

ASSEMBLY, No. 4875

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED OCTOBER 22, 2020

Sponsored by:

Assemblywoman ELIANA PINTOR MARIN

District 29 (Essex)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Assemblywoman SHAVONDA E. SUMTER

District 35 (Bergen and Passaic)

SYNOPSIS

Extends certain document submission deadlines for Urban Transit Hub Tax Credit program and Economic Redevelopment and Growth Grant Program.

CURRENT VERSION OF TEXT

As introduced.



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

1 AN ACT extending certain document submission deadlines for
2 business tax credit programs, and amending P.L.2007, c.346 and
3 P.L.2009, c.90.

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

7
8 1. Section 3 of P.L.2007, c.346 (C.34:1B-209) is amended to
9 read as follows:

10 3. a. (1) A business, upon application to and approval from
11 the authority, shall be allowed a credit of 100 percent of its capital
12 investment, made after the effective date of P.L.2007, c.346
13 (C.34:1B-207 et seq.) but prior to its submission of documentation
14 pursuant to subsection c. of this section, in a qualified business
15 facility within an eligible municipality, pursuant to the restrictions
16 and requirements of this section. To be eligible for any tax credits
17 authorized under this section, a business shall demonstrate to the
18 authority, at the time of application, that the State's financial
19 support of the proposed capital investment in a qualified business
20 facility will yield a net positive benefit to both the State and the
21 eligible municipality. The value of all credits approved by the
22 authority pursuant to P.L.2007, c.346 (C.34:1B-207 et seq.) shall
23 not exceed \$1,750,000,000, except as may be increased by the
24 authority as set forth in paragraph (5) of subsection a. of section 35
25 of P.L.2009, c.90 (C.34:1B-209.3) and section 6 of P.L.2010, c.57
26 (C.34:1B-209.4).

27 (2) A business, other than a tenant eligible pursuant to
28 paragraph (3) of this subsection, shall make or acquire capital
29 investments totaling not less than \$50,000,000 in a qualified
30 business facility, at which the business shall employ not fewer than
31 250 full-time employees to be eligible for a credit under this
32 section. A business that acquires a qualified business facility shall
33 also be deemed to have acquired the capital investment made or
34 acquired by the seller.

35 (3) A business that is a tenant in a qualified business facility, the
36 owner of which has made or acquired capital investments in the
37 facility totaling not less than \$50,000,000, shall occupy a leased
38 area of the qualified business facility that represents at least
39 \$17,500,000 of the capital investment in the facility at which the
40 tenant business and up to two other tenants in the qualified business
41 facility shall employ not fewer than 250 full-time employees in the
42 aggregate to be eligible for a credit under this section. The amount
43 of capital investment in a facility that a leased area represents shall
44 be equal to that percentage of the owner's total capital investment in
45 the facility that the percentage of net leasable area leased by the

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 thus is new matter.

1 tenant is of the total net leasable area of the qualified business
2 facility. Capital investments made by a tenant shall be deemed to
3 be included in the calculation of the capital investment made or
4 acquired by the owner, but only to the extent necessary to meet the
5 owner's minimum capital investment of \$50,000,000. Capital
6 investments made by a tenant and not allocated to meet the owner's
7 minimum capital investment threshold of \$50,000,000 shall be
8 added to the amount of capital investment represented by the
9 tenant's leased area in the qualified business facility.

10 (4) A business shall not be allowed tax credits under this section
11 if the business participates in a business employment incentive
12 agreement, pursuant to P.L.1996, c.26 (C.34:1B-124 et seq.),
13 relating to the same capital and employees that qualify the business
14 for this credit, or if the business receives assistance pursuant to
15 P.L.1996, c.25 (C.34:1B-112 et seq.). A business that is allowed a
16 tax credit under this section shall not be eligible for incentives
17 authorized pursuant to P.L.2002, c.43 (C.52:27BBB-1 et al.). A
18 business shall not qualify for a tax credit under this section, based
19 upon its capital investment and the employment of full-time
20 employees, if that capital investment or employment was the basis
21 for which a grant was provided to the business pursuant to the
22 "InvestNJ Business Grant Program Act," P.L.2008, c.112 (C.34:1B-
23 237 et seq.).

24 (5) Full-time employment for an accounting or a privilege
25 period shall be determined as the average of the monthly full-time
26 employment for the period.

27 (6) The capital investment of the owner of a qualified business
28 facility is that percentage of the capital investment made or
29 acquired by the owner of the building that the percentage of net
30 leasable area of the qualified business facility not leased to tenants
31 is of the total net leasable area of the qualified business facility.

