

[First Reprint]

ASSEMBLY, No. 1841

STATE OF NEW JERSEY
219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

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SYNOPSIS

Allows gross income tax deduction for amounts paid for removal of lead, asbestos, and other contaminants from taxpayer's residential property.

CURRENT VERSION OF TEXT

As reported by the Assembly Community Development and Affairs Committee on December 14, 2020, with amendments.



(Sponsorship Updated As Of: 2/24/2020)

1 AN ACT allowing a gross income tax deduction for amounts paid
2 for removal of¹ lead ¹【or asbestos hazard abatement in】 ,
3 asbestos, and other contaminants from¹ a taxpayer's ¹【primary
4 residence】 residential property¹, supplementing Title 54A of the
5 New Jersey Statutes.

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

9
10 1. The Legislature finds and declares that:

11 a. Lead has been proven to be a neurotoxin that affects the
12 brain and has been connected to developmental delays or brain
13 damage in children.

14 b. Lead abatement is expensive and can be a costly burden on
15 families.

16 c. Currently there are lead abatement programs provided
17 through the federal government, state government, and local
18 governments for taxpayers with below 80 percent area median
19 income, but the cost of lead abatement can be a burden on taxpayers
20 whose income exceeds 80 percent of area median income.

21 d. Taxpayers frequently have to obtain a second mortgage or
22 request burdensome loans to address the cost of lead abatement.

23 e. The State should provide incentives or methods to ease the
24 cost burden of lead abatement for taxpayers.¹

25
26 ¹【1】 2.¹ a. A taxpayer shall be allowed to deduct from gross
27 income amounts paid in the taxable year for:

28 lead-based paint hazard abatement in the taxpayer's ¹【primary
29 residence】 residential property¹, if performed by a ¹【State-】¹
30 certified lead abatement contractor;

31 asbestos hazard abatement in the taxpayer's ¹【primary
32 residence】 residential property¹, if performed by a ¹【State-】¹
33 licensed asbestos abatement contractor;

34 replacement of a water service line containing hazardous
35 amounts of lead, provided that the line is owned by the taxpayer,
36 the line is on the real property of the taxpayer's ¹【primary
37 residence】 residential property¹, and the line's replacement is
38 necessary for abatement of the hazard in the taxpayer's ¹【primary
39 residence】 residential property¹; ¹【and】¹

40 replacement of plumbing containing hazardous amounts of lead
41 in the taxpayer's primary residence¹【.】;

42 remediation of lead and other contaminants within soil on the
43 taxpayer's residential property; and

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 ACD committee amendments adopted December 14, 2020.

1 replacement of leaded windows on the taxpayer's residential
2 property.¹

3 b. The total deduction allowed for a taxpayer pursuant to this
4 section shall not exceed ¹~~[\$25,000]~~ \$45,000¹ in a taxable year. ¹A
5 taxpayer shall be eligible to claim the deductions set forth in this
6 section regardless of income.¹

7 c. To be eligible for the deduction for amounts paid for lead-
8 based paint hazard abatement, a taxpayer shall submit to the
9 director a receipt of work done and amounts paid to a ¹~~[State-]~~¹
10 certified lead abatement contractor. To be eligible for the deduction
11 for amounts paid for asbestos hazard abatement, a taxpayer shall
12 submit to the director a receipt of work done and amounts paid to a
13 ¹~~[State-]~~¹ licensed asbestos abatement contractor.

14 d. The director shall promulgate standards by which taxpayers
15 shall document proof of eligibility for the deduction.

16 ¹e. As used in this section:

17 "Residential property" means a taxpayer's primary residence,
18 owner occupied home, or rental unit.¹

19
20 ¹3. During the first taxable year following enactment, a taxpayer
21 shall be allowed to deduct any expenses incurred between January
22 1, 2018 and the first taxable year following enactment of this
23 P.L. , c. (C.) (pending before the Legislature as this bill) for
24 expenses described in section 2 of this bill, but the amount of the
25 deduction shall not exceed the amount otherwise allowed pursuant
26 to section 2 of this P.L. , c. (C.) (pending before the
27 Legislature as this bill).¹

28
29 ¹~~[2]~~ 4.¹ This act shall take effect immediately¹~~[.]~~ and shall
30 expire on December 31, 2025.¹