat zone from taxable gross income under the New Jersey gross income tax.

The bill uses federal definitions of combat zone pay to exclude from New Jersey taxation the same pay that is excluded from federal income taxation. Under federal law, enlisted members and warrant officers (commissioned and noncommissioned) may exclude from taxable income all pay received for any month during any part of which they served in a combat zone or were hospitalized as a result of wounds, disease, or injury incurred while serving in a combat zone. The same exclusion is allowed for commissioned officers (other than warrant officers) subject to a cap based on the highest rate of basic pay that enlisted personnel may receive.

A combat zone is any area the President of the United States designates by Executive Order as an area in which the U.S. Armed Forces are engaging or have engaged in combat. An area usually becomes a combat zone and ceases to be a combat zone on the dates the President designates by Executive Order.