

ASSEMBLY, No. 1101

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman CORODEMUS

1 AN ACT providing a credit under the corporation business tax for
2 certain dredged material disposal expenses, and supplementing
3 P.L.1945, c.162 (C.54:10A-1 et seq.).
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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. a. A taxpayer shall be allowed a credit, subject to the provisions
9 of subsection b. of this section, against the tax imposed pursuant to
10 section 5 of P.L.1945, c.162 (C.54:10A-5), in an amount equal to the
11 difference between the real expenses incurred in the employment of a
12 non-ocean disposal alternative for the disposal of contaminated
13 dredged materials and the real expenses that would have been incurred
14 in the employment of an ocean disposal alternative, if such an ocean
15 disposal alternative were authorized by law, rule or regulation, for the
16 privilege period.

17 b. No credit shall be allowed under section 42 of P.L.1987, c.102
18 (C.54:10A-5.3), or under the "Manufacturing Equipment and
19 Employment Investment Tax Credit Act," P.L.1993, c.171
20 (C.54:10A-5.16 et al.), or under P.L.1993, c.170 (C.54:10A-5.4 et
21 seq.), for property or expenditures for which a credit is allowed, or
22 which are includable in the calculation of a credit allowed, under this
23 section.

24 The tax imposed for a privilege period pursuant to section 5 of
25 P.L.1945, c.162, shall first be reduced by the amount of any credit
26 allowed pursuant to section 19 of P.L.1983, c.303 (C.52:27H-78),
27 then by any credit allowed pursuant to section 12 of P.L.1985, c.227
28 (C.55:19-13), then by any credit allowed pursuant to section 42 of
29 P.L.1987, c.102 (C.54:10A-5.3), then by any credit allowed under
30 section 3 of P.L.1993, c.170 (C.54:10A-5.6), then by any credit
31 allowed under section 3 or 4 of P.L.1993, c.171 (C.54:10A-5.18 or
32 C.54:10A-5.19), and then by any credit allowed under section 1 of
33 P.L.1993, c.175 (C.54:10A-5.24), prior to applying any credits
34 allowable pursuant to this section. Credits allowable pursuant to this
35 section shall be applied in the order of the credits' privilege periods.

1 The amount of the credits applied under this section against the tax
2 imposed pursuant to section 5 of P.L.1945, c.162, for a privilege
3 period shall not exceed 50% of the tax liability otherwise due and shall
4 not reduce the tax liability to an amount less than the statutory
5 minimum provided in subsection (e) of section 5 of P.L.1945, c.162.
6 The amount of privilege period credit otherwise allowable under this
7 section which cannot be applied for the privilege period due to the
8 limitations of this subsection may be carried over, if necessary, to the
9 seven privilege periods following the privilege period for which the
10 credit amount was allowed.

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12 2. This act shall take effect immediately and apply to real expenses
13 incurred in privilege periods beginning on or after January 1 next
14 following enactment.

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STATEMENT

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19 This bill provides a tax incentive for port businesses to use
20 non-ocean alternatives for the disposal of contaminated dredged
21 material.

22 The bill establishes a tax credit, to be applied against the
23 corporation business tax imposed pursuant to section 5 of P.L.1945,
24 c.162 (C.54:10A-5), for businesses that use such an alternative method
25 of disposal. The amount of the credit would be equal to the difference
26 in real expenses incurred in using the alternative disposal method and
27 those real expenses that would have been incurred if open ocean
28 disposal were employed as the disposal method.

29 This bill will encourage port businesses to perform dredging
30 projects that are currently stalled due to the high costs of
31 contaminated dredged material disposal. The least expensive method
32 of dredged material disposal, open ocean disposal, has been prohibited
33 for health and environmental reasons.

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38 Establishes corporation business tax credit for non-ocean disposal of
39 contaminated dredged materials.