

SENATE, No. 616

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 5, 1996

By Senator SCHLUTER

1 AN ACT increasing the amount of the checkoff on income tax returns
2 for contributions to the "Gubernatorial Elections Fund" and
3 amending N.J.S.54A:9-25.1 and P.L.1980, c.74.

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

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8 1. N.J.S.54A:9-25.1 is amended to read as follows:
9 54A:9-25.1. a. There is hereby established within the General
10 Treasury a special fund to be known as the "Gubernatorial Elections
11 Fund." Where a taxpayer has indicated on a return filed pursuant to
12 this act that [one dollar] one dollar, three dollars, or five dollars of his
13 taxes [is] are to be reserved for such fund, the Treasurer shall credit
14 such fund with the amount so indicated from the taxes collected under
15 the provisions of this act. The fund shall be available for appropriation
16 pursuant to section 5 of P.L.1974, c.26 (C.19:44A-30), provided
17 however that establishment of the "Gubernatorial Elections Fund" shall
18 in no way affect the operation of said section.

19 Blank forms of return provided by the director for use in reporting
20 under this act shall include, in a conspicuous place, the opportunity for
21 a taxpayer to indicate his preference under this section in substantially
22 the following manner:

Table with 2 columns: Description and Yes/No options. Row 1: "Gubernatorial Elections Fund" description and Yes/No options.

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 NOTE: If you check If joint return, does your
 2 the "Yes" box(es) spouse wish to designate
 3 it will not increase [\$1] a portion of
 4 your tax or reduce his or her taxes for the fund?
 5 your refund. If so, please indicate whether
 6 the amount designated is \$1[],
 7 \$3[], or \$5[].

8 b. (1) Not later than the fifth day following receipt from the New
 9 Jersey Election Law Enforcement Commission of the commission's
 10 certification, as required by subsection e. of section 19 of P.L.1980,
 11 c.74 (C.19:44A-7.1), of the amount of the percentage of change in the
 12 index of prices affecting the overall costs of election campaigning, the
 13 State Treasurer shall for the purposes of this section compute, for the
 14 third of the alternative amounts among which a taxpayer may choose
 15 in designating the amount of tax, if any, to be reserved to be credited
 16 to the Gubernatorial Elections Fund, an "adjusted standard value". In
 17 the year 2000, that value shall be computed by multiplying the
 18 percentage of change certified in that year, plus 100%, times five
 19 dollars; in each fourth year thereafter, that value shall be computed by
 20 multiplying the percentage of change certified in such subsequent year,
 21 plus 100%, times (a) in a computation year four years after a year in
 22 which the third alternative checkoff amount was increased pursuant to
 23 the provisions of paragraph (2) of this subsection, the value of that
 24 increased amount, and (b) in any other computation year, the "adjusted
 25 standard value" as determined in the fourth year preceding that
 26 computation year.

27 (2) Notwithstanding the provisions of subsection a. of this section,
 28 for each of the four taxable years commencing on or after January 1
 29 following a year in which an "adjusted standard value" is computed as
 30 prescribed under paragraph (1) of this subsection, the third alternative
 31 amount from which a taxpayer may choose in designating the amount
 32 of tax, if any, to be reserved to be credited to the Gubernatorial
 33 Elections Fund under that subsection a. shall be the whole-dollar
 34 amount that is nearest to the "adjusted standard value" amount so
 35 computed; if the "adjusted standard value" amount is equidistant
 36 between one whole-dollar amount and the next greater whole-dollar
 37 amount, the third alternative amount of tax that may annually be so
 38 reserved in those four taxable years shall be the lesser of those two
 39 whole-dollar amounts. For any four taxable years in which the third
 40 alternative amount is not increased to an amount greater than that
 41 applicable during the preceding four taxable years, the first and second
 42 such alternative amounts shall also remain unchanged. For any four
 43 taxable years in which the third alternative amount is increased to an
 44 amount greater than that applicable during the preceding four taxable
 45 years, the first and second such alternative amounts shall each be
 46 increased by an amount equal to the amount of such increase in that

1 third alternative amount.

2 On any blank form of return for such taxable years, the text of the
3 questions prescribed under subsection a. hereof concerning a
4 taxpayer's wish to make such a reservation shall be revised in
5 accordance with the provisions of this subsection.

6 (cf: P.L.1980, c.74, s.16)

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8 2. Section 19 of P.L.1980, c.74 (C.19:44A-7.1) is amended to read
9 as follows:

10 19. a. For the purpose of ensuring the continuing adequacy of the
11 limits set by law upon contributions, expenditures and certain other
12 amounts relating to campaigns for nomination or election to the office
13 of Governor, the Election Law Enforcement Commission is
14 authorized and directed to adjust the limits on those amounts as
15 provided herein. The limitation amounts thus adjusted shall apply to
16 the primary and general elections for the office of Governor to be held
17 in the year following the year in which that adjustment is required
18 hereunder to be made.

