

ASSEMBLY, No. 4795

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED OCTOBER 19, 2020

Sponsored by:

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

Assemblyman KEVIN J. ROONEY

District 40 (Bergen, Essex, Morris and Passaic)

Co-Sponsored by:

Assemblymen McClellan, Simonsen and DePhillips

SYNOPSIS

Allows gross income tax deduction for taxpayers who pay for childcare costs for qualifying children doing remote learning as result of COVID-19 pandemic.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/26/2020)

1 AN ACT allowing a gross income tax deduction for taxpayers who
2 pay for childcare costs for qualifying children doing remote
3 learning as a result of the COVID-19 pandemic.

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

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8 1. a. A taxpayer shall be allowed to deduct from gross income,
9 for the purposes of the "New Jersey Gross Income Tax Act,"
10 N.J.S.54A:1-1 et seq., the amount paid by the taxpayer during the
11 taxable year for childcare costs directly attributable to a qualifying
12 child engaging in remote learning as a result of the decision of the
13 taxpayer or the decision of the qualifying child's school to utilize
14 remote instruction in response to the COVID-19 pandemic;
15 provided, however, that the deduction allowed for a taxable year
16 shall not exceed \$12,000 for a married taxpayer filing a joint return
17 or an individual filing as head of household or as a surviving spouse
18 and \$6,000 for a married individual filing a separate return or an
19 unmarried individual other than an individual filing as head of
20 household or as a surviving spouse.

21 b. As used in this section:

22 "Childcare costs" means costs for childcare provided in this
23 State.

24 "Remote instruction" means virtual or remote instruction
25 provided for educational programming or attainment or academic
26 progress, and shall not include virtual or remote instruction
27 provided for extracurricular learning.

28 "Qualifying child" means as the term is defined in subsection (c)
29 of section 152 of the federal Internal Revenue Code of 1986 (26
30 U.S.C. s.152), provided that the child receives preschool or K-8
31 instruction during the taxable year.

32
33 2. This act shall take effect immediately and shall apply to
34 taxable years during which the Public Health Emergency and the
35 State of Emergency declared by the Governor in Executive Order
36 No. 103 of 2020 and any extension thereof concerning the COVID-
37 19 pandemic are ongoing.

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40 STATEMENT

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42 This bill allows a New Jersey gross income tax deduction for
43 taxpayers who pay for certain childcare costs for qualifying
44 children engaging in remote learning as a result of the COVID-19
45 pandemic.

46 Under the bill, a New Jersey gross income taxpayer is allowed to
47 deduct from gross income the amount paid by the taxpayer for
48 certain childcare costs during the taxable year, if those costs are

1 directly attributable to a qualifying child engaging in remote
2 learning as a result of the decision of the taxpayer or the decision of
3 the qualifying child's school to utilize remote instruction in
4 response to the COVID-19 pandemic. The bill provides that the
5 amount of the deduction is limited to \$12,000 for joint filers, heads
6 of households, and surviving spouses, and \$6,000 for single filers
7 and married taxpayers filing separately.

8 The bill defines "childcare costs" as costs for childcare provided
9 in New Jersey. The bill defines "remote instruction" as virtual or
10 remote instruction provided for educational programming or
11 attainment or academic progress, and shall not include virtual or
12 remote instruction provided for extracurricular learning. The bill
13 defines "qualifying child" as the term is defined in subsection (c) of
14 section 152 of the federal Internal Revenue Code of 1986 (26
15 U.S.C. s.152), provided that the child receives preschool or K-8
16 instruction during the taxable year.

17 The bill will take effect immediately and will expire when the
18 State of Emergency and Public Health Emergency declared by the
19 Governor in Executive Order No. 103 of 2020 and any extension
20 thereof expires.