

ASSEMBLY APPROPRIATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1415

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 29, 1996

The Assembly Appropriation Committee reports favorably Assembly Bill No. 1415, with committee amendments.

Assembly Bill No. 1415, as amended, establishes the Business Employment Incentive Program to be administered by the Economic Development Authority to make direct payments in the form of grants to attract businesses creating new jobs in the State. The amount of an employment incentive grant will equal a percentage, between 10% and 80%, of the total amount of State income taxes withheld by the business during a calendar year for the new employees hired. The employment incentive can be authorized for a fixed number of years, not to exceed 10.

The grants under this bill will not be disbursed in any year until the new income tax revenues received from the business during the year equal or exceed the amount of the grant, and grant amounts are further limited by their interaction with other grant programs under amendments adopted by the committee.

This bill, as amended and reported by this committee, is identical to Senate Bill No. 471 Sca.

FISCAL IMPACT:

The bill makes a fiscal year 1996 General Fund appropriation to the Economic Development Authority of an unspecified amount as needed to fund the employment incentive program under this bill; the amount of the appropriation may not exceed the amount of income tax revenues generated from the new jobs created by the grant recipients.

The Office of Legislative Services cannot project the number of new jobs that will be created under the incentives of the bill, the percentage and period of incentive that will be a material factor in the businesses' decision to go forward or the wage levels of the jobs that will be created. An estimate of the cost of the program cannot be made at this time.

COMMITTEE AMENDMENTS

The committee amendments clarify the definition of "eligible position" to provide that greater consideration will be given when the position in question pays an average of at least 1.5 times the minimum wage.