

ASSEMBLY, No. 4546

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED AUGUST 13, 2020

Sponsored by:

Assemblywoman CAROL A. MURPHY

District 7 (Burlington)

Co-Sponsored by:

Assemblyman Benson

SYNOPSIS

Allows gross income tax deduction for charitable contributions to certain New Jersey-based charitable organizations.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/12/2021)

1 AN ACT allowing a gross income tax deduction for charitable
2 contributions to certain New Jersey-based charitable
3 organizations, supplementing chapter 3 of Title 54A of the New
4 Jersey Statutes.

5
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 shall be allowed to deduct from gross income
10 the amount of charitable contributions made to a qualified New
11 Jersey-based charitable organization in the taxable year equal to the
12 amount that is allowable as a deduction from federal adjusted gross
13 income for the federal taxable year pursuant to section 170 of the
14 federal Internal Revenue Code (26 U.S.C. s.170), but the deduction
15 allowed pursuant to this section shall not exceed \$20,000 for a
16 married couple filing jointly, \$10,000 for a married person filing
17 separately, or \$10,000 for an individual filing as a single taxpayer
18 or an individual determining tax pursuant to subsection a. of
19 N.J.S.54A:2-1.

20 b. For the purposes of this section, "qualified New Jersey-
21 based charitable organization" means a charitable organization that
22 is registered pursuant to the "Charitable Registration and
23 Investigation Act," P.L.1994, c.16 (C.45:17A-18 et seq.), or an
24 organization that is exempt from the registration requirements of
25 that act pursuant to section 9 of P.L.1994, c.16 (C.45:17A-26), and
26 that maintains an office, employs persons, and provides services in
27 this State.

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29 2. This act shall take effect immediately and apply to charitable
30 contributions made in taxable years beginning on or after the
31 January 1 next following the date of enactment.

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STATEMENT

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36 This bill allows a New Jersey gross income tax deduction for
37 charitable contributions that are made to certain New Jersey-based
38 charitable organizations to encourage philanthropic giving to
39 Garden State charities.

40 Under the bill, New Jersey gross income taxpayers are allowed
41 to deduct from gross income charitable contributions that are made
42 during the taxable year to a qualified New Jersey-based charitable
43 organization. The bill provides that the amount of the deduction is
44 limited to the amount of charitable contributions that is allowable as
45 a deduction from federal adjusted gross income to the taxpayer for
46 the federal taxable year pursuant to section 170 of the federal
47 Internal Revenue Code (26 U.S.C. s.170). The bill further limits the
48 amount of the deduction to not more than \$20,000 for a married

1 couple filing jointly, \$10,000 for a married person filing separately,
2 or \$10,000 for an individual.

3 The deduction allowed by the bill mirrors the federal income tax
4 deduction for charitable contributions and is allowed regardless of
5 whether the federal itemized deduction is taken by the taxpayer.
6 Thus, the deduction, within limits, is equal to the amount
7 "allowable" by Internal Revenue Code section 170, not just the
8 deduction allowed and taken.

9 The bill defines "qualified New Jersey-based charitable
10 organization" as a charitable organization that is registered pursuant
11 to the "Charitable Registration and Investigation Act," or an
12 organization that is exempt from the registration requirements of
13 that act, and that maintains an office, employs persons, and
14 provides services in this State.

15 The bill takes effect immediately upon enactment and applies to
16 charitable contributions that are made in taxable years beginning on
17 or after the January 1 next following the date of enactment.