

**ASSEMBLY, No. 1534**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

**Sponsored by:**

**Assemblyman WILLIAM W. SPEARMAN**

**District 5 (Camden and Gloucester)**

**Assemblyman NICHOLAS CHIARAVALLOTI**

**District 31 (Hudson)**

**Assemblywoman ANNETTE QUIJANO**

**District 20 (Union)**

**Co-Sponsored by:**

**Assemblyman Calabrese and Assemblywoman B.DeCroce**

**SYNOPSIS**

“New Jersey Works Act”; Permits businesses to create pre-employment training programs in partnership with nonprofit organizations or educational institutions; provides tax credit to businesses that provide financial assistance to pre-employment training programs.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



**(Sponsorship Updated As Of: 7/2/2020)**

1 AN ACT concerning pre-employment training programs, and  
2 supplementing P.L.1992, c.43 (C.34:15D-1 et seq.), P.L.1945,  
3 c.162 (C.54:10A-1 et seq.), and Title 54A of the New Jersey  
4 Statutes.

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

8  
9 1. This act shall be known and may be cited as the “New Jersey  
10 Works Act.”

11  
12 2. As used in P.L. , c. (C. ) (pending before the  
13 Legislature as this bill):

14 “Assistance” means the contribution of moneys to aid in the  
15 provision of a pre-employment and work readiness training program  
16 established by a business entity in partnership with an institution of  
17 higher education or a comprehensive high school or county  
18 vocational school or nonprofit organization.

19 “Business entity” means any corporation, company, association,  
20 society, firm, partnership, joint stock company, sole proprietorship,  
21 limited liability entity or individual which is authorized to conduct  
22 or operate a trade or business in the State.

23 “Commission” means the State Employment and Training  
24 Commission established pursuant to section 5 of P.L.1989,  
25 c.293 (C.34:15C-2).

26 “Comprehensive high school” means a public or non-public high  
27 school located in the State that may grant a State-endorsed diploma  
28 to students and offers vocational education.

29 “Department” means the Department of Labor and Workforce  
30 Development.

31 “Director” means the Director of the Division of Taxation in the  
32 Department of the Treasury.

33 “Institution of higher education” means any public or  
34 independent four-year institution of higher education or a county  
35 college

36 “Low income household” means a household whose gross  
37 household income is less than 50 percent of the median gross  
38 household income for the region in which the business entity is  
39 located for households of similar size as determined by the  
40 department.

41 “Moderate income household” means a household whose gross  
42 household income is greater than or equal to 50 percent but less  
43 than 80 percent of the median gross household income of the region  
44 in which the business entity is located for households of similar size  
45 as determined by the department.

46 “Nonprofit organization” means a private nonprofit corporation  
47 that has been determined by the Internal Revenue Service of the  
48 United States Department of the Treasury to be exempt from

1 income taxation pursuant to section 501(c)(3) of the federal Internal  
2 Revenue Code, 26 U.S.C. s.501(c)(3).

3 “Partnership” means an agreement between one or more business  
4 entities and one or more institutions of higher education,  
5 comprehensive high schools, county vocational schools, or  
6 nonprofit organizations to establish a pre-employment and work  
7 readiness training program.  
8

9 3. a. One or more institutions of higher education,  
10 comprehensive high schools, county vocational schools, or  
11 nonprofit organizations may enter into a partnership with a business  
12 entity to establish a pre-employment and work readiness training  
13 program. The purpose of the program shall be to recruit, prepare,  
14 and educate individuals for entry-level jobs with long-term career  
15 potential through paid training programs. The program shall target  
16 for recruitment low- and moderate-income households and current  
17 workers in need of skills development. A business entity that enters  
18 into a partnership may provide assistance for a pre-employment and  
19 work readiness training program that has been approved by the  
20 commission pursuant to section 3 of P.L. , c. (C. ) (pending  
21 before the Legislature as this bill) and may receive a credit for such  
22 assistance pursuant to sections 4 and 5 of P.L. , c. (C. )  
23 (pending before the Legislature as this bill).

