

[First Reprint]

SENATE, No. 3359

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED JANUARY 12, 2021

Sponsored by:

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District 1 (Atlantic, Cape May and Cumberland)

Senator JOSEPH A. LAGANA

District 38 (Bergen and Passaic)

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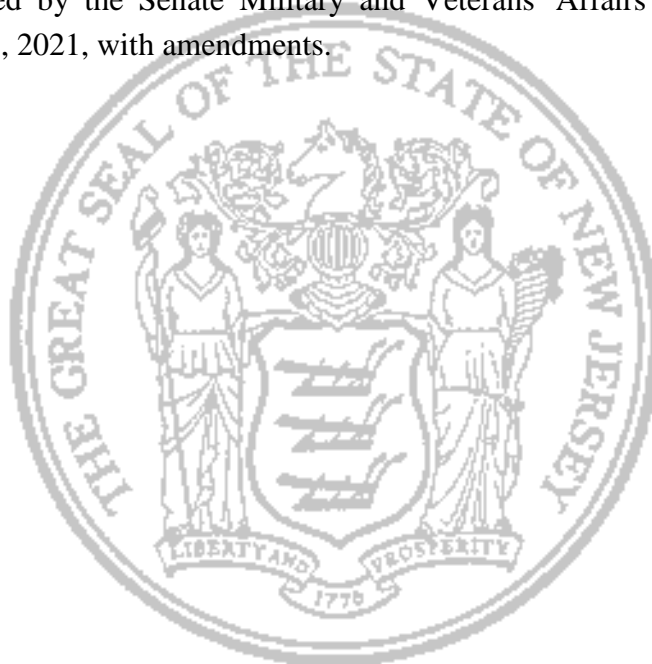
Senator Holzapfel

SYNOPSIS

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

CURRENT VERSION OF TEXT

As reported by the Senate Military and Veterans' Affairs Committee on November 15, 2021, with amendments.



(Sponsorship Updated As Of: 11/22/2021)

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 gross
 11 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 exemptions
 16 allowed in (a), the following additional personal exemptions shall be
 17 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 separately
 20 - \$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 Forces
 32 of the United States, a reserve component thereof, or the National
 33 Guard of New Jersey in a federal active duty status, as those terms are
 34 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, was
 39 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 of

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SMV committee amendments adopted November 15, 2021.

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

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

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

13 (i) was void;

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

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

18 ¹(D) A surviving spouse who remarries, but does not meet the
19 qualifications for the personal exemption as provided in paragraph (C)
20 of this subsection, shall be allowed the personal exemption; however,
21 the exemption shall be phased out by a decrease of \$1,000 each year
22 for five years after receipt of the full exemption and shall not be
23 allowed thereafter.¹

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

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

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

38 (cf: P.L.2019, c.146, s.1)

39

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