

[First Reprint]

ASSEMBLY, No. 1534

STATE OF NEW JERSEY
219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

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District 5 (Camden and Gloucester)

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District 31 (Hudson)

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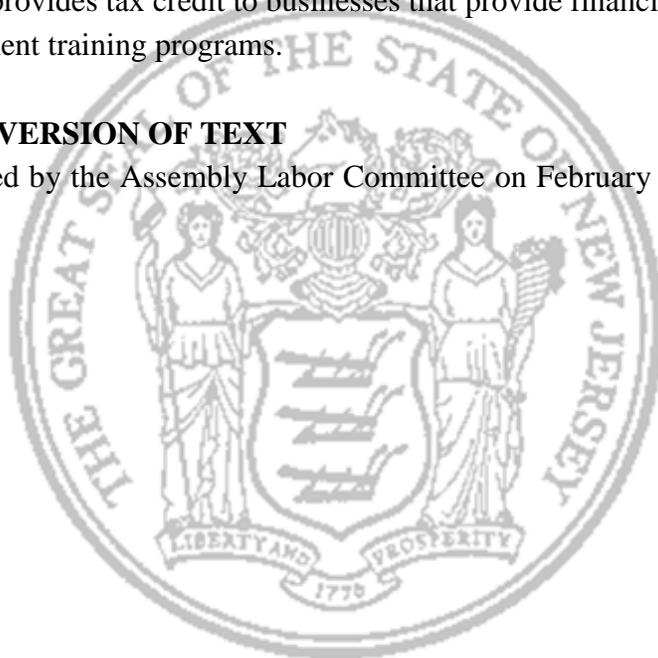
Assemblyman Calabrese, Assemblywomen B.DeCroce and Sumter

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

As reported by the Assembly Labor Committee on February 24, 2021, with amendments.



(Sponsorship Updated As Of: 3/1/2021)

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

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ALA committee amendments adopted February 24, 2021.

1 in which the business entity is located for households of similar size
2 as determined by the department.

3 “Nonprofit organization” means a private nonprofit corporation
4 that has been determined by the Internal Revenue Service of the
5 United States Department of the Treasury to be exempt from
6 income taxation pursuant to section 501(c)(3) of the federal Internal
7 Revenue Code, 26 U.S.C. s.501(c)(3).

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

13

14 3. a. One or more institutions of higher education, comprehensive
15 high schools, county vocational schools, or nonprofit organizations
16 may enter into a partnership with a business entity to establish a pre-
17 employment and work readiness training program. The purpose of the
18 program shall be to recruit, prepare, and educate individuals for entry-
19 level jobs with long-term career potential through paid training
20 programs. The program shall target for recruitment low- and
21 moderate-income households and current workers in need of skills
22 development. A business entity that enters into a partnership may
23 provide assistance for a pre-employment and work readiness training
24 program that has been approved by the commission pursuant to section
25 ¹[3] ⁴ of P.L. , c. (C.) (pending before the Legislature as this
26 bill) and may receive a credit for such assistance pursuant to sections
27 ¹[4] ⁵ and ¹[5] ⁶ of P.L. , c. (C.) (pending before the
28 Legislature as this bill).

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

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

1 comprehensive high school, or county vocational school; or (2)
2 employment provided through a business entity which has provided
3 funding for a qualified pre-employment and work readiness training
4 program, or both.

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

12

13 4. a. An institution of higher education, comprehensive high
14 school, county vocational school, or nonprofit organization which is
15 the recipient of funding provided by the business entity shall submit a
16 pre-employment training plan to the commission for approval. Two or
17 more institutions of higher education, comprehensive high schools,
18 county vocational schools, or nonprofit organizations may submit a
19 plan to the commission jointly. Any plan submitted by two or more
20 institutions of higher education, comprehensive high schools,
21 vocational schools, or nonprofit organizations shall designate one
22 institution of higher education, comprehensive high school, vocational
23 school, or nonprofit organization as the lead organization with
24 responsibility for the plan. An institution of higher education,
25 comprehensive high school, or vocational school, or a nonprofit
26 organization that has submitted a pre-employment training plan to the
27 commission may seek to amend it at any time. The commission shall
28 approve the amendments so long as the pre-employment and work
29 readiness training program complies with the minimum requirements
30 set forth in subsection **1**[b.] c.¹ of this¹ section **1**[2 of P.L. , c.
31 (C.) (pending before the Legislature as this bill)]¹.

32 b. The commission shall review a pre-employment training plan to
33 determine whether a proposed pre-employment and work readiness
34 training program qualifies for assistance for which a tax credit may be
35 granted pursuant to sections **1**[4] 5¹ and **1**[5] 6¹ of P.L. ,
36 c. (C.) (pending before the Legislature as this bill).