32 (7) A business shall be allowed a tax credit of 100 percent of its
33 capital investment, made after the effective date of P.L.2011, c.89
34 but prior to its submission of documentation pursuant to subsection
35 c. of this section, in a qualified business facility that is part of a
36 mixed use project, provided that (a) the qualified business facility
37 represents at least \$17,500,000 of the total capital investment in the
38 mixed use project, (b) the business employs not fewer than 250 full-
39 time employees in the qualified business facility, and (c) the total
40 capital investment in the mixed use project of which the qualified
41 business facility is a part is not less than \$50,000,000. The
42 allowance of credits under this paragraph shall be subject to the
43 restrictions and requirements, to the extent that those are not
44 inconsistent with the provisions of this paragraph, set forth in
45 paragraphs (1) through (6) of this subsection, including, but not
46 limited to, the requirement that the business shall demonstrate to the
47 authority, at the time of application, that the State's financial
48 support of the proposed capital investment in a qualified business

1 facility will yield a net positive benefit to both the State and the
2 eligible municipality.

3 (8) In determining whether a proposed capital investment will
4 yield a net positive benefit, the authority shall not consider the
5 transfer of an existing job from one location in the State to another
6 location in the State as the creation of a new job, unless (a) the
7 business proposes to transfer existing jobs to a municipality in the
8 State as part of a consolidation of business operations from two or
9 more other locations that are not in the same municipality whether
10 in-State or out-of-State, or (b) the business's chief executive officer,
11 or equivalent officer, submits a certification to the authority
12 indicating that the existing jobs are at risk of leaving the State and
13 that the business's chief executive officer, or equivalent officer, has
14 reviewed the information submitted to the authority and that the
15 representations contained therein are accurate, and the business
16 intends to employ not fewer than 500 full-time employees in the
17 qualified business facility. In the event that this certification by the
18 business's chief executive officer, or equivalent officer, is found to
19 be willfully false, the authority may revoke any award of tax credits
20 in their entirety, which revocation shall be in addition to any other
21 criminal or civil penalties that the business and the officer may be
22 subject to. When considering an application involving intra-State
23 job transfers, the authority shall require the company to submit the
24 following information as part of its application: a full economic
25 analysis of all locations under consideration by the company; all
26 lease agreements, ownership documents, or substantially similar
27 documentation for the business's current in-State locations; and all
28 lease agreements, ownership documents, or substantially similar
29 documentation for the potential out-of-State location alternatives, to
30 the extent they exist. Based on this information, and any other
31 information deemed relevant by the authority, the authority shall
32 independently verify and confirm, by way of making a factual
33 finding by separate vote of the authority's board, the business's
34 assertion that the jobs are actually at risk of leaving the State,
35 before a business may be awarded any tax credits under this section.

36 b. (1) If applications under this section have been received by
37 the authority prior to the effective date of the "New Jersey
38 Economic Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-
39 489p et al.), then, to the extent that there remains sufficient
40 financial authorization for the award of a tax credit, the authority is
41 authorized to consider those applications and to make awards of tax
42 credits to eligible applicants, provided that the authority shall take
43 final action on those applications no later than December 31, 2013.

44 (2) A business shall apply for the credit under this section prior
45 to the effective date of the "New Jersey Economic Opportunity Act
46 of 2013," P.L.2013, c.161 (C.52:27D-489p et al.), and shall submit
47 its documentation for approval of its credit amount no later than
48 **【April 26, 2021】** December 31, 2023.

1 (3) If a business has submitted an application under this section
2 and that application has not been approved for any reason, the lack
3 of approval shall not serve to prejudice in any way the
4 consideration of a new application as may be submitted for the
5 qualified business facility for the provision of incentives offered
6 pursuant to the "New Jersey Economic Opportunity Act of 2013,"
7 P.L.2013, c.161 (C.52:27D-489p et al.).

8 (4) Tax credits awarded pursuant to P.L.2007, c.346 (C.34:1B-
9 207 et seq.) for applications submitted to and approved by the
10 authority prior to the effective date of the "New Jersey Economic
11 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
12 shall be administered by the authority in the manner established
13 prior to that date.

14 (5) With respect to an application received by the authority prior
15 to the effective date of the "New Jersey Economic Opportunity Act
16 of 2013," P.L.2013, c.161 (C.52:27D-489p et al.) for a qualified
17 business facility that is located on or adjacent to the campus of an
18 acute care medical facility, (a) the minimum number of full-time
19 employees required for eligibility under the program may be
20 employed by any number of tenants or other occupants of the
21 facility, in the aggregate, and the initial satisfaction of the
22 requirement following completion of the project shall be deemed to
23 satisfy the employment requirements of the program in all respects,
24 and (b) if the capital investment in the facility exceeds
25 \$100,000,000, the determination of the net positive benefit yield
26 shall be based on the benefits generated during a period of up to 30
27 years following the completion of the project, as determined by the
28 authority.

