

ASSEMBLY, No. 3486

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 25, 2020

Sponsored by:

Assemblyman BRIAN E. RUMPF

District 9 (Atlantic, Burlington and Ocean)

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District 9 (Atlantic, Burlington and Ocean)

SYNOPSIS

Provides gross income tax deduction for New Jersey fuel taxes paid through purchases of motor fuel for personal use of motor vehicles.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT providing a deduction under the New Jersey gross income
2 tax for New Jersey taxes paid on purchases of motor fuel for the
3 personal use of taxpayers' motor vehicles, supplementing Title
4 54A of the New 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 who files as a married couple filing jointly, a
10 married person filing separately, or an individual filing as a single
11 taxpayer or an individual determining tax pursuant to subsection a.
12 of N.J.S.54A:2-1, may deduct from the taxpayer's gross income
13 reported pursuant to the "New Jersey Gross Income Tax Act,"
14 N.J.S.54A:1-1 et seq., an amount equal to the New Jersey taxes paid
15 on purchases of motor fuel for the operation for personal use of the
16 taxpayer's motor vehicles during the taxable year.

17 b. An amount shall not be deductible under subsection a. of this
18 section if the amount is:

19 (1) reimbursed to the taxpayer by or for the taxpayer's employer;

20 (2) deductible in determining net profits from business pursuant
21 to subsection b. of N.J.S.54A:5-1, even if not so deducted;

22 (3) deductible in determining net gains or net income derived
23 from or in the form of rents, royalties, patents, and copyrights
24 pursuant to subsection d. of N.J.S.A.54A:5-1, even if not so
25 deducted;

26 (4) deductible in determining distributive share of partnership
27 income pursuant to subsection k. of N.J.S.54A:5-1, even if not so
28 deducted;

29 (5) deductible in determining net pro rata share of S corporation
30 income pursuant to subsection p. of N.J.S.54A:5-1, even if not so
31 deducted; or

32 (6) deductible as a medical expense pursuant to N.J.S.54A:3-3,
33 even if not so deducted, or paid or distributed out of a medical
34 savings account excluded from gross income pursuant to section 5
35 of P.L.1997, c.414 (C.54A:6-27).

36 c. The deduction allowed under this section shall not exceed
37 the amount of \$1,000 for the taxpayer's taxable year beginning on
38 or after January 1, 2020 but before January 1, 2021, and shall not
39 exceed the amount of \$2,000 for the taxpayer's taxable years
40 beginning on or after January 1, 2021.

41 d. For the purposes of this section "New Jersey taxes paid on
42 purchases of motor fuel" means the taxes imposed by the
43 "Petroleum Products Gross Receipts Tax Act," P.L.1990, c.42
44 (C.54:15B-1 et seq.) and the "Motor Fuel Tax Act," P.L.2010, c.22
45 (C.54:39-101 et seq.).

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47 2. This act shall take effect immediately and shall apply to
48 purchases made on and after January 1, 2020.

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This bill provides a New Jersey gross income tax deduction for all New Jersey State fuel taxes that are paid by taxpayers on purchases of motor fuel for the operation for personal use of the taxpayer's motor vehicles and not otherwise reimbursed. Under the bill, the gross income tax deduction is allowed for taxpayers at any income level and in any filing status, and is capped at \$1,000 for the 2020 taxable year and at \$2,000 for each taxable year beginning thereafter.