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

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

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

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

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

7 ¹(5) The institution of higher education or nonprofit organization
8 provides documentation of its graduation rates and of the percentage of
9 students placed in employment relevant to their training and
10 coursework.¹

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

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

39 c. The value of tax credits approved by the director pursuant to
40 subsection a. of this section and pursuant to subsection a. of section
41 ¹**[5]** ¹6 of P.L. , c. (C.) (pending before the Legislature as this
42 bill) shall not exceed a cumulative total of \$12,000,000 in State fiscal
43 year 2020, and in each State fiscal year thereafter, to apply against the
44 tax imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) and
45 the tax imposed pursuant to the "New Jersey Gross Income Tax Act,"
46 N.J.S.54A:1-1 et seq. If the cumulative total amount of tax credits
47 allowed to taxpayers pursuant for privilege periods or taxable years
48 commencing during a single fiscal year under subsection a. of this

1 section and subsection a. of section ¹**[5]** ¹6 of P.L. , c. (C.)
2 (pending before the Legislature as this bill) exceeds the amount of tax
3 credits available in that fiscal year, then taxpayers who have first
4 applied for and have not been allowed a tax credit for that reason shall
5 be allowed, in the order in which they have submitted an application,
6 the amount of the tax credit on the first day of the next succeeding
7 fiscal year in which tax credits under subsection a. of this section and
8 subsection a. of section ¹**[5]** ¹6 of P.L. , c. (C.) (pending
9 before the Legislature as this bill) are not in excess of the amount of
10 credits available.

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

21
22 6. a. A taxpayer, upon approval of an application to the director,
23 shall be allowed a credit against the tax otherwise due for the taxable
24 year under the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et
25 seq., in an amount equal to 100 percent of the amount of assistance
26 provided by the taxpayer to an institution of higher education,
27 comprehensive high school, county vocational school, or nonprofit
28 organization during a taxable year commencing on or after January 1
29 next following the enactment of P.L. , c. (C.) (pending before
30 the Legislature as this bill) for an approved pre-employment and work
31 readiness training program established in partnership with an
32 institution of higher education or a nonprofit organization pursuant to
33 section ¹**[2]** ¹3 of P.L. , c. (C.) (pending before the Legislature
34 as this bill).

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

1 c. (1) A business entity that is classified as a partnership for
2 federal income tax purposes shall not be allowed a tax credit pursuant
3 to this section directly, but the amount of tax credit of a taxpayer in
4 respect to a distributive share of entity income shall be determined by
5 allocating to the taxpayer that proportion of the tax credit acquired by
6 the entity that is equal to the taxpayer's share, whether or not
7 distributed, of the total distributive income or gain of the entity for its
8 taxable year ending within or with the taxpayer's taxable year.

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

17 d. The value of tax credits approved by the director pursuant to
18 subsection a. of this section and pursuant to subsection a. of section
19 ¹[4] 5¹ of P.L. , c. (C.) (pending before the Legislature as this
20 bill) shall not exceed a cumulative total of \$12,000,000 in State fiscal
21 year 2020 and in State each fiscal year thereafter to apply against the
22 tax imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) and
23 the tax imposed pursuant to the "New Jersey Gross Income Tax Act,"
24 N.J.S.54A:1-1 et seq. If the cumulative total amount of tax credits
25 allowed to taxpayers for taxable years or privilege period commencing
26 during a single fiscal year under subsection a. of this section and
27 subsection ¹[a] a.¹ of section ¹[4] 5¹ of P.L. , c. (C.)
28 (pending before the Legislature as this bill) exceeds the amount of tax
29 credits available in that fiscal year, then taxpayers who have first
30 applied for and have not been allowed a tax credit for that reason shall
31 be allowed, in the order in which they have submitted an application,
32 the amount of tax credit on the first day of the next succeeding fiscal
33 year in which tax credits under subsection a. of this section and
34 subsection ¹[a] a.¹ of section ¹[4] 5¹ of P.L. , c. (C.)
35 (pending before the Legislature as this bill) are not in excess of the
36 amount of credits available.

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

46
47 7. The Commissioner of Labor and Workforce Development
48 shall adopt rules and regulations pursuant to the "Administrative

1 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate
2 sections ¹**[2]** 3¹ and ¹**[3]** 4¹ of this act.

3

4 8. The Director of the Division of Taxation in the Department
5 of the Treasury shall adopt rules and regulations pursuant to the
6 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
7 seq.), to effectuate sections ¹**[4]** 5¹ and ¹**[5]** 6¹ of this act.

8

9 9. This act shall take effect immediately and sections ¹**[4]** 5¹
10 and ¹**[5]** 6¹ shall apply to privilege periods and taxable years
11 beginning on or after the January 1 next following the date of
12 enactment.