

LEGISLATIVE FISCAL ESTIMATE TO
SENATE COMMITTEE SUBSTITUTE FOR
SENATE, Nos. 498 and 927
STATE OF NEW JERSEY

DATED: June 12, 1996

Senate Committee Substitute for Senate Bill Nos. 498 and 927 of 1996 repeals current State law mandating employers to undertake employer trip reduction programs pursuant to the State Implementation Plan (SIP), as required by the 1990 amendments to the federal Clean Air Act. Since recent amendments to the act now authorize states to remove such provisions from SIP's if certain alternative conditions are met, this bill would achieve this purpose. In doing so, however, the bill still maintains the State business and income tax benefits established for employers who have complied with this requirement, so that such benefits will be available to encourage employers to continue these programs on a voluntary basis in the future.

The Office of Legislative Services (OLS) cannot estimate the fiscal impacts of the bill on the amount of potential State business and income tax revenue generation or forgiveness because access to the pertinent tax data needed to calculate the current amount of tax benefits accrued by employers who have thus far complied with this SIP requirement is not available. Fiscal estimates were prepared by the OLS in 1993 for the legislation that established these employer tax benefits, which became law under P.L. 1993, chapters 108 and 150. At that time, the OLS estimated annual revenue losses of \$12 million to \$15 million from business taxes and \$7 million to \$11 million from income taxes. However, as mentioned above, the data needed to verify the actual amount of revenue losses since these benefits became effective cannot be ascertained at this time.

Estimates of future tax benefits for employers who may voluntarily comply with this requirement also cannot be calculated until regulations establishing new program criteria, as directed by the bill, are promulgated and its effects on the collection or forgiveness of business tax revenues are evaluated.

The 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.