24 b. Each pre-employment and work readiness training program  
25 shall offer no less than 12 weeks of paid training for each  
26 participant, and include, but not be limited to training and  
27 instruction in the following areas: basic math and English literacy,  
28 communication skills, critical thinking, leadership, life skills and  
29 job readiness skills training such as conflict management, finance  
30 concepts, resume preparation, problem solving, self-awareness and  
31 management, and any other requirement deemed necessary by the  
32 commission. Each pre-employment and work readiness training  
33 program participant shall be paid the minimum wage pursuant to  
34 section 5 of P.L.1966, c.113 (C.34:11-56a4) or any order issued by  
35 the Commissioner of Labor and Workforce Development pursuant  
36 to that act.

37 c. Each trainee shall be a minimum of 16 years old, and no  
38 institution of higher education or nonprofit organization shall  
39 determine a trainee’s eligibility for participation in a training  
40 program based on the trainee’s possession of a high school diploma  
41 or any high school equivalency. Following the successful  
42 completion of a pre-employment and work readiness training  
43 program, each program shall offer trainees: (1) college credits for  
44 all applicable course work of the program provided through an  
45 institution of higher education, comprehensive high school, or  
46 county vocational school; or (2) employment provided through a  
47 business entity which has provided funding for a qualified pre-  
48 employment and work readiness training program, or both.

1 d. Each institution of higher education or nonprofit  
2 organization shall submit to the commission the following  
3 information three months, six months, and nine months following  
4 the close of the training program: the number of participants who  
5 successfully completed the training program and the number of  
6 participants currently employed by a business entity, including each  
7 participant's job title and salary.

8  
9 4. a. An institution of higher education, comprehensive high  
10 school, county vocational school, or nonprofit organization which is  
11 the recipient of funding provided by the business entity shall submit  
12 a pre-employment training plan to the commission for approval.  
13 Two or more institutions of higher education, comprehensive high  
14 schools, county vocational schools, or nonprofit organizations may  
15 submit a plan to the commission jointly. Any plan submitted by  
16 two or more institutions of higher education, comprehensive high  
17 schools, vocational schools, or nonprofit organizations shall  
18 designate one institution of higher education, comprehensive high  
19 school, vocational school, or nonprofit organization as the lead  
20 organization with responsibility for the plan. An institution of  
21 higher education, comprehensive high school, or vocational school,  
22 or a nonprofit organization that has submitted a pre-employment  
23 training plan to the commission may seek to amend it at any time.  
24 The commission shall approve the amendments so long as the pre-  
25 employment and work readiness training program complies with the  
26 minimum requirements set forth in subsection b. of section 2 of  
27 P.L. , c. (C. ) (pending before the Legislature as this bill).

28 b. The commission shall review a pre-employment training plan  
29 to determine whether a proposed pre-employment and work  
30 readiness training program qualifies for assistance for which a tax  
31 credit may be granted pursuant to sections 4 and 5 of P.L. ,  
32 c. (C. ) (pending before the Legislature as this bill).

33 c. The commission shall determine that a pre-employment and  
34 work readiness training program qualifies for assistance if it meets  
35 all of the following standards:

36 (1) The program consists of pre-employment and work readiness  
37 training activities that will benefit low- and moderate-income  
38 households and persons in need of early and mid-career skills  
39 training or vocational retraining.

40 (2) The program is reasonably designed to accomplish its  
41 intended purpose and it would further the purposes of the pre-  
42 employment training plan.

43 (3) The institution of higher education or nonprofit organization  
44 demonstrates that it has the capacity to implement the pre-  
45 employment training plan.

46 (4) The institution of higher education or nonprofit organization  
47 provides adequate assurances that the assistance will be expended  
48 exclusively to implement the pre-employment training plan.

