

**ASSEMBLY, No. 5129**

---

**STATE OF NEW JERSEY**

**219th LEGISLATURE**

---

INTRODUCED DECEMBER 10, 2020

**Sponsored by:**

**Assemblyman ROY FREIMAN**

**District 16 (Hunterdon, Mercer, Middlesex and Somerset)**

**Assemblyman DANIEL R. BENSON**

**District 14 (Mercer and Middlesex)**

**Assemblyman ANTHONY S. VERRELLI**

**District 15 (Hunterdon and Mercer)**

**SYNOPSIS**

Provides gross income tax credit to essential employees working during COVID-19 pandemic.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 12/14/2020)**

1   **AN ACT** establishing a credit against the New Jersey gross income  
2       tax for essential employees working during the COVID-19  
3       pandemic and supplementing Title 54A of the New Jersey  
4       Statutes.

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

8  
9       1. a. As used in this section:

10       “Essential employee” means an employee who, during a taxable  
11       year in which both the Public Health Emergency and the State of  
12       Emergency declared by the Governor in Executive Order No. 103 of  
13       2020 and any extension thereof concerning the COVID-19  
14       pandemic are ongoing:

15       (1) is a public safety worker;

16       (2) is involved in providing medical and other health care  
17       services, emergency transportation, social services, and other care  
18       services, including services provided in health care facilities,  
19       residential facilities, or homes; or

20       (3) performs functions which involve physical proximity to the  
21       members of the public and are essential to the public’s health,  
22       safety, and welfare, including, but not limited to, transportation  
23       services, hotel and other transient services, banking and financial  
24       services, and the production, preparation, storage, sale, and  
25       distribution of essential goods, such as food, beverages, medicine,  
26       fuel, and supplies for conducting essential business and work at  
27       home.

28       An employee who is an employee of the State who is offered the  
29       option of working at home, but has refused that option, shall not be  
30       regarded as an essential employee.

31       “Health care facility” means any non-federal institution, building  
32       or agency, or portion thereof, whether public or private, for profit or  
33       nonprofit, that is used, operated, or designed to provide health  
34       services, medical or dental treatment, nursing, rehabilitative or  
35       preventive care to any person. Health care facility includes, but is  
36       not limited to: an ambulatory surgical facility, home health agency,  
37       hospice, hospital, infirmary, intermediate care facility, dialysis  
38       center, long-term care facility, medical assistance facility, mental  
39       health center, paid and volunteer emergency medical services,  
40       outpatient facility, public health center, rehabilitation facility,  
41       residential treatment facility, skilled nursing facility, and adult day  
42       care center. Health care facility also includes, but is not limited to,  
43       the following related property when used for or in connection with  
44       the foregoing: a laboratory, research facility, pharmacy, laundry  
45       facility, health personnel training and lodging facility, patient,  
46       guest, and health personnel food service facility, and the portion of  
47       an office or office building used by persons engaged in health care  
48       professions or services.

1       “Public safety worker” includes a member, employee, or officer  
2 of a paid, partially-paid, or volunteer fire or police department,  
3 force, company, or district, including but not limited to, the State  
4 Police, a Community Emergency Response Team approved by the  
5 New Jersey Office of Emergency Management, a correctional  
6 facility, a basic or advanced medical technician of a first aid or  
7 rescue squad, or any other nurse, basic or advanced medical  
8 technician.

9       b. (1) An essential employee with gross income not in excess of  
10 \$250,000 shall be allowed a credit in the amount of \$500 against the  
11 tax otherwise due for the taxable year pursuant to the “New Jersey  
12 Gross Income Tax Act,” N.J.S.54A:1-1 et seq.

13       (2) An essential employee with gross income in excess of  
14 \$250,000 but not in excess of \$400,000 shall be allowed a credit in  
15 the amount of \$250 against the tax otherwise due for the taxable  
16 year pursuant to the “New Jersey Gross Income Tax Act,”  
17 N.J.S.54A:1-1 et seq.

18       (3) An essential employee with gross income in excess of  
19 \$400,000 shall not be allowed a credit pursuant to this section.

20       c. In the case of married individuals filing jointly, each  
21 individual shall be permitted to claim the credit allowed pursuant to  
22 this section in the taxable year if that individual is eligible for the  
23 credit.

24       d. The order of priority of the application of the credit allowed  
25 pursuant to this section, and any other credits allowed against the  
26 tax imposed pursuant to N.J.S.54A:1-1 et seq., shall be as  
27 prescribed by the director. The amount of the credit applied against  
28 the New Jersey gross income tax due pursuant to N.J.S.54A:1-1 et  
29 seq. shall not reduce a taxpayer’s New Jersey gross income tax  
30 liability to an amount less than zero.

31       e. Notwithstanding the provisions of the “Administrative  
32 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), to the  
33 contrary, the director may adopt, immediately, upon filing with the  
34 Office of Administrative Law, regulations that the director deems  
35 necessary to implement the provisions of P.L.     , c.     (C.     )  
36 (pending before the Legislature as this bill), which regulations shall  
37 be effective for a period not to exceed 360 days from the date of the  
38 filing. The director may thereafter amend, adopt, or readopt the  
39 regulations in accordance with the requirements of P.L.1968, c.410  
40 (C.52:14B-1 et seq.).

41  
42       2. This act shall take effect immediately and apply to any  
43 taxable year during which both the Public Health Emergency and  
44 the State of Emergency declared by the Governor in Executive  
45 Order No. 103 of 2020 and any extension thereof concerning the  
46 COVID-19 pandemic are in effect for more than 183 days.

1 STATEMENT

2

3 This bill provides a gross income tax credit to certain essential  
4 employees, including, but not limited to, health care workers, public  
5 safety workers, and transportation service providers, who have  
6 continued working during the COVID-19 pandemic.

7 An essential employee with gross income of less than \$250,000  
8 would be allowed a tax credit of \$500. An essential employee with  
9 gross income greater than \$250,000 but less than \$400,000 would  
10 be allowed a tax credit of \$250. Essential employees with gross  
11 income greater than \$400,000 are not eligible to receive a tax credit.  
12 The credit may be claimed by both individuals in the case of  
13 married individuals filing a joint return.

14 The bill will take effect immediately and will apply to any  
15 taxable year in which both the State of Emergency and Public  
16 Health Emergency declared by the Governor in Executive Order  
17 No. 103 of 2020 and any extension thereof remains in effect for 183  
18 days.