29 c. (1) The amount of credit allowed shall, except as otherwise
30 provided, be equal to the capital investment made by the business,
31 or the capital investment represented by the business's leased area,
32 or area owned by the business as a condominium, and shall be taken
33 over a 10-year period, at the rate of one-tenth of the total amount of
34 the business's credit for each tax accounting or privilege period of
35 the business, beginning with the tax period in which the business is
36 first certified by the authority as having met the investment capital
37 and employment qualifications, subject to any reduction or
38 disqualification as provided by subsection d. of this section as
39 determined by annual review by the authority. In conducting its
40 annual review, the authority may require a business to submit any
41 information determined by the authority to be necessary and
42 relevant to its review.

43 The credit amount for any tax period ending after **July 28,**
44 **2021** December 31, 2023 during which the documentation of a
45 business's credit amount remains uncertified shall be forfeited,
46 although credit amounts for the remainder of the years of the 10-
47 year credit period shall remain available to it.

1 The credit amount that may be taken for a tax period of the
2 business that exceeds the final liabilities of the business for the tax
3 period may be carried forward for use by the business in the next 20
4 successive tax periods, and shall expire thereafter, provided that the
5 value of all credits approved by the authority against tax liabilities
6 pursuant to P.L.2007, c.346 (C.34:1B-207 et seq.) in any fiscal year
7 shall not exceed \$260,000,000.

8 The amount of credit allowed for a tax period to a business that
9 is a tenant in a qualified business facility shall not exceed the
10 business's total lease payments for occupancy of the qualified
11 business facility for the tax period.

12 (2) A business that is a partnership shall not be allowed a credit
13 under this section directly, but the amount of credit of an owner of a
14 business shall be determined by allocating to each owner of the
15 partnership that proportion of the credit of the business that is equal
16 to the owner of the partnership's share, whether or not distributed,
17 of the total distributive income or gain of the partnership for its tax
18 period ending within or at the end of the owner's tax period, or that
19 proportion that is allocated by an agreement, if any, among the
20 owners of the partnership that has been provided to the Director of
21 the Division of Taxation in the Department of the Treasury by the
22 time and accompanied by the additional information as the director
23 may require.

24 (3) The amount of credit allowed may be applied against the tax
25 liability otherwise due pursuant to section 5 of P.L.1945, c.162
26 (C.54:10A-5), pursuant to sections 2 and 3 of P.L.1945, c.132
27 (C.54:18A-2 and C.54:18A-3), pursuant to section 1 of P.L.1950,
28 c.231 (C.17:32-15), or pursuant to N.J.S.17B:23-5.

29 d. (1) If, in any tax period, fewer than 200 full-time employees
30 of the business at the qualified business facility are employed in
31 new full-time positions, the amount of the credit otherwise
32 determined pursuant to final calculation of the award of tax credits
33 pursuant to subsection c. of this section shall be reduced by 20
34 percent for that tax period and each subsequent tax period until the
35 first period for which documentation demonstrating the restoration
36 of the 200 full-time employees employed in new full-time positions
37 at the qualified business facility has been reviewed and approved by
38 the authority, for which tax period and each subsequent tax period
39 the full amount of the credit shall be allowed; provided, however,
40 that for businesses applying before January 1, 2010, there shall be
41 no reduction if a business relocates to an urban transit hub from
42 another location or other locations in the same municipality. For
43 the purposes of this paragraph, a "new full-time position" means a
44 position created by the business at the qualified business facility
45 that did not previously exist in this State.

46 (2) If, in any tax period, the business reduces the total number
47 of full-time employees in its Statewide workforce by more than 20
48 percent from the number of full-time employees in its Statewide

1 workforce in the last tax accounting or privilege period prior to the
2 credit amount approval under subsection a. of this section, then the
3 business shall forfeit its credit amount for that tax period and each
4 subsequent tax period, until the first tax period for which
5 documentation demonstrating the restoration of the business's
6 Statewide workforce to the threshold levels required by this
7 paragraph has been reviewed and approved by the authority, for
8 which tax period and each subsequent tax period the full amount of
9 the credit shall be allowed.