1        5. a. A taxpayer, upon approval of an application to the  
2 director, shall be allowed a credit against the tax imposed pursuant  
3 to section 5 of P.L.1945, c.162 (C.54:10A-5) in an amount equal to  
4 100 percent of the amount of assistance provided by the taxpayer to  
5 an institution of higher education, comprehensive high school,  
6 county vocational school, or nonprofit organization during a  
7 privilege period commencing on or after January 1 next following  
8 the enactment of P.L. , c. (C. ) (pending before the  
9 Legislature as this bill) for an approved pre-employment and work  
10 readiness training program established in partnership with an  
11 institution of higher education, comprehensive high school, county  
12 vocational school, or nonprofit organization pursuant to section 2 of  
13 P.L. , c. (C. ) (pending before the Legislature as this bill).

14        b. No tax credit shall be awarded pursuant to this section for any  
15 costs or expenses included in the calculation of any other tax credit  
16 or exemption granted pursuant to a claim made on a tax return filed  
17 with the director, or included in the calculation of an award of  
18 business assistance or incentive, for a period of time that coincides  
19 with the privilege period for which a tax credit pursuant to this  
20 section is allowed. The order of priority of application of the tax  
21 credit allowed pursuant to this section, and any other credits  
22 allowed against the tax imposed pursuant to section 5 of P.L.1945,  
23 c.162 (C.54:10A-5) for a privilege period, shall be as prescribed by  
24 the director. The amount of the credit applied against the tax  
25 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5)  
26 shall not reduce a taxpayer's tax liability to an amount less than the  
27 statutory minimum provided in subsection (e) of section 5 of  
28 P.L.1945, c.162 (C.54:10A-5).

29        c. The value of tax credits approved by the director pursuant to  
30 subsection a. of this section and pursuant to subsection a. of section  
31 5 of P.L. , c. (C. ) (pending before the Legislature as this  
32 bill) shall not exceed a cumulative total of \$12,000,000 in State  
33 fiscal year 2020, and in each State fiscal year thereafter, to apply  
34 against the tax imposed pursuant to section 5 of P.L.1945,  
35 c.162 (C.54:10A-5) and the tax imposed pursuant to the "New  
36 Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq. If the  
37 cumulative total amount of tax credits allowed to taxpayers  
38 pursuant for privilege periods or taxable years commencing during  
39 a single fiscal year under subsection a. of this section and  
40 subsection a. of section 5 of P.L. , c. (C. ) (pending before  
41 the Legislature as this bill) exceeds the amount of tax credits  
42 available in that fiscal year, then taxpayers who have first applied  
43 for and have not been allowed a tax credit for that reason shall be  
44 allowed, in the order in which they have submitted an application,  
45 the amount of the tax credit on the first day of the next succeeding  
46 fiscal year in which tax credits under subsection a. of this section  
47 and subsection a. of section 5 of P.L. , c. (C. ) (pending

1 before the Legislature as this bill) are not in excess of the amount of  
2 credits available.

3 d. A taxpayer shall submit to the director a report to verify the  
4 taxpayer's tax credit claim. The report shall include a certification  
5 from an institution of higher education, a comprehensive high  
6 school, a county vocational school, or a nonprofit organization that  
7 the assistance is to be used for an approved pre-employment and  
8 work readiness training program and such other information as shall  
9 be determined by the director. The certification shall be provided to  
10 the taxpayer and a copy of the certification shall be included in the  
11 filing of a return that includes a claim for a tax credit allowed  
12 pursuant to this section.  
13

14 6. a. A taxpayer, upon approval of an application to the  
15 director, shall be allowed a credit against the tax otherwise due for  
16 the taxable year under the "New Jersey Gross Income Tax Act,"  
17 N.J.S.54A:1-1 et seq., in an amount equal to 100 percent of the  
18 amount of assistance provided by the taxpayer to an institution of  
19 higher education, comprehensive high school, county vocational  
20 school, or nonprofit organization during a taxable year commencing  
21 on or after January 1 next following the enactment of P.L. ,  
22 c. (C. ) (pending before the Legislature as this bill) for an  
23 approved pre-employment and work readiness training program  
24 established in partnership with an institution of higher education or  
25 a nonprofit organization pursuant to section 2 of P.L. ,  
26 c. (C. ) (pending before the Legislature as this bill).

