

FISCAL NOTE TO

SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE CONCURRENT RESOLUTION Nos. 56 and 55**

**STATE OF NEW JERSEY**

DATED: JUNE 6, 1996

The Senate Committee Substitute for Senate Concurrent Resolution Nos. 56 and 55 of 1996 proposes a constitutional amendment authorizing the enactment of an increase from \$250 to \$500 in the annual deduction from property taxes assessed against dwellings owned by senior citizens, age 65 years or older, and permanently and totally disabled residents. The amendment also authorizes an increase from \$10,000 to \$15,000 in the annual income eligibility limitation to receive the annual property tax deduction.

In a fiscal note on A177, the Assembly version of the implementing legislation for this proposed constitutional amendment, the Department of the Treasury estimated that this bill will result in an additional \$98 million cost to the Property Tax Relief Fund. In 1995 as a \$250 deduction, approximately 149,000 citizens qualified for this property tax deduction. Doubling the value of this deduction, increases the State's liability to support this deduction by \$37 million. Additionally, according to Treasury, expanding the income eligibility under this bill from \$10,000 to \$15,000 will make approximately 122,000 additional citizens eligible to receive this deduction, resulting in an additional cost of \$61 million. Together, these two changes in the legislation will increase the cost of the senior citizen and disabled property tax deduction by \$98 million. The Department of the Treasury advises that costs associated with this legislation will be a continuing one.

The Office of Legislative Services (OLS) concurs with the Department of the Treasury's estimate, but adds that as the proportion of New Jersey's senior citizen population increases during the next decade that the cost growth to the State associated with this legislation will be more pronounced as eligibility for this deduction expands as well.

This fiscal note has been prepared pursuant to P.L.1980, c.67.