

# ASSEMBLY, No. 3918

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED APRIL 9, 2020

**Sponsored by:**

**Assemblywoman ELIANA PINTOR MARIN**

**District 29 (Essex)**

**Assemblyman HAROLD "HAL" J. WIRTHS**

**District 24 (Morris, Sussex and Warren)**

**Assemblyman JOHN J. BURZICHELLI**

**District 3 (Cumberland, Gloucester and Salem)**

**Co-Sponsored by:**

**Assemblywoman DiMaso**

**SYNOPSIS**

“COVID-19 Fiscal Mitigation Act”; clarifies filing and payment deadline for CBT and GIT taxpayers, modifies duration of State Fiscal Years 2020 and 2021, requires certain updates and presentation for State Fiscal Years 2020 and 2021.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 4/13/2020)**

1 AN ACT mitigating the fiscal impact of the COVID-19 pandemic.

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

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6 1. a. A taxpayer required to make and file an annual or  
7 quarterly return or report pursuant to the “New Jersey Gross Income  
8 Tax Act,” N.J.S.54A:1-1 et seq., or the “Corporation Business Tax  
9 Act (1945),” P.L.1945, c.162 (C.54:10A-1 et seq.), on an original  
10 due date of April 15, 2020, shall be granted by the Director of the  
11 Division of Taxation in the Department of the Treasury an  
12 automatic extension of time to file those returns or reports and to  
13 pay the tax due until July 15, 2020.

14 b. The provisions involving payment of interest upon any  
15 overpayment of tax pursuant to N.J.S.54A:9-7 and section 7 of  
16 P.L.1992, c.175 (C.54:49-15.1), are hereby extended for six months  
17 after the conclusion of the state of emergency declared by the  
18 Governor pursuant to Executive Order No. 103 of 2020, or any  
19 extension thereof, or within six months after the return is filed,  
20 whichever is later.

21 c. A taxpayer granted an automatic extension pursuant to  
22 subsection a. of this section shall not be subject to penalties or  
23 interest if the return or report is filed and the tax due is paid on or  
24 before July 15, 2020, or by such other date that may be permitted by  
25 the director in accordance with regulations in effect on the effective  
26 date of P.L. , c. (pending before the Legislature as this bill).

27 d. Notwithstanding any provision of the “Administrative  
28 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.) to the  
29 contrary, the director may adopt immediately upon filing with the  
30 Office of Administrative Law such rules and regulations as the  
31 director determines to be necessary and appropriate to effectuate the  
32 purposes of this section.

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34 2. The statute of limitations to assess any tax pursuant to  
35 N.J.S.54A:9-4 and R.S.54:49-6 is hereby extended for 90 days after  
36 the conclusion of the state of emergency declared by the Governor  
37 pursuant to Executive Order No. 103 of 2020, or any extension  
38 thereof.

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40 3. a. Notwithstanding R.S.52:5-1, or any other law to the  
41 contrary, for purposes of the State's general appropriation law, the  
42 State fiscal year scheduled to end on June 30, 2020 shall end on  
43 September 30, 2020, and the subsequent State fiscal year shall  
44 begin on October 1, 2020 and end on June 30, 2021.

45 b. Following the enactment of P.L. , c. (pending before the  
46 Legislature as this bill), any additional spending required to support  
47 the operations of the State from July 1, 2020 through September 30,  
48 2020, shall be made through the enactment of a general law that

1 amends or provides for a supplemental appropriation to P.L.2019,  
2 c.150.

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4 4. The fiscal year of a municipality operating under the State  
5 fiscal year pursuant to an ordinance adopted pursuant to subsection  
6 a. of section 3 of 1991, c.75 (C.40A:4-3.2) shall be not be altered or  
7 otherwise affected by the provisions of section 3 of P.L. , c.  
8 (pending before the Legislature as this bill). Nothing in this section  
9 shall be construed as prohibiting a municipality from reverting to a  
10 calendar fiscal year pursuant to subsection b. of section 3 of 1991,  
11 c.75 (C.40A:4-3.2).

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13 5. a. The State Treasurer shall prepare a report on the financial  
14 condition of the State budget for State Fiscal Years 2020 and 2021,  
15 as altered by section 3 of P.L. , c. (pending before the  
16 Legislature as this bill).

