

LEGISLATIVE FISCAL ESTIMATE TO  
ASSEMBLY CONCURRENT RESOLUTION No. 20  
**STATE OF NEW JERSEY**

DATED: APRIL 9, 1997

Assembly Concurrent Resolution No. 20 of 1996 proposes a constitutional amendment increasing the annual veterans' property tax deduction from \$50 to \$100 beginning in 1997.

The Office of Legislative Services has determined, from Division of Taxation data, that between 1992 and 1996, there has been an average annual decline of 2.0% in the number of veterans receiving the \$50 annual property tax deduction. Assuming that such a trend would continue from year to year, it can be estimated that in 1997, approximately 354,295 veterans would receive the deduction; in 1998, approximately 347,209 veterans would receive the deduction; in 1999, approximately 340,265 veterans would receive the deduction; and in 2000, approximately 333,460 veterans would receive the deduction. Multiplying those estimates by \$100 (the proposed amount of the deduction set forth in the bill), would indicate that in 1997, the State's cost would be approximately \$35,429,500; 1998, the State's cost would be approximately \$34,720,900; in 1999, the State's cost would be \$34,026,500; and in 2000, the State's cost would be approximately \$33,346,000. As the bill proposes to double the current \$50 deduction to \$100, the OLS estimates the annual additional State cost to be \$17,714,750 in 1997; \$17,360,450 in 1998; \$17,013,250 in 1999; and \$16,673,000 in 2000.

The OLS notes, however, that P.L.1991, c.390 added several military missions to the definition of "(a)ctive service in time of war" contained in N.J.S.A.54:4-8.10, thus increasing the universe of eligible veterans under the statutes. Those military missions include "Operation Desert Shield/Desert Storm," the Panama peacekeeping mission, the Grenada peacekeeping mission and the Lebanon peacekeeping mission. The addition of these veterans could conceivably offset the demonstrated historical decline in the number of veterans receiving the annual \$50 property tax deduction, by slowing the rate of decline or actually increasing the number of recipients of the property tax deduction over a period of time. The OLS is not able to estimate the number of such veterans who might in the future attain eligibility to receive the property tax deduction, as we have been advised by the Department of Military and Veterans' Affairs that no statistics are maintained on the exact number of veterans of "Operation Desert Shield/Desert Storm," the Panama peacekeeping mission, the Grenada peacekeeping mission and the Lebanon

peacekeeping mission.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.