

[Second Reprint]
ASSEMBLY, No. 2279

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 19, 1996

By Assemblymen WEINGARTEN, ROBERTS,
Gregg and O'Toole

1 AN ACT providing for the simplification of wage taxes and
2 withholding for household workers, supplementing chapter 9 of
3 Title 54A of the New Jersey Statutes and Chapter 21 of Title 43 of
4 the Revised Statutes.

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6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

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9 1. a. Notwithstanding the provisions of subsection (a) of
10 N.J.S.54A:7-4 to the contrary, except for an employer also liable for
11 withholding taxes with respect to remuneration for services rendered
12 other than for domestic service, ²tax² returns with respect to domestic
13 service shall be filed on a calendar year basis. Such a return shall be
14 filed on or before the date for filing the employer's gross income tax
15 return for the employer's taxable year that begins in that calendar year
16 pursuant to N.J.S.54A:8-1, and the amount of tax withheld shall be
17 paid over to the Director of the Division of Taxation at that time,
18 together with those contributions treated as taxes pursuant to the
19 provisions of section 2 of P.L. , c. (C.) (now pending before the
20 Legislature as this bill).

21 b. For the purposes of N.J.S.54A:8-5, for taxable years beginning
22 on or after January 1, 1997, the taxes payable pursuant to subsection
23 a. of this section and those contributions treated as taxes pursuant to
24 the provisions of section 2 of P.L. , c. (C.) (now pending before
25 the Legislature as this bill) shall be treated as taxes imposed on the
26 employer for the taxable year of the employer that begins in a calendar
27 year referred to in subsection a. of this section; provided however, that
28 this subsection shall not apply to an employer for a calendar year
29 referred to in subsection a. of this section if no amount of credit for
30 wage withholding is allowed pursuant to N.J.S.54A:7-3 to the

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AAP committee amendments adopted October 7, 1996.

² Senate SCM committee amendments adopted October 28, 1996.

1 employer for the taxable year of the employer that begins in that
2 calendar year and the taxpayer had, but for this section, no tax liability
3 for the preceding taxable year or no more than \$100 liability for the
4 current taxable year.

5 c. The director shall prescribe such regulations as the director
6 deems necessary to carry out the purpose of allowing employers to
7 convert from a quarterly system of payments and filing to annual
8 filing, and to simplify employer filing by allowing the combination of
9 unemployment compensation, disability benefits and gross income tax
10 for reporting and payment purposes for employees providing domestic
11 services by treating the taxes payable pursuant to subsection a. of this
12 section and those contributions treated as taxes pursuant to the
13 provisions of section 2 of P.L. , c. (C.) (now pending before the
14 Legislature as this bill) as taxes imposed on the employer. These
15 regulations shall include:

16 (1) Provisions for the forwarding of contributions treated as taxes
17 pursuant to the provisions of subsection b. of section 2 of P.L. , c.
18 (C.) (now pending before the Legislature as this bill), together
19 with such information as may be necessary, to the Office of the
20 Assistant Commissioner for Finance and Controller of the Department
21 of Labor for deposit in the proper funds and accounts established
22 pursuant to the “unemployment compensation law,” R.S.43:21-1 et
23 seq., and the “Temporary Disability Benefits Law,” P.L.1948, c.110
24 (C.43:21-25 et seq.);

25 (2) Provisions for the apportionment of interest and penalties
26 imposed between liabilities pursuant to the “New Jersey Gross Income
27 Tax Act,” N.J.S.54A:1-1 et seq. and those contributions treated as
28 liabilities pursuant to the “New Jersey Gross Income Tax Act”
29 pursuant to the provisions of subsection b. of section 2 of P.L. , c.
30 (C.) (now pending before the Legislature as this bill), and
31 forwarding the latter to the Office of the Assistant Commissioner for
32 Finance and Controller of the Department of Labor for deposit in the
33 proper funds established pursuant to the “unemployment compensation
34 law,” R.S.43:21-1 et seq., and the “Temporary Disability Benefits
35 Law,” P.L.1948, c.110 (C.43:21-25 et seq.).

