

# SENATE, No. 2736

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JULY 28, 2020

**Sponsored by:**

**Senator TROY SINGLETON**

**District 7 (Burlington)**

**Senator VIN GOPAL**

**District 11 (Monmouth)**

**Co-Sponsored by:**

**Senators Cruz-Perez, Brown, Connors and Pou**

**SYNOPSIS**

Provides gross income tax credit to certain totally and permanently disabled veterans for rent constituting property taxes.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 10/29/2020)**

1 AN ACT providing a gross income tax credit to certain totally and  
2 permanently disabled veterans for rent constituting property  
3 taxes, supplementing Title 54A of the New Jersey Statutes.

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

7  
8 1. a. A disabled veteran shall be allowed a credit against the  
9 tax otherwise due under the “New Jersey Gross Income Tax Act,”  
10 N.J.S.54A:1-1 et seq., in an amount equal to rent constituting  
11 property taxes, as defined in section 2 of P.L.1996, c.60  
12 (C.54A:3A-16), paid by the disabled veteran for occupancy during  
13 the taxable year of a unit of residential rental property, as defined in  
14 section 2 of P.L.1996, c.60 (C.54A:3A-16), which the disabled  
15 veteran occupies as a principal residence.

16 b. The amount of the credit allowed pursuant to this section  
17 shall be applied against the tax otherwise due under N.J.S.54A:1-1  
18 et seq., after all other credits and payments. If the credit exceeds  
19 the amount of tax otherwise due, that amount of excess shall be an  
20 overpayment for the purposes of N.J.S.54A:9-7; provided however,  
21 that subsection (f) of N.J.S.54A:9-7 shall not apply.

22 c. The credit for a disabled veteran under subsection a. of this  
23 section who, pursuant to N.J.S.54A:2-4, is not subject to tax, shall  
24 be applied for annually on an application as shall be made available  
25 by the director, to be filed with the director on or before the date for  
26 filing annual gross income tax returns. The director shall determine  
27 the form and manner by which a qualified applicant shall apply for  
28 a refund of an overpayment pursuant to this section, and the time of  
29 the refund of the overpayment.

30 d. As used in this section, “disabled veteran” means any  
31 resident of the State who has been honorably discharged or released  
32 under honorable circumstances from active service in any branch of  
33 the Armed Forces of the United States and who has been or shall be  
34 declared by the United States Veterans Administration, or its  
35 successor, to have a service-connected disability from paraplegia,  
36 sarcoidosis, osteochondritis resulting in permanent loss of the use of  
37 both legs, or permanent paralysis of both legs and lower parts of the  
38 body, or from hemiplegia and has permanent paralysis of one leg  
39 and one arm or either side of the body, resulting from injury to the  
40 spinal cord, skeletal structure, or brain or from disease of the spinal  
41 cord not resulting from any form of syphilis; or from total  
42 blindness; or from amputation of both arms or both legs, or both  
43 hands or both feet, or the combination of a hand and a foot; or from  
44 other service-connected disability declared by the United States  
45 Veterans Administration or its successor to be a total or 100%  
46 permanent disability, and not so evaluated solely because of  
47 hospitalization or surgery and recuperation, sustained through

1 enemy action, or accident, or resulting from disease contracted  
2 while in such active service.

3 e. Nothing in subsection d. of this section shall be intended to  
4 include paraplegia or hemiplegia resulting from locomotor ataxia or  
5 other forms of syphilis of the central nervous system, or from  
6 chronic alcoholism, or to include other forms of disease resulting  
7 from the veteran's own misconduct which may produce signs and  
8 symptoms similar to those resulting from paraplegia,  
9 osteochondritis, or hemiplegia.

10  
11 2. a. (1) The surviving spouse of any resident of this State,  
12 who at the time of death was entitled to the credit provided pursuant  
13 to this act, shall be entitled, on proper claim made therefor, to the  
14 same credit as the deceased had, during the surviving spouse's  
15 widowhood or widowerhood, as the case may be, and while a  
16 resident of this State, for the time that the surviving spouse is the  
17 tenant or lessee thereof and actually occupies the unit of residential  
18 rental property or any other unit of residential rental property  
19 thereafter rented or leased.

20 (2) The surviving spouse of any resident of this State who was  
21 honorably discharged and, after the citizen and resident's death, is  
22 declared to have suffered a service-connected disability as provided  
23 in section 1 of this act, shall be entitled, on proper claim made  
24 therefor, to the same credit the deceased would have become  
25 eligible for. The surviving spouse shall be permitted to claim the  
26 credit during the surviving spouse's widowhood or widowerhood, as  
27 the case may be, and while a resident of this State, for the time that  
28 the surviving spouse is the tenant or lessee thereof and actually  
29 occupies the unit of residential rental property or any other unit of  
30 residential rental property thereafter rented or leased.

31 b. The surviving spouse of any resident of this State, who died  
32 in active service in time of war in any branch of the Armed Forces  
33 of the United States, shall be entitled, on proper claim made  
34 therefor, to the credit provided pursuant to this act, during the  
35 surviving spouse's widowhood or widowerhood, as the case may be,  
36 and while a resident of this State, for the time that the surviving  
37 spouse is the tenant or lessee thereof and actually occupies the unit  
38 of residential rental property or any other unit of residential rental  
39 property thereafter rented or leased.

40  
41 3. This act shall take effect immediately and apply to taxable  
42 years beginning on or after the January 1 next following enactment.

#### 43 44 45 STATEMENT

46  
47 This bill provides a gross income tax credit to certain totally and  
48 permanently disabled veterans for rent constituting property taxes.

1 Pursuant to N.J.S.A.54:4-3.30, a citizen and resident, as well as a  
2 surviving spouse in certain circumstances, of this State who has  
3 been honorably discharged or released under honorable  
4 circumstances, from active service, in time of war, in any branch of  
5 the Armed Forces of the United States, who has been declared by  
6 the United States Veterans Administration to have certain service-  
7 connected disabilities is eligible for a property tax exemption on the  
8 person's principal residence and the lot on which that residence is  
9 situated. However, a similar exemption does not exist for persons  
10 who occupy a unit of a residential rental property and pay rent.

11 In order to create parity between disabled veterans who own their  
12 principal residence and those disabled veterans who occupy a unit  
13 of a residential rental property, the bill provides a refundable gross  
14 income tax credit in an amount equal to rent constituting property  
15 taxes, as defined in section 2 of P.L.1996, c.60 (C.54A:3A-16), for  
16 those disabled veterans, or their spouses in certain circumstances,  
17 who rent or lease a unit of a residential property, as also defined in  
18 section 2 of P.L.1996, c.60 (C.54A:3A-16). For the purposes of this  
19 bill, rent constituting property taxes is considered to be 18 percent  
20 of the rent paid by the taxpayer for occupancy during the taxable  
21 year of a unit of residential rental property which the taxpayer  
22 occupies as a principal residence.

23 Lastly, the bill requires the Director of the Division of Taxation  
24 in the Department of the Treasury to make a separate application  
25 available for those disabled veterans who, pursuant to  
26 N.J.S.A.54A:2-4, are not subject to the gross income tax.