

ASSEMBLY, No. 546

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblywoman TURNER

1 AN ACT requiring the notification of certain persons of the availability  
2 of the federal earned income tax credit, supplementing chapter 21  
3 of Title 43 of the Revised Statutes, chapter 1 of Title 30 of the  
4 Revised Statutes, P.L.1966, c.293 (C.52:27D-1 et seq.), and  
5 P.L.1948, c.92 (C.52:18A-1 et seq.) and amending N.J.S.54A:7-2.

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

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10 1. (New section) The Commissioner of Labor shall notify in writing  
11 any person who received unemployment compensation pursuant to  
12 R.S.43:21-1 et seq. of the availability of the earned income tax credit  
13 provided in section 32 of the federal Internal Revenue Code of 1986,  
14 26 U.S.C. §32. The written notification shall use the statement  
15 developed by the State Treasurer pursuant to section 4 of P.L. ,  
16 c. (C. )(now pending before the Legislature as this bill) for this  
17 purpose. The notification shall be distributed in a manner deemed by  
18 the commissioner to be the most practicable and cost effective, but  
19 that will ensure personal notification of each person. The notification  
20 shall be distributed between January 1 and February 15 of each  
21 calendar year following the calendar year in which the person received  
22 the unemployment compensation.

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24 2. (New section) The Commissioner of Human Services shall notify  
25 in writing any person over 18 years of age of the availability of the  
26 earned income tax credit provided in section 32 of the federal Internal  
27 Revenue Code of 1986, 26 U.S.C. §32, if the person:

28 a. received food stamps under the Food Stamp Program authorized  
29 by Title XIII of the Food and Agriculture Act of 1977, Pub. L. 95-113  
30 (7 U.S.C. §2011 et seq.);

31 b. received assistance under the "General Public Assistance Law,"  
32 P.L.1947, c.156 (C.44:8-107 et seq.);

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 c. received assistance from the program for aid to families with  
2 dependent children, P.L.1959, c.86 (C.44:10-1 et seq.);

3 d. participated in the New Jersey Medical Assistance and Health  
4 Services Program, P.L.1968, c.413 (C.30:4D-1 et seq.);

5 e. received aid under the Supplemental Security Income Program  
6 established pursuant to Title XVI of the federal Social Security Act,  
7 42 U.S.C. §1381 et seq.; or

8 f. was a foster parent as defined in P.L.1951, c.138 (C.30:4C-1 et  
9 seq.).

10 The written notification shall use the statement developed by the  
11 State Treasurer pursuant to section 4 of P.L. , c. (C. )(now  
12 pending before the Legislature as this bill) for this purpose. The  
13 notification shall be distributed in a manner deemed by the  
14 commissioner to be the most practicable and cost effective, but that  
15 will ensure personal notification of each person. The commissioner  
16 shall take such reasonable actions as may be necessary to avoid the  
17 distribution of more than one notice to a person who was the recipient  
18 of or participated in two or more of the programs listed in this section.  
19 The notification shall be distributed between January 1 and February  
20 15 of each calendar year following the calendar year in which the  
21 person was a recipient or participant, or foster parent. If the recipient,  
22 participant or parent was a married couple, only one notice addressed  
23 to either the husband or wife, or both, shall be required.

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25 3. (New section) The Commissioner of Community Affairs shall  
26 notify in writing any person who received rental assistance under the  
27 program authorized pursuant to section 8 of the United States Housing  
28 Act of 1937 as added by the Housing and Community Development  
29 Act of 1974, Pub. L. 93-383 (42 U.S.C. §1437f) of the availability of  
30 the earned income tax credit provided in section 32 of the federal  
31 Internal Revenue Code of 1986, 26 U.S.C. §32. The written  
32 notification shall use the statement developed by the State Treasurer  
33 pursuant to section 4 of P.L. , c. (C. )(now pending before  
34 the Legislature as this bill) for this purpose. The notification shall be  
35 distributed in a manner deemed by the commissioner to be the most  
36 practicable and cost effective, but that will ensure personal notification  
37 of each person. The notification shall be distributed between January  
38 1 and February 15 of each calendar year following the calendar year  
39 in which the person or couple received the assistance. The  
40 commissioner shall consult annually with the Commissioner of Human  
41 Services in an effort to take such reasonable actions as may be  
42 necessary to avoid the distribution of more than one notice to a person  
43 who is eligible to receive a notice under this section and section 2 of  
44 P.L. c. (C. )(now pending before the Legislature as this  
45 bill). If the recipient of the assistance was a married couple, only one  
46 notice addressed to either the husband or wife, or both, shall be

1 required.