36 d. ²[¹Notwithstanding the provisions of subsection a. of this
37 section, an employer subject to the provisions of this section shall,
38 within 10 days of the separation from employment of an employee in
39 domestic service whose contributions are treated as taxes pursuant to
40 the provisions of section 2 of P.L. , c. (C.) (now pending before
41 the Legislature as this bill), report to the director, on a form
42 determined by the director in consultation with the Commissioner of
43 the Department of Labor, wage information for all completed calendar
44 quarters of employment not previously reported and such other
45 separation information as may be required to properly process an
46 unemployment compensation claim.

1 (e)¹ For the purposes of this section, “domestic service” means
2 domestic service as an employee in a private home of the employer,
3 such as service as a babysitter, nanny, health aide, private nurse, maid,
4 caretaker, yard worker or similar domestic employee.

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6 2. a. Notwithstanding the provisions of subsection (a) of
7 R.S.43:21-14 and subparagraph (E) of paragraph (1) of subsection (d)
8 of ²[R.S.45:21-7] R.S.43:21-7 to the contrary, except for an
9 employer also liable for making or withholding contributions with
10 respect to remuneration for services rendered other than for domestic
11 service, returns ² reporting employer and employee contributions ²
12 with respect to domestic service shall be filed on a calendar year basis.
13 Such a return shall be filed on or before the 15th day of the fourth
14 month following the close of the employer’s taxable year for federal
15 income tax purposes, and the amount of contributions shall be paid
16 over to the Director of the Division of Taxation in the Department of
17 the Treasury at that time. ²This subsection shall not be construed to
18 limit the commissioner's powers pursuant to subsection (g) of
19 R.S.43:21-11 to require reports necessary for the administration of the
20 “unemployment compensation law,” R.S.43:21-1 et seq., and the
21 “Temporary Disability Benefits Law,” P.L.1948, c.110 (C.43:21-25 et
22 seq.), including but not limited to quarterly reports of wages paid. ²

23 b. Notwithstanding the provisions of R.S.43:21-16 or any other
24 law to the contrary, the contributions due pursuant to subsection a. of
25 this section shall be treated as taxes due pursuant to N.J.S.54A:1-1 et
26 seq., subject to the provisions of section 1 of P.L. , c. (C.) (now
27 pending before the Legislature as this bill).

28 c. The Commissioner of the Department of Labor, in consultation
29 with Director of the Division of Taxation in the Department of the
30 Treasury, shall prescribe such regulations as the commissioner deems
31 necessary to carry out the purpose of allowing employers to convert
32 from a quarterly system of payments and filing to annual filing, and to
33 simplify employer filing by allowing the combination of unemployment
34 compensation, disability benefits and gross income tax for reporting
35 and payment purposes for employees providing domestic services.

36 d. ²[¹Notwithstanding the provisions of subsection a. of this
37 section, an employer subject to the provisions of this section shall,
38 within 10 days of the separation from employment of an employee in
39 domestic service whose contributions are treated as taxes pursuant to
40 the provisions of this section, report to the Director of the Division of
41 Taxation, on a form determined by the director in consultation with
42 the commissioner, wage information for all completed calendar
43 quarters of employment not previously reported and such other
44 separation information as may be required to properly process an
45 unemployment compensation claim.

46 (e)¹ For the purposes of this section, “domestic service” means

1 domestic service as an employee in a private home of the employer,
2 such as service as a babysitter, nanny, health aide, private nurse, maid,
3 caretaker, yard worker or similar domestic employee.

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5 3. This act shall take effect immediately and apply to calendar years
6 beginning after enactment.

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11 Simplifies employer reporting and payment of gross income tax
12 withholding and wage taxes for household workers.