

SENATE NATURAL RESOURCES AND ECONOMIC
DEVELOPMENT COMMITTEE

STATEMENT TO

SENATE, No. 471

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 22, 1996

The Senate Natural Resources and Economic Development Committee favorably reports Senate Bill No. 471 with committee amendments.

This bill establishes the Business Employment Incentive Program, which would make direct payments in the form of grants to businesses creating new jobs in the State. The amount of the employment incentive would equal a percentage, between 10% and 80%, of the total amount of State income taxes withheld by the business during a grant year for the new employees hired. The employment incentive can be authorized for a fixed number of years, not to exceed 10.

The bill also provides that the amount disbursed in any year to a recipient business as a grant could not exceed the amount of withholdings received by the Division of Taxation from the employer in that year. The bill also prohibits a business receiving a grant under Senate Bill No. 472 of 1996, a companion bill creating a Business Relocation Assistance Grant Program, from receiving a grant pursuant to this bill. The bill also limits the amount of a grant to a business under this bill if, when the amount is combined with any other grants received pursuant to State law, the total amount of all grants exceeds 80 percent of its withholdings, except upon the approval of the State Treasurer. Amounts received from the Office of Customized Training pursuant to the "1992 New Jersey Employment and Workforce Development Act," P.L.1992, c.43 (C.34:15D-1 et seq.) would be excluded from the calculation of the 80 percent threshold.

The committee amended the definition of "eligible position" in the bill to provide that greater consideration shall be given to positions that average at least 1.5 times the minimum wage during the term of an agreement authorized pursuant to the bill.