

ASSEMBLY, No. 741

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman JONES

1 AN ACT concerning the exclusion of certain income from the gross
2 income tax for persons aged 62 years or older, amending P.L.1977,
3 c.273.

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5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

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8 1. Section 3 of P.L.1977, c.273 (C.54A:6-15) is amended to read
9 as follows:

10 3. a. Gross income shall not include income of up to \$10,000.00
11 for a married couple filing jointly, \$5,000.00 for a married person
12 filing separately, or \$7,500.00 for an individual filing as a single
13 taxpayer or an individual determining tax pursuant to subsection a. of
14 N.J.S.54A:2-1, when received in any tax year by a person aged 62
15 years or older who received no income in excess of **[\$3,000.00]**
16 \$6,000.00 from one or more of the sources enumerated in subsections
17 a., b. and k. of N.J.S.54A:5-1, provided, however, that the total
18 exclusion under this subsection and that allowable under
19 N.J.S.54A:6-10 shall not exceed the amounts of the exclusions set
20 forth in this subsection.

21 b. In addition to the exclusion provided under N.J.S.54A:6-10 and
22 subsection a. of this section, gross income shall not include income of
23 up to \$6,000.00 for a married couple filing jointly or an individual
24 determining tax pursuant to subsection a. of N.J.S.54A:2-1, or
25 \$3,000.00 for a single person or a married person filing separately,
26 who is not covered under N.J.S.54A:6-2 or N.J.S.54A:6-3, but who
27 would be eligible in any year to receive payments under either section
28 if he or she were covered thereby.

29 (cf: P.L.1990, c.61, s.17)

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31 2. This act shall take effect immediately and shall be applicable to

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 taxable years beginning on and after January 1 next following
2 enactment.

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STATEMENT

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7 This bill increases from \$3,000 to \$6,000 the amount a taxpayer
8 may receive in the form of wages and salaries, net profits from
9 business or partnership income, and remain eligible for the special
10 "retirement" income exclusion for taxpayers who are aged 62 years
11 and older. Such taxpayers may currently exclude from gross income
12 pension and annuity amounts equal to \$10,000 for a married couple
13 filing jointly, \$5,000 for a married person filing separately, or \$7,500
14 for an individual filing as a single taxpayer; any remaining exclusion
15 amount (in excess of pension and annuity) may be applied against
16 other income, subject to the limit on income from wages, business or
17 partnerships. This \$3,000 limit has not been changed since it was
18 enacted in 1977. The increase reflects the approximate impact of
19 annual inflation through 1990. The change is intended to allow senior
20 citizens to receive modest amounts of earned income without incurring
21 income tax liability, or experiencing a reduction in homestead property
22 tax rebate eligibility.

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27 _____
28 Increases allowable earned income under the gross income tax
29 exclusion for retirement and other income for persons aged 62 and
older.