19 b. The commission shall establish an index reflecting the changes
20 occurring in the general level of prices of particular goods and
21 services, including but not limited to goods and services within such
22 categories of expenditure as mass media and other forms of public
23 communication, personnel, rent, office supplies and equipment, data
24 processing, utilities, travel and entertainment, and legal and accounting
25 services, directly affecting the overall costs of election campaigning in
26 this State. The index shall be weighted in accordance with the impact
27 in the preceding general election for the office of Governor of the
28 respective prices of each of those several goods and services upon
29 those overall costs. Not later than December 1 of each year preceding
30 any year in which a general election is to be held to fill the office of
31 Governor for a four-year term, the commission shall determine the
32 percentage of change in this index which shall have occurred during
33 the four-year period ending with the year of the gubernatorial election,
34 and shall adjust the amounts, as set forth in subsection c. of this
35 section, which shall be applicable under P.L.1973, c.83 (C.19:44A-1
36 et seq.) to the primary and general elections for the office of Governor
37 to be held in the following year by multiplying that percentage of
38 change, plus 100%, times the amounts applicable thereunder to the
39 primary and general elections for that office held in the third year
40 preceding the year in which that December 1 occurs; provided that any
41 amount so adjusted shall be rounded as follows: if the adjusted
42 amount is less than \$20,000 and is not an exact multiple of \$100, to
43 the next higher exact multiple of \$100; if the adjusted amount is more
44 than \$20,000 but less than \$200,000 and is not an exact multiple of
45 \$1,000, to the next higher exact multiple of \$1,000; if the adjusted
46 amount is more than \$200,000 but less than \$2,000,000 and is not an

1 exact multiple of \$10,000, to the next higher exact multiple of
2 \$10,000; and if the adjusted amount is more than \$2,000,000 but less
3 than \$20,000,000 and is not an exact multiple of \$100,000, to the next
4 higher exact multiple of \$100,000.

5 c. The amounts subject to adjustment as provided under this
6 section shall be:

7 (1) The maximum amount of contributions permitted to be made
8 to any candidate for nomination for election or for election to the
9 office of Governor pursuant to section 4 of P.L.1974, c.26
10 (C.19:44A-29) and the amount of contributions with respect to which
11 a qualified candidate for nomination for election or for election to that
12 office shall be eligible to receive moneys from the fund for election
13 campaign expenses pursuant to section 8 of P.L.1974, c.26
14 (C.19:44A-33);

15 (2) The amount of deposits or expenditures required to have been
16 made by a candidate for nomination for election or for election to the
17 office of Governor in order for that candidate to be a qualified
18 candidate under subsection m. of section 3 of P.L.1973, c.83
19 (C.19:44A-3) and the amount of such deposits into such a candidate's
20 bank account for which no payment of public funds is to be made
21 pursuant to section 8 of P.L.1974, c.26 (C.19:44A-33);

22 (3) The maximum amount which may be spent in aid of the
23 candidacy of a qualified candidate for the office of Governor in a
24 primary or a general election pursuant to section 7 of P.L.1973, c.83
25 (C.19:44A-7); and

26 (4) The maximum amount which any qualified candidate for
27 nomination for election in a primary election or for election to the
28 office of Governor in a general election may receive from the fund for
29 election campaign expenses pursuant to section 8 of P.L.1974, c.26
30 (C.19:44A-33).

31 d. Not later than December 15 of each year preceding any year in
32 which a general election is to be held to fill the office of Governor for
33 a four-year term, the commission shall report to the Legislature its
34 adjustment of limits in accordance with the provisions of this section.
35 Whenever, following the transmittal of that report, the commission
36 shall have had notice that a person has declared as a candidate for
37 nomination for election or for election to the office of Governor in the
38 forthcoming primary or general election, it shall promptly notify that
39 candidate of the amounts of those adjusted limits.

40 e. Not later than December 3 of each year in which it is required
41 under subsection b. hereof to determine the percentage of change in
42 the index of prices affecting the overall costs of election campaigning,
43 the commission shall certify to the State Treasurer the amount of that
44 percentage of change so determined.

45 (cf: P.L.1989, c.4, s.3)

1 3. This act shall take effect on January 1 of the year following
2 enactment; the amendatory provisions of subsection a. of N.J.S.54A:9-
3 25.1 in section 1 shall be applicable to the taxable years commencing
4 on or after that January 1, and the amendatory provisions of
5 subsection b. of N.J.S.54A:9-25.1 in section 1 shall be inoperative
6 until November 30, 2000.

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STATEMENT

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11 This bill amends the provision of the "New Jersey Gross Income
12 Tax Act" governing the amount that a taxpayer may elect to contribute
13 from the person's State income tax liability to the "Gubernatorial
14 Elections Fund", which is the fund from which moneys are paid to
15 support public financing for qualified primary and general election
16 candidates for the office of Governor. The bill would replace the
17 current single contribution option of \$1 with three alternative levels of
18 contribution, \$1, \$3, and \$5.

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20 The bill also provides for future adjustments in those checkoff
21 options to reflect the increase in the cost of living. Computation of
22 the amount of the increase would be done quadrennially on the same
23 schedule as applies to the calculation of the cost-of-living adjustments
24 currently applicable to other amounts under the gubernatorial
25 campaign finance statute; the actual checkoff amount would be set by
26 rounding the adjusted figure so computed to the nearest whole dollar
amount.

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28 The bill would take effect on the January 1 following enactment and
be applicable to the taxes due for the year of enactment.

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33 Amends income tax return checkoff designating portion of tax for
34 "Gubernatorial Elections Fund" to add \$3 and \$5 checkoff options;
35 provides for adjustment of checkoff amounts for inflation.