

ASSEMBLY, No. 1644

STATE OF NEW JERSEY

INTRODUCED MARCH 4, 1996

By Assemblyman COHEN

1 AN ACT allowing a credit against the corporation business tax for
2 certain donations for adult day care center support, 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, to be computed as
9 provided in this section, against the tax imposed pursuant to section
10 5 of P.L.1945, c.162 (C.54:10A-5). The credit shall be an amount
11 equal to the amount paid or incurred by the taxpayer as a donation to
12 an unaffiliated third party for use in the construction, expansion or
13 maintenance expense of an adult day care center by that third party,
14 whether or not the donation qualifies as a charitable contribution for
15 which the taxpayer may claim a deduction from federal taxable income
16 pursuant to section 170(b)(2) of the federal Internal Revenue Code, 26
17 U.S.C. §170.

18 b. As used in this section, "adult day care center" means a
19 community-based or employer-based group program designed to meet
20 the needs of functionally or cognitively impaired adults through an
21 individual plan of care structured to provide a variety of health, social
22 and related support services including related transportation services,
23 offered in a protective setting in this State during any part of a day but
24 less than 24 hours in a day.

25 c. The tax imposed for a fiscal or calendar accounting year
26 pursuant to section 5 of P.L.1945, c.162, shall first be reduced by the
27 amount of any credit allowed pursuant to section 19 of P.L.1983,
28 c.303 (C.52:27H-78), and then by any credit allowed pursuant to
29 section 42 of P.L.1987, c.102 (C.54:10A-5.3), prior to applying any
30 credits allowable pursuant to this section. Credits allowable pursuant
31 to this section shall be applied in the order of the credits' tax years.
32 The amount of the credits applied under this section against the tax
33 imposed pursuant to section 5 of P.L.1945, c.162, for an accounting
34 year shall not exceed 50% of the tax liability otherwise due and shall
35 not reduce the tax liability to an amount less than the statutory
36 minimum provided in subsection (e) of section 5 of P.L.1945, c.162.
37 The amount of tax year credit otherwise allowable under this section

1 which cannot be applied for the tax year due to the limitations of this
2 subsection may be carried over, if necessary, to the ten accounting
3 years following a credit's tax year.

4 d. When filing a tax return that includes a claim for a credit
5 pursuant to this section, the taxpayer shall include a certified statement
6 that the amount claimed was used exclusively for adult day care center
7 purposes and shall identify the center.

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9 2. This act shall take effect immediately.

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STATEMENT

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14 This bill provides a tax credit under the corporation business tax for
15 capital construction, expansion and maintenance expense donations
16 made to unaffiliated, third party sponsored adult day care centers. The
17 adult day care center tax credit allowed in any year is limited to 50%
18 of the corporation business tax liability otherwise due and may not
19 reduce tax liability to less than the statutory minimum. The amount of
20 any unused tax credit in a tax year resulting from these limitations may
21 be carried over to any of the next 10 tax years.

22 Adult day care may include both social day care and medical day
23 care programs. Social day care generally involves few if any nursing
24 and medical staff and minimum personal care and may be found
25 sharing sites with senior and other community centers. Medical day
26 care involves nurses and other health care professionals on site,
27 personal care and rehabilitative services and lower staff-to-client ratios
28 than social day care. Services directly provided through adult day care
29 include social services, nursing, recreational activities, exercises, arts
30 and crafts, music, reality therapy and dressing, grooming and toileting
31 assistance. Adult day care centers may also either contract for or
32 directly provide meals and transportation and may also provide or
33 contract for physical, speech and occupational therapies and diet
34 counseling. Adult day care centers are also likely to make referrals for
35 physician, psychiatric, podiatric and dental services for their clients.

36 Adult day care provides key support to elderly and disabled adults
37 as well as to their family caregivers. A growing segment of the State's
38 working population is responsible for the dual burden of providing
39 care for an elderly or disabled relative in a home setting and
40 performing the full-time responsibilities of the workplace. Providing
41 a corporation business tax credit for corporate donations for the
42 capital construction, expansion and maintenance expenses of
43 unaffiliated, third party sponsored adult day care centers will provide
44 a financial incentive for corporations to increase the availability of
45 adult day care services.

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3 Provides corporation business tax credit for certain donations for adult
4 day care center support.