10 (3) If, in any tax period, (a) the number of full-time employees
11 employed by the business at the qualified business facility located
12 in an urban transit hub within an eligible municipality drops below
13 250, or (b) the number of full-time employees, who are not the
14 subject of intra-State job transfers, pursuant to paragraph (8) of
15 subsection a. of this section, employed by the business at any other
16 business facility in the State, whether or not located in an urban
17 transit hub within an eligible municipality, drops by more than 20
18 percent from the number of full-time employees in its workforce in
19 the last tax accounting or privilege period prior to the credit amount
20 approval under this section, then the business shall forfeit its credit
21 amount for that tax period and each subsequent tax period, until the
22 first tax period for which documentation demonstrating the
23 restoration of the number of full-time employees employed by the
24 business at the qualified business facility to 250 or an increase
25 above the 20 percent reduction has been reviewed and approved by
26 the authority, for which tax period and each subsequent tax period
27 the full amount of the credit shall be allowed.

28 (4) (i) If the qualified business facility is sold in whole or in
29 part during the 10-year eligibility period, the new owner shall not
30 acquire the capital investment of the seller and the seller shall
31 forfeit all credits for the tax period in which the sale occurs and all
32 subsequent tax periods; provided, however, that any credits of
33 tenants shall remain unaffected.

34 (ii) If a tenant subleases its tenancy in whole or in part during
35 the 10-year eligibility period, the new tenant shall not acquire the
36 credit of the sublessor, and the sublessor tenant shall forfeit all
37 credits for the tax period of its sublease and all subsequent tax
38 periods.

39 e. (1) The Executive Director of the New Jersey Economic
40 Development Authority, in consultation with the Director of the
41 Division of Taxation in the Department of the Treasury, shall adopt
42 rules in accordance with the "Administrative Procedure Act,"
43 P.L.1968, c.410 (C.52:14B-1 et seq.) as are necessary to implement
44 P.L.2007, c.346 (C.34:1B-207 et seq.), including, but not limited to:
45 examples of and the determination of capital investment; the
46 enumeration of eligible municipalities; specific delineation of urban
47 transit hubs; the determination of the limits, if any, on the expense
48 or type of furnishings that may constitute capital improvements; the

1 promulgation of procedures and forms necessary to apply for a
2 credit, including the enumeration of the certification procedures and
3 allocation of tax credits for different phases of a qualified business
4 facility or mixed use project; and provisions for credit applicants to
5 be charged an initial application fee, and ongoing service fees, to
6 cover the administrative costs related to the credit.

7 (2) Through regulation, the authority shall establish standards
8 based on the green building manual prepared by the Commissioner
9 of Community Affairs, pursuant to section 1 of P.L.2007, c.132
10 (C.52:27D-130.6), regarding the use of renewable energy, energy-
11 efficient technology, and non-renewable resources in order to
12 reduce environmental degradation and encourage long-term cost
13 reduction.

14 (cf: P.L.2017, c.314, s.1)

15
16 2. Section 35 of P.L.2009, c.90 (C.34:1B-209.3) is amended to
17 read as follows:

18 35. a. (1) A developer, upon application to and approval from
19 the authority, shall be allowed a credit of up to 35 percent of its
20 capital investment, or up to 40 percent for a project located in a
21 Garden State Growth Zone, made after the effective date of
22 P.L.2009, c.90 (C.52:27D-489a et al.) but prior to its submission of
23 documentation pursuant to subsection c. of this section, in a
24 qualified residential project, pursuant to the restrictions and
25 requirements of this section. To be eligible for any tax credits
26 authorized under this section, a developer shall demonstrate to the
27 authority, through a project pro forma analysis at the time of
28 application, that the qualified residential project is likely to be
29 realized with the provision of tax credits at the level requested, but
30 is not likely to be accomplished by private enterprise without the
31 tax credits. The value of all credits approved by the authority
32 pursuant to this section for qualified residential projects may be up
33 to \$150,000,000, except as may be increased by the authority as set
34 forth below and as set forth in paragraph (5) of this subsection;
35 provided; however, that the combined value of all credits approved
36 by the authority pursuant to section 3 of P.L.2007, c.346 [(C.34:1B-
37 207)] (C.34:1B-209) and this section shall not exceed
38 \$1,750,000,000, except as may be increased by the authority as set
39 forth in paragraph (5) of this subsection. The authority shall
40 monitor application and allocation activity under P.L.2007, c.346
41 (C.34:1B-207 et seq.), and if sufficient credits are available after
42 taking into account allocation under P.L.2007, c.346 (C.34:1B-207
43 et seq.) to those qualified business facilities for which applications
44 have been filed or for which applications are reasonably anticipated,
45 and if the executive director judges certain qualified residential
46 projects to be meritorious, the aforementioned \$150,000,000 cap
47 may, in the discretion of the executive director, from time to time,
48 be exceeded for allocation to qualified residential projects in

1 amounts as the executive director deems reasonable, justified, and
2 appropriate. In allocating all credits to qualified residential projects
3 under this section, the executive director shall take into account,
4 together with other factors deemed relevant by the executive
5 director: input from the municipality in which the project is to be
6 located; whether the project contributes to the recovery of areas
7 affected by Hurricane Sandy; whether the project furthers specific
8 State or municipal planning and development objectives, or both;
9 and whether the project furthers a public purpose, such as
10 catalyzing urban development or maximizing the value of vacant,
11 dilapidated, outmoded, government-owned, or underutilized
12 property, or both.