27 b. No tax credit shall be allowed pursuant to this section for any  
28 costs or expenses included in the calculation of any other tax credit  
29 or exemption granted pursuant to a claim made on a tax return filed  
30 with the director, or included in the calculation of an award of  
31 business assistance or incentive, for a period of the time that  
32 coincides with the taxable year, for which a tax credit authorized  
33 pursuant to this section is allowed. The order of priority of the  
34 application of the credit allowed pursuant to this section, and any  
35 other credits allowed against the tax imposed pursuant to  
36 N.J.S.54A:1-1 et seq. for a taxable year, shall be as prescribed by  
37 the director. The amount of the credit applied against the New  
38 Jersey gross income tax imposed pursuant to N.J.S.54A:1-1 shall  
39 not reduce a taxpayer's tax liability to an amount less than zero.

40 c. (1) A business entity that is classified as a partnership for  
41 federal income tax purposes shall not be allowed a tax credit  
42 pursuant to this section directly, but the amount of tax credit of a  
43 taxpayer in respect to a distributive share of entity income shall be  
44 determined by allocating to the taxpayer that proportion of the tax  
45 credit acquired by the entity that is equal to the taxpayer's share,  
46 whether or not distributed, of the total distributive income or gain  
47 of the entity for its taxable year ending within or with the  
48 taxpayer's taxable year.

1       (2) A New Jersey S Corporation shall not be allowed a tax credit  
2 pursuant to this section directly, but the amount of the tax credit of  
3 a taxpayer in respect of a pro rata share of S Corporation income  
4 shall be determined by allocating to the taxpayer that proportion of  
5 the tax credit acquired by the New Jersey S Corporation that is  
6 equal to the taxpayer's share, whether or not distributed, of the total  
7 pro rata share of S Corporation income of the New Jersey S  
8 Corporation for its privilege period ending within or with the  
9 taxpayer's taxable year.

10       d. The value of tax credits approved by the director pursuant to  
11 subsection a. of this section and pursuant to subsection a. of section  
12 4 of P.L.     , c. (C.     ) (pending before the Legislature as this  
13 bill) shall not exceed a cumulative total of \$12,000,000 in State  
14 fiscal year 2020 and in State each fiscal year thereafter to apply  
15 against the tax imposed pursuant to section 5 of P.L.1945, c.162  
16 (C.54:10A-5) and the tax imposed pursuant to the "New Jersey  
17 Gross Income Tax Act," N.J.S.54A:1-1 et seq. If the cumulative  
18 total amount of tax credits allowed to taxpayers for taxable years or  
19 privilege period commencing during a single fiscal year under  
20 subsection a. of this section and subsection a of section 4 of P.L.     ,  
21 c. (C.,     ) (pending before the Legislature as this bill) exceeds  
22 the amount of tax credits available in that fiscal year, then taxpayers  
23 who have first applied for and have not been allowed a tax credit  
24 for that reason shall be allowed, in the order in which they have  
25 submitted an application, the amount of tax credit on the first day of  
26 the next succeeding fiscal year in which tax credits under  
27 subsection a. of this section and subsection a of section 4 of P.L.     ,  
28 c. (C.     ) (pending before the Legislature as this bill) are not in  
29 excess of the amount of credits available.

