

[Third Reprint]

ASSEMBLY, No. 1841

STATE OF NEW JERSEY
219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblywoman BRITNEE N. TIMBERLAKE

District 34 (Essex and Passaic)

Assemblywoman ANNETTE QUIJANO

District 20 (Union)

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District 36 (Bergen and Passaic)

Senator CHRISTOPHER "KIP" BATEMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Senator JOSEPH A. LAGANA

District 38 (Bergen and Passaic)

Co-Sponsored by:

Assemblymen Zwicker, Johnson, Assemblywomen McKnight, Murphy, Vainieri Huttle, Downey, Assemblyman Coughlin, Senators Diegnan, Greenstein, O'Scanlon and Oroho

SYNOPSIS

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

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on November 8, 2021, with amendments.

(Sponsorship Updated As Of: 1/10/2022)

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

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

9
 10 ¹1. The Legislature finds and declares that:

11 a. Lead has been proven to be a neurotoxin that affects the brain
 12 and has been connected to developmental delays or brain damage in
 13 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 through
 17 the federal government, state government, and local governments for
 18 taxpayers with below 80 percent area median income, but the cost of
 19 lead abatement can be a burden on taxpayers whose income exceeds
 20 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 cost
 24 burden of lead abatement for taxpayers.¹

25 ³f. Sodium and chloride from excessive road salting practices
 26 have contaminated private well water in certain areas of the State.
 27 Homeowners in these areas have been forced to purchase bottled
 28 water for their potable water needs. In addition, sodium and
 29 chloride contamination of their well water has in some case
 30 damaged pipes and appliances in their homes. Sodium and chloride
 31 can also each leach lead and other metals from pipes that provide
 32 the well water to the homes.³

33
 34 ¹[1] 2.¹ a. A taxpayer shall be allowed to deduct from gross
 35 income amounts paid in the taxable year for:

36 ³(1)³ lead-based paint hazard abatement in the taxpayer's
 37 ¹[primary residence] residential property¹, if performed by a ¹[State-
 38]¹ certified lead abatement contractor;

39 ³(2)³ asbestos hazard abatement in the taxpayer's ¹[primary
 40 residence] residential property¹, if performed by a ¹[State-]¹ licensed
 41 asbestos abatement contractor;

42 ³(3)³ replacement of a water service line containing lead, provided
 43 that the line is owned by the taxpayer, the line is on the real property
 44 of the taxpayer's ¹[primary residence] residential property¹, and the

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.

²Assembly AAP committee amendments adopted March 17, 2021.

³Senate SBA committee amendments adopted November 8, 2021.

1 line's replacement is necessary for abatement of the hazard in the
2 taxpayer's ¹~~primary residence~~ residential property¹; ¹~~and~~¹

3 ³~~(4)~~³ replacement of plumbing containing lead in the taxpayer's
4 primary residence¹~~.~~¹;

5 ³~~(5)~~³ remediation of lead and other contaminants within soil on
6 the taxpayer's residential property; and

7 ³~~(6)~~³ replacement of leaded windows on the taxpayer's residential
8 property.¹

9 b. ³A taxpayer whose private well water is contaminated with
10 levels of sodium or chloride that exceed the U.S. Environmental
11 Protection Agency secondary maximum containment levels (smcl)
12 shall be allowed to deduct from gross income in a taxable year:

13 (1) the cost of installing a water treatment system by a licensed
14 contractor or plumber;

15 (2) the cost of replacing any pipes connected to the water treatment
16 system; and

17 (3) the cost of any upgrades needed for the property's septic
18 system or leach field to handle the increased volume of wastewater
19 from the water treatment system.

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

24 ³~~[c.] d.~~³ To be eligible for the deduction for amounts paid for
25 lead-based paint hazard abatement, a taxpayer shall submit to the
26 director ²~~[a receipt of]~~ an affidavit from the municipality where the
27 residential property is located acknowledging the² work done and
28 amounts paid to a ¹~~[State-]~~¹ certified lead abatement contractor. To be
29 eligible for the deduction for amounts paid for asbestos hazard
30 abatement, a taxpayer shall submit to the director ²~~[a receipt of]~~ an
31 affidavit from the municipality where the residential property is
32 located acknowledging the² work done and amounts paid to a
33 ¹~~[State-]~~¹ licensed asbestos abatement contractor.

34 ³~~[d.] e.~~³ The director shall promulgate standards by which
35 taxpayers shall document proof of eligibility for the deduction.

36 ¹³~~[e.] f.~~³ As used in this section:

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

39
40 ¹3. During the first taxable year following enactment, a taxpayer
41 shall be allowed to deduct any expenses incurred between January
42 1, 2018 and the first taxable year following enactment of this
43 P.L. , c. (C.) (pending before the Legislature as this bill) for
44 expenses described in section 2 of this bill, but the amount of the
45 deduction shall not exceed the amount otherwise allowed pursuant

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1 to section 2 of this P.L. , c. (C.) (pending before the
2 Legislature as this bill).¹

3

4 ¹**[2]** 4.¹ This act shall take effect immediately¹**[.]** and shall
5 expire on December 31, 2025.¹