13 (2) A developer shall make or acquire capital investments
14 totaling not less than \$50,000,000 in a qualified residential project
15 to be eligible for a credit under this section. A developer that
16 acquires a qualified residential project shall also be deemed to have
17 acquired the capital investment made or acquired by the seller.

18 (3) The capital investment requirement may be met by the
19 developer or by one or more of its affiliates.

20 (4) A developer of a mixed use project shall be allowed a credit
21 pursuant to subparagraph (a) or (b) of this paragraph, but not both.

22 (a) A developer shall be allowed a credit in accordance with this
23 section for a qualified residential project that includes a mixed use
24 project.

25 (b) A developer shall be allowed a credit of up to 35 percent of
26 its capital investment, or up to 40 percent for a project located in a
27 Garden State Growth Zone, made after the effective date of
28 P.L.2011, c.89, but prior to its submission of documentation
29 pursuant to subsection c. of this section, in a qualified residential
30 project that is part of a mixed use project, provided that:

31 (i) the capital investment in the qualified residential project
32 represents at least \$17,500,000 of the total capital investment in the
33 mixed use project; and

34 (ii) the total capital investment in the mixed use project of which
35 the qualified residential project is a part is not less than
36 \$50,000,000.

37 The allowance of credits under this paragraph shall be subject to
38 the restrictions and requirements, to the extent that those are not
39 inconsistent with the provisions of this paragraph, set forth in
40 paragraphs (1) through (3) of this subsection, including, but not
41 limited to, the requirement prescribed in paragraph (1) of this
42 subsection that the developer shall demonstrate to the authority,
43 through a project pro forma analysis at the time of application, that
44 the qualified residential project is likely to be realized with the
45 provision of tax credits at the level requested but is not likely to be
46 accomplished by private enterprise without the tax credits.

47 As used in this subparagraph:

1 "Mixed use project" means a project comprising both a qualified
2 residential project and a qualified business facility.

3 (5) The authority may approve and allocate credits for qualified
4 residential projects in a value sufficient to meet the requirements of
5 all applications that were received by the authority between October
6 24, 2012 and December 21, 2012, without regard to the terms of
7 any competitive solicitation, except for the \$33,000,000 per project
8 cap, and without need for reapplication by any applicant. The
9 authority shall take final action on those applications prior to the
10 120th day after the date of enactment of the "New Jersey Economic
11 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.).

12 b. (1) A developer shall apply for the credit under this section
13 on or prior to December 21, 2012 but may thereafter supplement an
14 application as may be requested by the authority. A developer shall
15 submit its documentation for approval of its credit amount no later
16 than **【April 26, 2021】** December 31, 2023.

17 (2) If a developer has submitted an application under this
18 section and the application has not been approved for any reason,
19 the lack of approval shall not serve to prejudice in any way the
20 consideration of a new application as may be submitted for the
21 project for the provision of incentives offered pursuant to the "New
22 Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
23 (C.52:27D-489p et al.).

24 c. The credit shall be administered in accordance with the
25 provisions of subsections c. and e. of section 3 of P.L.2007, c.346
26 (C.34:1B-209), as amended by section 32 of P.L.2009, c.90, and
27 section 33 of P.L.2009, c.90 (C.34:1B-209.1), except that:

28 (1) all references therein to "business" and "qualified business
29 facility" shall be deemed to refer respectively to "developer" and
30 "qualified residential project," as those terms are defined in section
31 34 of P.L.2009, c.90 (C.34:1B-209.2); and

32 (2) all references therein to credits claimed by tenants and to
33 reductions or disqualifications in credits as determined by annual
34 review of the authority shall be disregarded.

35 For purposes of a "mixed use project" as that term is used and
36 defined pursuant to subparagraph (b) of paragraph (4) of subsection
37 a. of this section, "qualified business facility" means that term as
38 defined pursuant to section 2 of P.L.2007, c.346 (C.34:1B-208).

