

SENATE, No. 3359

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JANUARY 12, 2021

Sponsored by:

Senator MICHAEL L. TESTA, JR.

District 1 (Atlantic, Cape May and Cumberland)

Senator JOSEPH A. LAGANA

District 38 (Bergen and Passaic)

SYNOPSIS

Provides gross income tax deduction to surviving spouses of certain veterans.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT providing a gross income tax deduction to surviving
2 spouses of certain veterans and amending Chapter 3 of Title 54A
3 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. N.J.S. 54A:3-1 is amended to read as follows:

9 54A:3-1. Personal exemptions and deductions. Each taxpayer
10 shall be allowed personal exemptions and deductions against his
11 gross income as follows:

12 (a) Taxpayer. Each taxpayer shall be allowed a personal
13 exemption of \$1,000.00 which may be taken as a deduction from his
14 New Jersey gross income.

15 (b) Additional exemptions. In addition to the personal
16 exemptions allowed in (a), the following additional personal
17 exemptions shall be allowed as a deduction from gross income:

18 1. For the taxpayer's spouse, or domestic partner as defined in
19 section 3 of P.L.2003, c.246 (C.26:8A-3), who does not file
20 separately - \$1,000.00.

21 2. For each dependent who qualifies as a dependent of the
22 taxpayer during the taxable year for federal income tax purposes -
23 \$1,500.00.

24 3. Taxpayer 65 years of age or over at the close of the taxable
25 year - \$1,000.00.

26 4. Taxpayer's spouse 65 years of age or over at the close of the
27 taxable year - \$1,000.00.

28 5. Blind or disabled taxpayer - \$1,000.00.

29 6. Blind or disabled spouse - \$1,000.00.

30 7. Taxpayer who is a veteran honorably discharged or released
31 under honorable circumstances from active duty in the Armed
32 Forces of the United States, a reserve component thereof, or the
33 National Guard of New Jersey in a federal active duty status, as
34 those terms are used in N.J.S.38A:1-1 - \$6,000.

35 8. (A) Taxpayer who is the surviving spouse of a qualifying
36 veteran - \$6,000.00.

37 (B) For purposes of this paragraph:

38 "Qualifying veteran" means an individual who dies while on,
39 was honorably discharged from, or was released under honorable
40 circumstances from active duty in the Armed Forces of the United
41 States, a reserve component thereof, or the National Guard of New
42 Jersey in a federal active duty status, as those terms are used in
43 N.J.S.38A:1-1.

44 "Surviving spouse" means the person to whom a qualifying
45 veteran was married, or a domestic partner as defined in section 3

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 of P.L.2003, c.246 (C.26:8A-3), on the date of the death of the
2 qualifying veteran and;

3 (i) who lived with the qualifying veteran continuously from the
4 date of marriage to the date of the qualifying veteran's death, except
5 where there was a separation that was due to the misconduct of, or
6 caused by, the qualifying veteran without the fault of the spouse;
7 and

8 (ii) except as provided in paragraph (C) of this subsection, has
9 not remarried or has not since the death of the qualifying veteran
10 lived with another person and held himself out openly to the public
11 to be the spouse of that other person.

12 (C) A surviving spouse who remarries shall be eligible for the
13 personal exemption allowed under this paragraph if the remarriage:

14 (i) was void;

15 (ii) has been annulled by a court having basic authority to render
16 annulment decrees, unless the director determines that the
17 annulment was obtained through fraud by either party or by
18 collusion; or

19 (iii) occurred after the surviving spouse attained the age of 57.

20 (c) Special Rule. The personal exemptions allowed under this
21 section shall be limited to that percentage which the total number of
22 months within a taxpayer's taxable year under this act bears to 12.
23 For this purpose 15 days or more shall constitute a month.

24 (d) (Deleted by amendment, P.L.1993, c.178).

25 (e) Nonresidents. For taxable years to which a certification
26 pursuant to section 3 of P.L.1993, c.320 (C.54A:2-1.2) applies, a
27 nonresident taxpayer shall be allowed the same deduction for
28 personal exemptions as a resident taxpayer. However, if (1) the
29 nonresident taxpayer's gross income which is subject to tax under
30 this act is exceeded by (2) the gross income which the nonresident
31 taxpayer would be required to report under this act if the taxpayer
32 were a resident by more than \$100.00, the taxpayer's deduction for
33 personal exemptions shall be limited by the percentage which (1) is
34 to (2).

35 (cf: P.L.2019, c.146)

36
37 2. This act shall take effect and apply to taxable years
38 beginning on or after January 1 next following the date of
39 enactment.

40 41 42 STATEMENT

43
44 This bill provides a gross income tax deduction to surviving
45 spouses of certain veterans in the amount of \$6,000.

46 Under current law, a taxpayer who is a veteran honorably
47 discharged or released under honorable circumstances from active
48 duty in the United States Armed Forces or a reserve component

1 thereof, or the National Guard of New Jersey in a federal active
2 duty status, may be eligible to receive a gross income tax deduction
3 in the amount of \$6,000 for each taxable year in which the veteran
4 qualifies.

5 This bill provides a gross income tax deduction to the surviving
6 spouse of a veteran who has died while on active duty; was
7 honorably discharged from active duty; or was released from active
8 duty under honorable circumstances. If a surviving spouse
9 remarries or cohabitates with another person and holds that person
10 out to be his or her spouse, the surviving spouse becomes ineligible
11 to receive the deduction. A surviving spouse who remarries
12 remains eligible for the personal deduction if the remarriage was
13 void or has been annulled, unless it was determined that the
14 annulment was obtained through fraud or collusion, or if the
15 surviving spouse remarries after the age of 57.