17 b. The report shall provide:

18 (1) an update on State revenue collections through the first nine  
19 months of State Fiscal Year 2020 and a revised forecast of revenue  
20 projections for the remainder of the current fiscal year;

21 (2) a detailed plan of spending from State, federal, and all other  
22 governmental funds for the continuation of essential governmental  
23 operations during the remainder of State Fiscal Year 2020,  
24 including, but not limited to, debt service payments, pension  
25 payments, spending on capital projects, public transportation,  
26 school aid, municipal aid, utility service subsidies, and funding for  
27 hospitals, higher education, and emergency relief impacted by the  
28 COVID-19 pandemic; and

29 (3) an assessment of current economic conditions and the  
30 potential impact of the economy on the proposed budget for State  
31 Fiscal Year 2021.

32 c. The report shall be submitted to the Legislature, in  
33 accordance with section 2 of P.L.1991, c.164 (C.52:14-19.1), by  
34 May 22, 2020 and shall be made publicly available through a link  
35 prominently displayed on the Office of Management and Budget in  
36 the Department of the Treasury's website.

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38 6. The Governor shall formulate and transmit a revised budget  
39 message for State Fiscal Year 2021, as altered by section 3 of  
40 P.L. , c. (pending before the Legislature as this bill). The  
41 revised budget message shall meet the requirements set forth in  
42 section 11 of P.L.1944, c.112 (C.52:27B-20), except that the  
43 required estimate of balances on hand shall be as of October 1  
44 instead of July 1, and the Governor shall present the revised budget  
45 message by August 25, 2020.

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47 7. This act shall take effect immediately.

STATEMENT

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This bill clarifies the time to file a gross income tax or corporation business tax return or make payments to July 15, 2020, adjusts the timing for the payment of interest and penalties and the assessment of tax, alters the duration of State Fiscal Years 2020 and 2021 without impacting municipalities that adopt the State’s fiscal year, requires the State Treasurer to provide certain updates on economic conditions, revenues, and spending plans, and requires the Governor to formulate and present a revised budget message for State Fiscal Year 2021.

The bill clarifies that taxpayers who would typically file a return, report, or make a payment for the gross income tax or the corporation business tax by an original due date of April 15, 2020 will be granted an automatic extension to July 15, 2020. Taxpayers will not be subject to penalties or interest if the taxpayer files a return, report, or makes a payment by the end of the extension.

Provisions governing the payment of interest for overpayments are extended for six months after the conclusion of the state of emergency declared by the Governor pursuant to Executive Order No. 103 of 2020, or any extension thereof, or within six months after the return is filed, whichever is later. The bill also extends the statute of limitations to assess taxes by 90 days following the conclusion of the state of emergency.

The bill modifies the duration of State Fiscal Year 2020 to conclude on September 30, 2020 and sets October 1, 2020 as the start of State Fiscal Year 2021. The bill also requires that any additional spending required to support the operations of the State from July 1, 2020 through September 30, 2020 be made through the enactment of a general law that amends or provides for a supplemental appropriation to that annual appropriations act. This change does not apply to municipalities that adopt the State’s fiscal year and does not prevent municipalities from converting to a calendar fiscal year.

The bill requires the State Treasurer to prepare a report on the financial condition of the State budget for State Fiscal Years 2020 and 2021, which must be submitted to the Legislature by May 22, 2020 and prominently display on the Office of Management and Budget’s website.

The State Treasurer’s report is to include: (1) an update on State revenue collections through the first nine months of State Fiscal Year 2020 and a revised forecast of revenue projections for the remainder of the current fiscal year; (2) a detailed plan of spending from State, federal, and all other governmental funds for the continuation of essential governmental operations during the remainder of State Fiscal Year 2020; and (3) an assessment of current economic conditions and the potential impact of the economy on the proposed budget for State Fiscal Year 2021.

**A3918 PINTOR MARIN, WIRTHS**

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1       The Governor is required to formulate and transmit a revised  
2 budget message for State Fiscal Year 2021, as altered by the bill.  
3 The revised budget message is to meet all requirements set forth in  
4 law for the budget message, except that the required estimate of  
5 balances on hand shall be as of October 1 instead of July 1. The  
6 Governor is required to present the revised budget message by  
7 August 25, 2020.