39 (cf: P.L.2017, c.314, s.2)

40
41 3. Section 6 of P.L.2009, c.90 (C.52:27D-489f) is amended to
42 read as follows:

43 6. a. Up to the limits established in subsection b. of this
44 section and in accordance with a redevelopment incentive grant
45 agreement, beginning upon the receipt of occupancy permits for any
46 portion of the redevelopment project, or upon any other event
47 evidencing project completion as set forth in the incentive grant
48 agreement, the State Treasurer shall pay to the developer

1 incremental State revenues directly realized from businesses
2 operating at the site of the redevelopment project from the
3 following taxes: the Corporation Business Tax Act (1945),
4 P.L.1945, c.162 (C.54:10A-1 et seq.), the tax imposed on marine
5 insurance companies pursuant to R.S.54:16-1 et seq., the tax
6 imposed on insurers generally, pursuant to P.L.1945, c.132
7 (C.54:18A-1 et seq.), the public utility franchise tax, public utilities
8 gross receipts tax and public utility excise tax imposed on sewerage
9 and water corporations pursuant to P.L.1940, c.5 (C.54:30A-49 et
10 seq.), those tariffs and charges imposed by electric, natural gas,
11 telecommunications, water and sewage utilities, and cable television
12 companies under the jurisdiction of the New Jersey Board of Public
13 Utilities, or comparable entity, except for those tariffs, fees, or taxes
14 related to societal benefits charges assessed pursuant to section 12
15 of P.L.1999, c.23 (C.48:3-60), any charges paid for compliance
16 with the "Global Warming Response Act," P.L.2007, c.112
17 (C.26:2C-37 et seq.), transitional energy facility assessment unit
18 taxes paid pursuant to section 67 of P.L.1997, c.162 (C.48:2-21.34),
19 and the sales and use taxes on public utility and cable television
20 services and commodities, the tax derived from net profits from
21 business, a distributive share of partnership income, or a pro rata
22 share of S corporation income under the "New Jersey Gross Income
23 Tax Act," N.J.S.54A:1-1 et seq., the tax derived from a business at
24 the site of a redevelopment project that is required to collect the tax
25 pursuant to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-
26 1 et seq.), the tax imposed pursuant to P.L.1966, c.30 (C.54:32B-1
27 et seq.) from the purchase of furniture, fixtures and equipment, or
28 materials for the remediation, the construction of new structures at
29 the site of a redevelopment project, the hotel and motel occupancy
30 fee imposed pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1),
31 or the portion of the fee imposed pursuant to section 3 of P.L.1968,
32 c.49 (C.46:15-7) derived from the sale of real property at the site of
33 the redevelopment project and paid to the State Treasurer for use by
34 the State, that is not credited to the "Shore Protection Fund" or the
35 "Neighborhood Preservation Nonlapsing Revolving Fund" ("New
36 Jersey Affordable Housing Trust Fund") pursuant to section 4 of
37 P.L.1968, c.49 (C.46:15-8). Any developer shall be allowed to
38 assign their ability to apply for the tax credit under this subsection
39 to a non-profit organization with a mission dedicated to attracting
40 investment and completing development and redevelopment
41 projects in a Garden State Growth Zone. The non-profit
42 organization may make an application on behalf of a developer
43 which meets the requirements for the tax credit, or a group of non-
44 qualifying developers, such that these will be considered a unified
45 project for the purposes of the incentives provided under this
46 section.

47 b. (1) Up to an average of 75 percent of the projected annual
48 incremental revenues or 85 percent of the projected annual

1 incremental revenues in a Garden State Growth Zone may be
2 pledged towards the State portion of an incentive grant.

3 (2) In the case of a qualified residential project or a project
4 involving university infrastructure, if the authority determines that
5 the estimated amount of incremental revenues pledged towards the
6 State portion of an incentive grant is inadequate to fully fund the
7 amount of the State portion of the incentive grant, then in lieu of an
8 incentive grant based on the incremental revenues, the developer
9 shall be awarded tax credits equal to the full amount of the
10 incentive grant.

11 (3) In the case of a mixed use parking project, if the authority
12 determines that the estimated amount of incremental revenues
13 pledged towards the State portion of an incentive grant is
14 inadequate to fully fund the amount of the State portion of the
15 incentive grant, then, in lieu of an incentive grant based on the
16 incremental revenues, the developer shall be awarded tax credits
17 equal to the full amount of the incentive grant.