30       e. A taxpayer shall submit to the director a report to verify the  
31 taxpayer's tax credit claim. The report shall include a certification  
32 from an institution of higher education, comprehensive high school,  
33 county vocational school, or nonprofit organization that the  
34 assistance is to be used for an approved pre-employment and work  
35 readiness training program and such other information as shall be  
36 determined by the director. The certification shall be provided to  
37 the taxpayer and a copy of the certification shall be included in the  
38 filing of a return that includes a claim for a tax credit allowed  
39 pursuant to this section.

40

41       7. The Commissioner of Labor and Workforce Development  
42 shall adopt rules and regulations pursuant to the "Administrative  
43 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate  
44 sections 2 and 3 of this act.

45

46       8. The Director of the Division of Taxation in the Department  
47 of the Treasury shall adopt rules and regulations pursuant to the

1 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et  
2 seq.), to effectuate sections 4 and 5 of this act.

3  
4 9. This act shall take effect immediately and sections 4 and 5  
5 shall apply to privilege periods and taxable years beginning on or  
6 after the January 1 next following the date of enactment.

7  
8  
9 STATEMENT

10  
11 This bill, titled the “New Jersey Works Act,” provides a financial  
12 incentive for businesses to establish pre-employment and work  
13 readiness training programs in partnership with institutions of  
14 higher education, comprehensive high schools, county vocational  
15 schools, and nonprofit organizations. Under the bill, a business  
16 entity may receive a credit against the corporation business tax  
17 (CBT) or gross income tax (GIT) for 100 percent of any financial  
18 assistance provided to support a qualified pre-employment and  
19 work readiness training program approved by the State Employment  
20 and Training Commission (“commission”). A maximum of \$12  
21 million in tax credits per State fiscal year are allowed to be granted  
22 to taxpayers for assistance provided to an institution of higher  
23 education, a secondary comprehensive school, a vocational school,  
24 or a nonprofit organization for an approved pre-employment and  
25 work readiness training program.

26 The bill requires an institution of higher education,  
27 comprehensive high school, county vocational school, or nonprofit  
28 organization that has entered into a partnership with a business  
29 entity to submit a pre-employment training plan for approval by the  
30 commission. At a minimum, each pre-employment and work  
31 readiness training program shall offer 12 weeks of paid training, at  
32 the minimum wage for each participant, and include, but not be  
33 limited to instruction and training in the following areas: basic math  
34 and English literacy, communication skills, critical thinking,  
35 leaderships, life skills and job readiness skills training, such as  
36 conflict management, finance concepts, resume preparation,  
37 problem solving, self-awareness and management, and any other  
38 training deemed necessary by the commission. A single pre-  
39 employment training plan may be submitted by multiple institutions  
40 of higher education, comprehensive high school, county vocational  
41 schools or nonprofit organizations, but the plan must designate one  
42 entity as the lead organization with responsibility for the plan.

43 Program participants must be a minimum of 16 years old. An  
44 institution of higher education or nonprofit organization may not  
45 determine a trainee’s eligibility for participation in the training  
46 program on the trainee’s possession of either a high school diploma  
47 or any high school equivalency diploma. Each program shall offer  
48 trainees (1) college credits for all applicable course work of the



1 program provided through a county college; or (2) employment with  
2 a business entity which has provided funding for a qualified pre-  
3 employment and work readiness training program or both.  
4 The bill requires the commission to review each pre-employment  
5 training plan to determine whether a proposed pre-employment and  
6 work readiness training program qualifies for financial assistance  
7 for which a tax credit may be granted. Each program must consist  
8 of pre-employment and work readiness training activities that will  
9 benefit low- and moderate-income trainees and persons in need of  
10 mid-career skills training or vocational retraining and be reasonably  
11 designed to accomplish its intended purpose and further the  
12 purposes of the pre-employment training plan. The institution of  
13 higher education, comprehensive high school, county vocational  
14 school, or nonprofit organization must demonstrate that it has the  
15 capacity to implement the pre-employment training plan and  
16 provide adequate assurances that the assistance provided by a  
17 business entity will be expended exclusively to implement the pre-  
18 employment training plan.