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STATEMENT TO

[First Reprint]

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, Nos. 498 and 927

with Assembly Floor Amendments
(Proposed By Assemblyman GREGG)

ADOPTED: SEPTEMBER 26, 1996

P.L.1992, c.32 (C.27:26A-1 et seq.), the "New Jersey Traffic Congestion and Air Pollution Act," established the Travel Demand Management Program which contained both transportation control measures as well as a mandatory employer trip reduction program established by regulation. The present amendments, rather than repealing the entire act, enable certain sections of the act to be retained which will permit the continuation of the transportation control measures element of the program, as well as provide for the establishment of a voluntary employer trip reduction program by regulation. The provisions permitting a mandatory employer trip reduction program, with its attendant registration fees and penalties, are repealed.

In addition, the amendments change the tax provisions of this bill. For the period January 1, 1995 through December 31, 2007, rather than through 2004, employers are entitled to a 10% tax credit. However, employers are permitted a 15% tax credit through June 30, 1997 if they filed a certified compliance plan with the Department of Transportation (DOT) on or before May 31, 1996. The per employee limit is raised to \$100 for the period on and after January 1, 1997. For those taxpayers which filed a certified compliance plan with DOT on or before the plan submittal date if on or before May 31, 1996, the credit would be \$150 for the period not later than June 30, 1997. These per employer limit changes are in lieu of the doubling of the per employer limit contained in the original bill.

As far as employee income exclusions from the New Jersey Gross Income Tax are concerned, the amendments increase the current \$720 exclusion to \$1,000 for the taxable years beginning on and after January 1, 1997. This is in lieu of the doubling of the exclusion contained in the original bill, though the amendments apply this to an employee receiving commuter transportation benefits not only to employees of employers which had filed a compliance plan with the DOT before the effective date of this bill.

With these amendments this bill is identical to A-1491 (2R), as amended by the General Assembly.