

ASSEMBLY, No. 1375

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblymen STEELE and PASCRELL

1 AN ACT concerning the annual property tax deduction provided to
2 senior citizens and the disabled and amending P.L.1963, c.172.

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

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7 1. Section 2 of P.L.1963, c.172 (C.54:4-8.41) is amended to read
8 as follows:

9 2. Every person, a citizen and resident of this State of the age of
10 65 or more years, or less than 65 years of age who is permanently and
11 totally disabled, having an annual income not in excess of the
12 limitations provided in this section and residing in a dwelling house
13 owned by him which is a constituent part of his real property or
14 residing in a dwelling house owned by him which is assessed as real
15 property but which is situated on land owned by another or others, or
16 residing as a tenant shareholder in a cooperative or mutual housing
17 corporation, shall be entitled, annually, on proper claim being made
18 therefor, to a deduction against the tax or taxes assessed against such
19 real property, to an amount not exceeding the amount of said tax, the
20 proportionate share of said tax attributable to his unit, or the sum
21 provided in this section, whichever is the lesser, but no such deduction
22 from taxes shall be in addition to any other deduction or exemption
23 from taxes to which said person may be entitled, except a veteran's
24 deduction provided under P.L.1963, c.171 (C.54:4-8.10 et seq.). A
25 citizen and resident granted a deduction pursuant to this section may
26 receive in addition any homestead rebate or credit provided by law.

27 For the purposes of this section, the annual income limitation shall
28 be: \$5,000.00 for any year prior to 1981; \$8,000.00 for the year 1981;
29 \$9,000.00 for the year 1982; and \$10,000.00 for [year] the years 1983
30 [and each year thereafter] through 1992.

31 The sum deducted pursuant to this section shall not exceed: in any
32 year prior to 1981, \$160.00; in the year 1981, \$200.00; in the year

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 1982, \$225.00; and in the [year] years 1983 [and in each year
2 thereafter] through 1992, \$250.00.

3 Beginning in 1993, the annual income limitations and corresponding
4 sums deducted shall be as follows:

5 If annual income is \$10,000 or less, the deduction shall be 10% of
6 annual property tax owed;

7 If annual income is more than \$10,000 but not more than \$15,000,
8 the deduction shall be 7.5% of annual property tax owed;

9 If annual income is more than \$15,000 but not more than \$20,000,
10 the deduction shall be 5% of annual property tax owed.

11 For the purposes of this act:

12 a. The income of a married person shall be deemed to include an
13 amount equal to the income of the spouse during the applicable income
14 year, except for such portion of that year as the two were living apart
15 in a state of separation, whether under judicial decree or otherwise.

16 b. The requirement of ownership shall be satisfied by the holding
17 of a beneficial interest in the dwelling house where legal title thereto
18 is held by another who retains a security interest in the dwelling house.
19 (cf: P.L.1989, c.252, s.2)

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21 2. This act shall take effect immediately but shall remain
22 inoperative until the approval by the voters of a Constitutional
23 amendment, proposed by Assembly Concurrent Resolution No. ... of
24 1992, authorizing an increase in the annual income limitation and the
25 annual property tax deduction for senior citizens and persons who are
26 permanently and totally disabled provided for herein.

27 28 29 STATEMENT

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31 This bill revises the amount of the property tax deduction provided
32 to senior citizens and persons who are permanently and totally
33 disabled, and the income limitation for eligibility to receive that
34 deduction, to make the amount of the annual deduction more
35 commensurate with the annual income of the recipients of the
36 deduction. The current property tax deduction is \$250.00 for all those
37 eligible to receive the deduction, and the annual income limitation is
38 \$10,000, excluding certain pension and retirement income.

39 This bill proposes revisions to both the annual income limitation and
40 the annual property tax deduction, making more senior citizens and
41 persons who are permanently and totally disabled eligible to receive
42 this deduction, as well as making the amount of the deduction more
43 commensurate with the annual incomes of these persons.

44 The bill's proposal is as follows:

45 For senior citizens and persons who are permanently and totally
46 disabled whose income does not exceed \$10,000, the annual property

1 tax deduction would be equal to 10% of the amount of property taxes
2 owed.

3 For senior citizens and persons who are permanently and totally
4 disabled whose income is greater than \$10,000 but not more than
5 \$15,000, the annual property tax deduction would be 7.5% of the
6 amount of property taxes owed.

7 For senior citizens and persons who are permanently and totally
8 disabled whose income is greater than \$15,000 but not more than
9 \$20,000, the annual property tax deduction would be 5% of the
10 amount of property taxes owed.

11 The sponsor believes that the revision to the annual property tax
12 deduction provided to senior citizens and persons who are
13 permanently and totally disabled proposed by this bill provides
14 necessary property tax relief to a group of New Jersey residents
15 struggling to make ends meet in these recessionary times.

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20 Revises annual senior and disabled citizens' property tax deduction.