

SENATE, No. 3305

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED JANUARY 7, 2021

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Senator STEVEN V. OROHO

District 24 (Morris, Sussex and Warren)

Co-Sponsored by:

Senators O'Scanlon and Singleton

SYNOPSIS

Allows gross income tax credit for nonresidential building improvement expenses to reduce spread of COVID-19.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/21/2021)

1 AN ACT allowing a gross income tax credit for nonresidential
2 building improvement expenses to reduce the spread of COVID-
3 19, 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. For taxable years 2020, 2021, and 2022, a taxpayer shall
9 be allowed a credit against the tax otherwise due under the New
10 Jersey Gross Income Tax Act in an amount determined pursuant to
11 subsection b. of this section, for the taxpayer's expenditures during
12 the taxable year for nonresidential building improvements to reduce
13 the spread of COVID-19. Taxpayer expenditures includable in the
14 calculation of the credit are expenditures for:

15 (1) bi-polar ionization and ultraviolet lighting to disinfect indoor
16 air and surfaces, including in elevators and work areas;

17 (2) infrared thermometers for screening visitors in common
18 areas;

19 (3) transparent sneeze guards or shields;

20 (4) touchless entryway and security to reduce the spread of
21 COVID-19;

22 (5) ventilation improvements to reduce the spread of COVID-
23 19; and

24 (6) other equipment to reduce the spread of COVID-19 and
25 necessary to create a safe environment for employers and
26 employees to return to their work spaces.

27 b. The amount of credit allowed pursuant to subsection a. of
28 this section shall be equal to:

29 75 percent of the taxpayer's expenditures for a work location of
30 less than 30,000 square feet, but the credit for such expenditures
31 shall not exceed \$100,000 per location; and

32 50 percent of the taxpayer's expenditures for a work location of
33 30,000 square feet or more, but the credit for such expenditures
34 shall not exceed \$250,000 per location.

35 c. The order of priority of the application of the credit allowed
36 pursuant to this section and any other credits allowed pursuant to
37 the New Jersey Gross Income Tax Act for a taxable year shall be as
38 prescribed by the director. The amount of the credit applied under
39 this section against the tax imposed for a taxable year, together with
40 any other credits allowed by law, shall not reduce the tax liability to
41 an amount less than zero. Any remaining credit shall not be carried
42 forward to another taxable year.

43 d. A business entity that is classified as a partnership for
44 federal income tax purposes shall not be allowed the credit directly,
45 but the amount of credit of a taxpayer in respect of a distributive
46 share of partnership income shall be determined by allocating to the
47 taxpayer that proportion of the credit acquired by the partnership
48 that is equal to the taxpayer's share, whether or not distributed, of

1 the total distributive income or gain of the partnership for its
2 taxable year ending within or with the taxpayer's taxable year.

3 A taxpayer that is a New Jersey S corporation shall not be
4 allowed the credit directly, but the amount of credit of a taxpayer in
5 respect of a pro rata share of S corporation income shall be
6 determined by allocating to the taxpayer that proportion of the
7 credit acquired by the New Jersey S corporation that is equal to the
8 taxpayer's share, whether or not distributed, of the total pro-rata
9 share of S corporation income of the New Jersey S corporation for
10 its privilege period ending within or with the taxpayer's taxable
11 year.

12 e. Notwithstanding any provision of the "Administrative
13 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
14 contrary, the director is authorized to adopt immediately upon filing
15 with the Office of Administrative Law such rules and regulations
16 shall be effective for a period not to exceed 360 days following the
17 date of filing and may thereafter be amended, adopted, or readopted
18 by the director in accordance with the requirements of P.L.1968,
19 c.410 (C.52:14B-1 et seq.).

20
21 2. This act shall take effect immediately and apply to
22 expenditures made after March 9, 2020 and before January 1, 2023.
23
24

25 STATEMENT

26
27 This bill allows a gross income tax credit for nonresidential
28 building improvement expenses to reduce the spread of COVID-19.
29 The credit will be allowed for expenditures made during taxable
30 years 2020, 2021, and 2022.

31 The following expenditures will be includable in calculation of
32 the credit: expenditures for (1) bi-polar ionization and ultraviolet
33 lighting to disinfect indoor air and surfaces, including in elevators
34 and work areas; (2) infrared thermometers for screening visitors in
35 common areas; (3) transparent sneeze guards or shields; (4)
36 touchless entryway and security; (5) ventilation; and (6) other
37 equipment to reduce the spread of COVID-19 and necessary to
38 create a safe environment for employers and employees to return to
39 their work spaces.

40 The amount of credit allowed will be equal to: 75 percent of the
41 taxpayer's expenditures for a work space of less than 30,000 square
42 feet, but the credit for such expenditures cannot exceed \$100,000;
43 and 50 percent of the taxpayer's expenditures for a work space of
44 30,000 square feet or more, but the credit for such expenditures
45 cannot exceed \$250,000.