

ASSEMBLY, No. 1587

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 22, 1996

By Assemblyman BAGGER

1 AN ACT providing a corporation business tax credit for certain wages  
2 paid to workers with cystic fibrosis, supplementing P.L.1945, c.162  
3 (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 against the tax imposed  
9 by P.L.1945, c.162 (C.54:10A-1 et seq.), in an amount equal to 50%  
10 of the gross wage, salary or compensation paid by the taxpayer during  
11 the privilege period to a new employee with cystic fibrosis in the  
12 employee's first year of employment, up to a maximum credit of  
13 \$2,500 per affected employee and an amount equal to 20% of the  
14 gross wage, salary or compensation paid by the taxpayer to the  
15 employee in the employee's second year of employment up to a  
16 maximum credit of \$1,000 per affected employee.

17 b. The credit allowed under subsection a. of this section for a  
18 privilege period, shall not reduce the liability to less than 90% of the  
19 amount otherwise due under section 5 of P.L.1945, c.162 (C.54:10A-  
20 5), or to less than the statutory minimum provided in subsection (e) of  
21 section 5 of P.L.1945, c.162.

22 c. The amount of the credit for a privilege period otherwise  
23 allowable under subsection a. of this section which cannot be applied  
24 for the privilege period due to the limitations of subsection b. of this  
25 section may be carried over, if necessary, to the five privilege periods  
26 following the privilege period for which the credit was allowed, or that  
27 amount may be carried back to the three privilege periods preceding  
28 the privilege period for which the credit was allowed. The entire  
29 amount of any unused credit for any privilege period for which the  
30 credit was allowed shall be carried to the earliest of the privilege  
31 periods to which the unused credit may be carried, and the portion of  
32 the unused credit which shall be carried to each of the other privilege  
33 periods to which unused credit may be carried shall be the amount of  
34 the unused credit, if any, over the total allowed credit in subsection b.  
35 of this section for each of the prior privilege periods to which the  
36 unused amount has been carried.

37 d. For the purposes of this section, "employee with cystic fibrosis"

1 means any employee 18 years of age or over who is certified by a  
2 physician to have cystic fibrosis.

3 e. To claim a credit under this section, a taxpayer shall submit with  
4 its annual return the physician's certification of the eligibility of each  
5 new employee which shall be completed on or before the 30th working  
6 day for each new employee.

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8 2. This act shall take effect immediately and apply with respect to  
9 privilege periods beginning on or after January 1 next following  
10 enactment.

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### STATEMENT

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15 This bill allows a corporation subject to the corporation business  
16 tax to receive a credit against the tax for certain wages paid adult  
17 workers with cystic fibrosis. Cystic fibrosis is a chronic hereditary  
18 disorder that affects the lungs and digestive system and causes  
19 difficulty in breathing and an inability to digest foods. The regimens  
20 of treatment of this disorder often result in repeated periods of  
21 hospitalization and special nutritional requirements that make it  
22 difficult for adult victims to maintain regular and routine hours of  
23 employment. With the number of persons born with cystic fibrosis  
24 living to adulthood increasing, now estimated to be between 150 to  
25 200 adults, a tax credit incentive for New Jersey corporate employers  
26 to provide these individuals with opportunities to engage in a gainful  
27 occupation despite their special medical needs.

28 The credit would be equal to 50% of the wages paid in the first year  
29 of employment up to \$5,000 (maximum credit of \$2,500) and 20% of  
30 the wages paid in the second year of employment up to \$5,000  
31 (maximum tax credit of \$1,000). The total amount of credit allowed  
32 could not exceed 90% of the employer's corporation business tax  
33 liability below the standard minimum assessment. However, any credit  
34 which could not be used in the tax year in which it was earned could  
35 be carried forward for up to five years or carried back for up to three  
36 tax years.

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41 Provides tax credit under corporation business tax for certain wages  
42 paid to workers with cystic fibrosis.