SENATE, No. 3194

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED NOVEMBER 19, 2020

Sponsored by:

Senator THOMAS H. KEAN, JR.

District 21 (Morris, Somerset and Union)

Senator HOLLY T. SCHEPISI District 39 (Bergen and Passaic)

Co-Sponsored by:

Senators Corrado and Cardinale

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: 3/25/2021)

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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.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

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

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

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

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

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

STATEMENT

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

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

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

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

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