

SENATE MILITARY AND VETERANS' AFFAIRS COMMITTEE

STATEMENT TO **SENATE, No. 3359**

with committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 15, 2021

The Senate Military and Veterans Affairs Committee reports favorably Senate Bill No. 3359 and with amendments.

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

Under current law, a taxpayer who is a veteran honorably discharged or released under honorable circumstances from active duty in the United States Armed Forces or a reserve component thereof, or the National Guard of New Jersey in a federal active duty status, may be eligible to receive a gross income tax deduction in the amount of \$6,000 for each taxable year in which the veteran qualifies.

As amended, this bill provides a gross income tax deduction to the surviving spouse of a veteran who has died while on active duty; was honorably discharged from active duty; or was released from active duty under honorable circumstances. A surviving spouse who remarries remains eligible for the personal deduction if the remarriage was void or has been annulled, unless it was determined that the annulment was obtained through fraud or collusion, or if the surviving spouse remarries after the age of 57. A surviving spouse who remarries but does not void or annul the marriage, or remarries before the age of 57 will remain eligible to receive the exemption; however, the exemption will be reduced by \$1,000 per year until phased out.

COMMITTEE AMENDMENTS

The committee amended the bill to permit a surviving spouse who remarries to receive the exemption even though the remarriage was not voided or annulled, and the surviving spouse remarried before the age of 57, as required by law to receive the exemption. The exemption will, however, be reduced by \$1,000 per year until phased out.