

CHAPTER 207

AN ACT concerning gross income tax treatment of certain members of the Armed Forces, amending N.J.S.54A:9-16.

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

1. N.J.S.54A:9-16 is amended to read as follows:

Armed forces relief provisions.

54A:9-16. Armed forces relief provisions. (a) Time to be disregarded. In the case of an individual serving in the Armed Forces of the United States, or serving in support of such armed forces, in an area designated by the President of the United States by executive order as a "combat zone," or by federal statute as a "qualified hazardous duty area," at any time during the period designated by the President by executive order or by federal statute as the period of combatant activities in such zone or area, or hospitalized outside the State as a result of injury received while serving in such an area during such time, the period of service in such area, plus the period of continuous hospitalization outside the State attributable to such injury, and the next 180 days thereafter, shall be disregarded in determining, under this act, in respect of the income tax liability (including any interest, penalty, or addition to the tax) of such individual.

(1) Whether any of the following acts was performed within the time prescribed therefor:

(A) Filing any return of income tax (except withholding tax);

(B) Payment of any income tax (except withholding tax) or any installment thereof or of any other liability to the State, in respect thereof;

(C) Filing a petition with the director for credit or refund or for redetermination of a deficiency, or application for review of a decision rendered by the director;

(D) Allowance of a credit or refund of income tax;

(E) Filing a claim for credit or refund of income tax;

(F) Assessment of income tax;

(G) Giving or making any notice or demand for the payment of any income tax, or with respect to any liability to the State in respect of income tax;

(H) Collection, by the director, by levy or otherwise of the amount of any liability in respect of income tax;

(I) Bringing suit by the State, or any officer, on its behalf, in respect of any liability in respect of income tax; and

(J) Any other act required or permitted under this act or specified in regulations prescribed under this section by the director.

(2) The amount of any credit or refund (including interest).

(b) Action taken before ascertainment of right to benefits. The assessment or collection of the tax imposed by this act or of any liability to the State in respect of such tax, or any action or proceeding by or on behalf of the State in connection therewith, may be made, taken, begun, or prosecuted in accordance with law, without regard to the provisions of subsection (a), unless prior to such assessment, collection, action, or proceeding it is ascertained that the person concerned is entitled to the benefits of subsection (a).

(c) Members of armed forces dying in action. In the case of any person who dies during an induction period while in active service as a member of the Armed Forces of the United States, if such death occurred while serving in a combat zone or a qualified hazardous duty area during a period of combatant activities in such zone or area, as described in subsection (a), or as a result of wounds, disease or injury incurred while so serving, the tax imposed by this act shall not apply with respect to the taxable year in which falls the date of death, or with respect to any prior taxable year ending on or after the first day served in a combat zone, and no return shall be required in behalf of such person or such person's estate for such year, and the tax of any such taxable year which is unpaid at the date of death, including interest, additions to tax and penalties, if any, shall not be assessed and, if assessed, the assessment shall be abated and, if collected, shall be refunded to the legal representative of the estate if one has been appointed and has qualified, or, if no legal representative has been appointed or has qualified, to the surviving spouse.

2. This act shall take effect immediately and apply to taxable years beginning on or after

January 1, 1996.

Approved August 14, 1997.