18 The value of all credits approved by the authority pursuant to
19 paragraphs (2) and (3) of this subsection shall not exceed
20 \$823,000,000, of which:

21 (a) \$250,000,000 shall be restricted to qualified residential
22 projects within Atlantic, Burlington, Camden, Cape May,
23 Cumberland, Gloucester, Ocean, and Salem counties, of which
24 \$175,000,000 of the credits shall be restricted to the following
25 categories of projects: (i) qualified residential projects located in a
26 Garden State Growth Zone located within the aforementioned
27 counties; and (ii) mixed use parking projects located in a Garden
28 State Growth Zone or urban transit hub located within the
29 aforementioned counties; (iii) and \$75,000,000 of the credits shall
30 be restricted to qualified residential projects in municipalities with a
31 2007 Municipal Revitalization Index of 400 or higher as of the date
32 of enactment of the "New Jersey Economic Opportunity Act of
33 2013," P.L.2013, c.161 (C.52:27D-489p et al.) and located within
34 the aforementioned counties;

35 (b) \$395,000,000 shall be restricted to the following categories
36 of projects: (i) qualified residential projects located in urban transit
37 hubs that are commuter rail in nature that otherwise do not qualify
38 under subparagraph (a) of this paragraph; (ii) qualified residential
39 projects located in Garden State Growth Zones that do not qualify
40 under subparagraph (a) of this paragraph; (iii) mixed use parking
41 projects located in urban transit hubs or Garden State Growth Zones
42 that do not qualify under subparagraph (a) of this paragraph,
43 provided however, an urban transit hub shall be allocated no more
44 than \$25,000,000 for mixed use parking projects; (iv) qualified
45 residential projects which are disaster recovery projects that
46 otherwise do not qualify under subparagraph (a) of this paragraph;
47 (v) qualified residential projects in SDA municipalities located in
48 Hudson County that were awarded State Aid in State Fiscal Year

1 2013 through the Transitional Aid to Localities program and
2 otherwise do not qualify under subparagraph (a) of this paragraph;
3 (vi) \$25,000,000 of credits shall be restricted to mixed use parking
4 projects in Garden State Growth Zones which have a population in
5 excess of 125,000 and do not qualify under subparagraph (a) of this
6 paragraph; (vii) \$40,000,000 of credits shall be restricted to
7 qualified residential projects that include a theater venue for the
8 performing arts and do not qualify under subparagraph (a) of this
9 paragraph, which projects are located in a municipality with a
10 population of less than 100,000 according to the latest federal
11 decennial census, and within which municipality is located an urban
12 transit hub and a campus of a public research university, as defined
13 in section 1 of P.L.2009, c.308 (C.18A:3B-46); and (viii)
14 \$105,000,000 of credits shall be restricted to qualified residential
15 projects and mixed use parking projects in Garden State Growth
16 Zones having a population in excess of 125,000 and do not qualify
17 under subparagraph (a) of this paragraph;

18 (c) \$87,000,000 shall be restricted to the following categories of
19 projects: (i) qualified residential projects located in distressed
20 municipalities, deep poverty pockets, highlands development credit
21 receiving areas or redevelopment areas, otherwise not qualifying
22 pursuant to subparagraph (a) or (b) of this paragraph; and (ii) mixed
23 use parking projects that do not qualify under subparagraph (a) or
24 (b) of this paragraph, and which are used by an independent
25 institution of higher education, a school of medicine, a nonprofit
26 hospital system, or any combination thereof; provided, however,
27 that \$20,000,000 of the \$87,000,000 shall be allocated to mixed use
28 parking projects that do not qualify under subparagraph (a) or (b) of
29 this paragraph;

30 (d) (i) \$16,000,000 shall be restricted to qualified residential
31 projects that are located within a qualifying economic
32 redevelopment and growth grant incentive area otherwise not
33 qualifying under subparagraph (a), (b), or (c) of this paragraph; and

34 (ii) an additional \$50,000,000 shall be restricted to qualified
35 residential projects which, as of the effective date of P.L.2016, c.51,
36 are located in a city of the first class with a population in excess of
37 270,000, are subject to a Renewal Contract for a Section 8 Mark-
38 Up-To-Market Project from the United States Department of
39 Housing and Urban Development, and for which an application for
40 the award of tax credits under this subsection was submitted prior to
41 January 1, 2016; and

42 (e) \$25,000,000 shall be restricted to projects involving
43 university infrastructure.

44 (f) For subparagraphs (a) through (d) of this paragraph, not
45 more than \$40,000,000 of credits shall be awarded to any qualified
46 residential project in a deep poverty pocket or distressed
47 municipality and not more than \$20,000,000 of credits shall be
48 awarded to any other qualified residential project. The developer of

