

**ASSEMBLY, No. 2764**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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INTRODUCED FEBRUARY 13, 2020

**Sponsored by:**

**Assemblyman ANDREW ZWICKER**

**District 16 (Hunterdon, Mercer, Middlesex and Somerset)**

**Assemblywoman CAROL A. MURPHY**

**District 7 (Burlington)**

**Assemblyman WAYNE P. DEANGELO**

**District 14 (Mercer and Middlesex)**

**Co-Sponsored by:**

**Assemblymen Dancer and Benson**

**SYNOPSIS**

Eliminates requirement under veterans' gross income tax exemption that taxpayer serve in active duty status or federal active duty status to qualify for exemption.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/14/2021)**

1 AN ACT eliminating the active duty requirements from the veterans'  
2 gross income tax exemption, amending N.J.S.54A:3-1.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. N.J.S.54A:3-1 is amended to read as follows:

8 54A:3-1. Personal exemptions and deductions. Each taxpayer  
9 shall be allowed personal exemptions and deductions against his  
10 gross income as follows:

11 (a) Taxpayer. Each taxpayer shall be allowed a personal  
12 exemption of \$1,000.00 which may be taken as a deduction from his  
13 New Jersey gross income.

14 (b) Additional exemptions. In addition to the personal  
15 exemptions allowed in (a), the following additional personal  
16 exemptions shall be allowed as a deduction from gross income:

17 1. For the taxpayer's spouse, or domestic partner as defined in  
18 section 3 of P.L.2003, c.246 (C.26:8A-3), who does not file  
19 separately - \$1,000.00.

20 2. For each dependent who qualifies as a dependent of the  
21 taxpayer during the taxable year for federal income tax purposes -  
22 \$1,500.00.

23 3. Taxpayer 65 years of age or over at the close of the taxable  
24 year - \$1,000.00.

25 4. Taxpayer's spouse 65 years of age or over at the close of the  
26 taxable year - \$1,000.00.

27 5. Blind or disabled taxpayer - \$1,000.00.

28 6. Blind or disabled spouse - \$1,000.00.

29 7. Taxpayer who is a veteran honorably discharged or released  
30 under honorable circumstances from **active duty in** the Armed  
31 Forces of the United States, a reserve component thereof, or the  
32 National Guard of New Jersey **in a federal active duty status**, as  
33 those terms are used in N.J.S.38A:1-1 - \$6,000.

34 (c) Special Rule. The personal exemptions allowed under this  
35 section shall be limited to that percentage which the total number of  
36 months within a taxpayer's taxable year under this act bears to 12.  
37 For this purpose 15 days or more shall constitute a month.

38 (d) (Deleted by amendment, P.L.1993, c.178).

39 (e) Nonresidents. For taxable years to which a certification  
40 pursuant to section 3 of P.L.1993, c.320 (C.54A:2-1.2) applies, a  
41 nonresident taxpayer shall be allowed the same deduction for  
42 personal exemptions as a resident taxpayer. However, if (1) the  
43 nonresident taxpayer's gross income which is subject to tax under  
44 this act is exceeded by (2) the gross income which the nonresident  
45 taxpayer would be required to report under this act if the taxpayer

**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.

1 were a resident by more than \$100.00, the taxpayer's deduction for  
2 personal exemptions shall be limited by the percentage which (1) is  
3 to (2).

4 (cf: P.L.2019, c.146.)

5  
6 2. This act shall take effect immediately and shall apply to  
7 taxable years beginning on or after January 1 next following the  
8 date of enactment.

9  
10  
11 STATEMENT

12  
13 This bill eliminates the requirement that a veteran taxpayer serve  
14 in active duty status or federal active duty status in order to qualify  
15 for the \$3,000 veterans' gross income tax exemption.

16 Under current law, a member of the Armed Forces of the United  
17 States, or a reserve component thereof, who has been honorably  
18 discharged or released under honorable circumstances, is required  
19 to have served in active duty status in order to qualify for the  
20 \$3,000 veterans' gross income tax exemption, pursuant to  
21 N.J.S.A.54A:3-1(b)(7). Likewise, a member of the National Guard  
22 of New Jersey, who has been honorably discharged or released  
23 under honorable circumstances, is required to have served in federal  
24 active duty status in order to qualify for the same. This tax credit  
25 may be claimed by the veteran taxpayer for each tax year in which  
26 the veteran so qualifies.

27 This bill changes the law to remove the respective active duty  
28 requirements. Accordingly, pursuant to the bill, a veteran of the  
29 Armed Forces of the United States, a reserve component thereof, or  
30 a member of the National Guard of New Jersey, who has been  
31 honorably discharged or released under honorable circumstances,  
32 may claim the \$3,000 veterans' gross income tax exemption,  
33 irrespective of whether he or she served in active duty or federal  
34 active duty status.