ASSEMBLY, No. 2764 STATE OF NEW JERSEY 219th LEGISLATURE

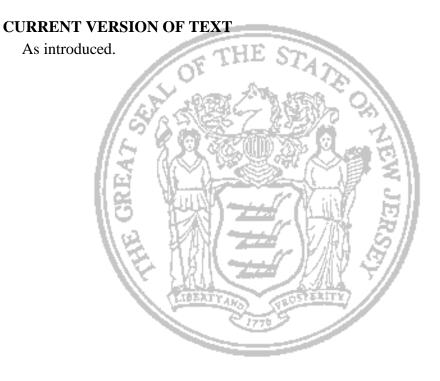
INTRODUCED FEBRUARY 13, 2020

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.



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

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AN ACT eliminating the active duty requirements from the veterans' 1 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: Each taxpayer shall be allowed a personal 11 (a) Taxpayer. 12 exemption of \$1,000.00 which may be taken as a deduction from his New Jersey gross income. 13 14 (b) Additional exemptions. In addition to the personal 15 exemptions allowed in (a), the following additional personal exemptions shall be allowed as a deduction from gross income: 16 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 taxpayer during the taxable year for federal income tax purposes -21 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 Blind or disabled spouse - \$1,000.00. 6. 29 Taxpayer who is a veteran honorably discharged or released 7. 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 those terms are used in N.J.S.38A:1-1] - \$6,000. 33 34 (c) Special Rule. The personal exemptions allowed under this 35 section shall be limited to that percentage which the total number of months within a taxpayer's taxable year under this act bears to 12. 36 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 pursuant to section 3 of P.L.1993, c.320 (C.54A:2-1.2) applies, a 40 nonresident taxpayer shall be allowed the same deduction for 41 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 <u>thus</u> is new matter.

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

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

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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.

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STATEMENT

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 discharged or released under honorable circumstances, is required 18 19 to have served in active duty status in order to qualify for the 20 \$3,000 veterans' gross income tax exemption, pursuant to N.J.S.A.54A:3-1(b)(7). Likewise, a member of the National Guard 21 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, may claim the \$3,000 veterans' gross income tax exemption, 32 irrespective of whether he or she served in active duty or federal 33 34 active duty status.