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3 4. (New section) The State Treasurer shall develop a written  
4 statement informing a recipient of the availability of the earned income  
5 tax credit under the provisions of section 32 of the federal Internal  
6 Revenue Code of 1986, 26 U.S.C. §32, for distribution pursuant to  
7 sections 1, 2 and 3 of P.L. , c. (C. )(now pending before the  
8 Legislature as this bill) and subsection b. of N.J.S.54A:7-2.

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10 5. N.J.S.54A:7-2 is amended to read as follows:

11 54A:7-2. a. Every employer or payor of a pension or annuity  
12 required to deduct and withhold tax under this act from the wages of  
13 an employee or from the payment of a pension or annuity, or an  
14 employer who would have been required so to deduct and withhold tax  
15 if an employee had claimed no more than one withholding exemption,  
16 shall furnish to each such employee, or pension or annuity recipient or  
17 the estate thereof, in respect of the wages or pension or annuity  
18 payments paid by such employer or payor to such employee or pension  
19 or annuity recipient during the calendar year on or before February 15  
20 of the succeeding year, or, if his employment or pension or annuity is  
21 terminated before the close of such calendar year, within 30 days from  
22 the date on which the last payment of the wages or pension or annuity  
23 is made, a written statement as prescribed by the director showing the  
24 amount of wages or pension or annuity payments paid by the employer  
25 or payor to the employee or pension or annuity recipient, the cost of  
26 commuter transportation benefits, as defined pursuant to section 3 of  
27 P.L.1992, c.32 (C.27:26A-3), excludable by the employee pursuant to  
28 section 1 of P.L.1993, c.106 (C.54A:6-23), and the cost of such  
29 benefits not so excludable, provided by the employer to the employee,  
30 the amount deducted and withheld as tax, the amount deducted and  
31 withheld as worker contributions for unemployment and disability  
32 insurance as provided under the New Jersey Unemployment  
33 Compensation Law, and such other information as the director shall  
34 prescribe.

35 b. In addition to the statement furnished pursuant to subsection a.  
36 of this section, each employer shall notify an employee in writing of  
37 the availability of the earned income tax credit under the provisions of  
38 section 32 of the federal Internal Revenue Code of 1986, 26 U.S.C.  
39 §32. The written notification shall use the statement developed by the  
40 State Treasurer pursuant to section 4 of P.L. , c. (C. )(now  
41 pending before the Legislature as this bill) for this purpose. The  
42 employer shall notify only those employees whom the employer  
43 knows, or reasonably believes, may be eligible for the credit based on  
44 the wages reported on the statement distributed pursuant to subsection  
45 a. of this section.

46 (cf: P.L.1993, c.108, s.2)

1       6. This act shall take effect immediately.

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#### STATEMENT

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6       This bill requires public and private employers and the  
7       Commissioners of Labor, Human Services and Community Affairs to  
8       notify annually certain individuals of the availability of the federal  
9       earned income tax credit.

10       The federal earned income tax credit is available to a qualifying  
11       low-income worker to reduce the amount of the worker's federal  
12       income tax liability; any credit in excess of tax owed is refundable to  
13       the worker. A low-income worker may receive a refund of the credit  
14       even if the worker does not owe any federal income tax. For tax years  
15       beginning in 1994, the federal earned income tax credit will be  
16       available to a qualifying low-income worker between 25 and 65 years  
17       of age regardless of whether there are one or more qualifying children  
18       in the worker's household. Prior to 1994, the credit was available only  
19       if a low-income worker had one or more qualifying children. The  
20       credit is generally based on the income earned by a taxpayer from  
21       working for someone else or from self-employment.

22       This bill requires all public and private employers to notify  
23       potentially eligible employees of the availability of this credit when the  
24       employer gives the employee the statement of wages and tax  
25       withholding already required under current law. A determination of  
26       potential eligibility will be based on the wages for the prior year  
27       reported in the statement.

28       In addition, the Commissioner of Labor will notify all persons who  
29       received unemployment compensation; the Commissioner of Human  
30       Services will notify persons who were recipients of food stamps,  
31       general assistance, aid to families with dependent children,  
32       supplemental security assistance, or Medicaid, or who were foster  
33       parents; and the Commissioner of Community Affairs will notify  
34       persons who received assistance under the federal rental assistance  
35       program administered by the department.

36       The notification will be distributed between January 1 and February  
37       15 of each year to coincide with the employer's distribution of the  
38       wage and tax withholding statement.

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44       Requires notification of certain persons of availability of federal earned  
income tax credit.