1 a qualified residential project seeking an award of credits towards
2 the funding of its incentive grant shall submit an incentive grant
3 application prior to July 1, 2016 and if approved after September
4 18, 2013, the effective date of P.L.2013, c.161 (C.52:27D-489p et
5 al.) shall submit a temporary certificate of occupancy for the project
6 no later than **July 28, 2021** December 31, 2023. The developer of
7 a mixed use parking project seeking an award of credits towards the
8 funding of its incentive grant pursuant to subparagraph (c) of this
9 paragraph and if approved after the effective date of P.L.2015,
10 c.217, shall submit a temporary certificate of occupancy for the
11 project no later than **July 28, 2021** December 31, 2023. The
12 developer of a qualified residential project or a mixed use parking
13 project seeking an award of credits toward the funding of its
14 incentive grant for a project restricted under categories (vi) and
15 (viii) of subparagraph (b) of this paragraph shall submit an
16 incentive grant application prior to July 1, 2019, and if approved
17 after the effective date of P.L.2017, c.59, shall submit a temporary
18 certificate of occupancy for the project no later than **July 28,**
19 **2022** December 31, 2023 provided that the municipality in which
20 the project is located shall have submitted to the chief executive
21 officer of the authority a letter of support identifying up to six
22 projects prior to July 1, 2018. The letter of support is to contain a
23 project scope for each of the projects and may be supplemented
24 from time to time until July 1, 2019. Applications for tax credits
25 pursuant to this subsection relating to an ancillary infrastructure
26 project or infrastructure improvement in the public right-of-way, or
27 both, shall be accompanied with a letter of support relating to the
28 project or improvement by the governing body or agency in which
29 the project is located. Credits awarded to a developer pursuant to
30 this subsection shall be subject to the same financial and related
31 analysis by the authority, the same term of the grant, and the same
32 mechanism for administering the credits, and shall be utilized or
33 transferred by the developer as if the credits had been awarded to
34 the developer pursuant to section 35 of P.L.2009, c.90 (C.34:1B-
35 209.3) for qualified residential projects thereunder. No portion of
36 the revenues pledged pursuant to the "New Jersey Economic
37 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.)
38 shall be subject to withholding or retainage for adjustment, in the
39 event the developer or taxpayer waives its rights to claim a refund
40 thereof.

41 (4) A developer may apply to the Director of the Division of
42 Taxation in the Department of the Treasury and the chief executive
43 officer of the authority for a tax credit transfer certificate, if the
44 developer is awarded a tax credit pursuant to paragraph (2) or
45 paragraph (3) of this subsection, covering one or more years, in lieu
46 of the developer being allowed any amount of the credit against the
47 tax liability of the developer. The tax credit transfer certificate,
48 upon receipt thereof by the developer from the director and the

1 chief executive officer of the authority, may be sold or assigned, in
2 full or in part, to any other person who may have a tax liability
3 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2
4 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1
5 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. The certificate
6 provided to the developer shall include a statement waiving the
7 developer's right to claim that amount of the credit against the taxes
8 that the developer has elected to sell or assign. The sale or
9 assignment of any amount of a tax credit transfer certificate allowed
10 under this paragraph shall not be exchanged for consideration
11 received by the developer of less than 75 percent of the transferred
12 credit amount before considering any further discounting to present
13 value that may be permitted. Any amount of a tax credit transfer
14 certificate used by a purchaser or assignee against a tax liability
15 shall be subject to the same limitations and conditions that apply to
16 the use of the credit by the developer who originally applied for and
17 was allowed the credit.

18 c. All administrative costs associated with the incentive grant
19 shall be assessed to the applicant and be retained by the State
20 Treasurer from the annual incentive grant payments.

21 d. The incremental revenue for the revenues listed in
22 subsection a. of this section shall be calculated as the difference
23 between the amount collected in any fiscal year from any eligible
24 revenue source included in the State redevelopment incentive grant
25 agreement, less the revenue increment base for that eligible
26 revenue.

27 e. The municipality is authorized to collect any information
28 necessary to facilitate grants under this program and remit that
29 information in order to assist in the calculation of incremental
30 revenue.

31 (cf: P.L.2018, c.44, s.2)

32
33 4. This act shall take effect immediately.
34
35

36 STATEMENT

37
38 This bill extends for two years the document submission
39 deadlines applicable to a business or developer that is seeking to
40 receive tax credits under the Economic Redevelopment and Growth
41 Grant Program (ERGG) and the Urban Transit Hub Tax Credit
42 Program (UTHTC).

43 The deadline to submit the required documentation for approval
44 of tax documents for certain residential and commercial UTHTC
45 projects is extended from April 26, 2021 to December 31, 2023.
46 The bill also changes from July 28, 2021 to December 31, 2023 the
47 date when approved UTHTC projects will begin forfeiting annual

1 tax credit awards if the project has not been certified as having met
2 its investment capital and employment qualifications.

3 Finally, the bill extends, to December 31, 2023, the deadline by
4 which developers of certain qualified residential and mixed use
5 parking ERGG projects are required to submit temporary
6 certificates of occupancy.