

[First Reprint]

## **ASSEMBLY, No. 5218**

# **STATE OF NEW JERSEY**

## **219th LEGISLATURE**

INTRODUCED JANUARY 7, 2021

**Sponsored by:**

**Assemblyman ROY FREIMAN**

**District 16 (Hunterdon, Mercer, Middlesex and Somerset)**

**Assemblyman JOHN ARMATO**

**District 2 (Atlantic)**

**Assemblyman P. CHRISTOPHER TULLY**

**District 38 (Bergen and Passaic)**

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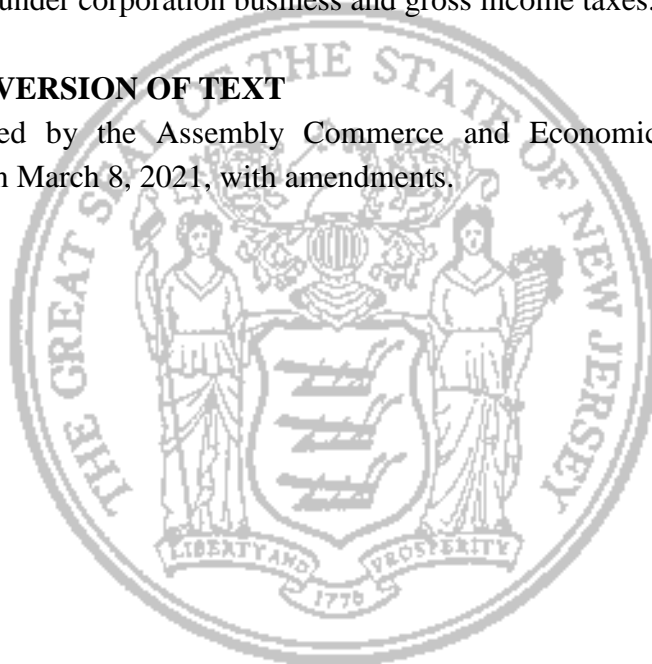
**Assemblymen Mazzeo, Johnson, Dancer, Assemblywomen Dunn and Reynolds-Jackson**

### **SYNOPSIS**

Allows certain restaurant owners to accelerate depreciation of certain expenditures under corporation business and gross income taxes.

### **CURRENT VERSION OF TEXT**

As reported by the Assembly Commerce and Economic Development Committee on March 8, 2021, with amendments.



**(Sponsorship Updated As Of: 3/8/2021)**

1 AN ACT allowing certain restaurant owners to accelerate  
 2 depreciation of certain expenditures under corporation business  
 3 and gross income taxes, supplementing P.L.1945, c.162 and Title  
 4 54A of Revised Statutes.

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

8  
 9 1. a. Notwithstanding paragraph (12) of subsection (k) of  
 10 section 4 of P.L.1945, c.162 (C.54:10A-4), a taxpayer who is <sup>1</sup>the  
 11 owner of<sup>1</sup> a small business restaurant <sup>1</sup>**owner** or an alcoholic  
 12 beverage manufacturer<sup>1</sup> shall be allowed the additional depreciation  
 13 allowance of subsection (k) of section 168 of the federal Internal  
 14 Revenue Code of 1986 (26 U.S.C. s.168) for up to \$150,000 of  
 15 eligible property expenditures for the restaurant <sup>1</sup>or alcoholic  
 16 beverage manufacturer<sup>1</sup>. The director shall prescribe the rules and  
 17 regulations necessary to carry out the provisions of this section.

18 b. As used in this section:

19 <sup>1</sup>“Alcoholic beverage manufacturer” means a limited brewery,  
 20 winery, distillery, cidery, or meadery licensed pursuant to R.S.33:1-  
 21 10.<sup>1</sup>

22 “Director” means Director of the Division of Taxation in the  
 23 Department of the Treasury.

24 “Eligible property expenditures” means capital expenditures  
 25 incurred by the taxpayer to comply with the health and safety  
 26 requirements imposed under the executive orders issued by the  
 27 Governor in response to the COVID-19 pandemic, including but not  
 28 limited to the purchase of heaters and overhangs.

29 “Small business restaurant” means a restaurant as defined in  
 30 section 1 of P.L.1983, c.488 (C.26:3E-1) with not more than 100  
 31 employees, but shall not include a restaurant <sup>1</sup>**with** if its owner  
 32 also owns<sup>1</sup> more than two <sup>1</sup>**separate** restaurants that are operated  
 33 under the same name as the small business restaurant at<sup>1</sup> locations  
 34 outside the State.

35  
 36 2. a. Notwithstanding section 26 of P.L.2004, c.65 (C.54A:5-  
 37 1.2), a taxpayer who is <sup>1</sup>the owner of<sup>1</sup> a small business restaurant  
 38 <sup>1</sup>**owner** or an alcoholic beverage manufacturer<sup>1</sup> shall be allowed  
 39 the additional depreciation allowance of subsection (k) of section  
 40 168 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.168)  
 41 for up to \$150,000 of eligible property expenditures for the  
 42 restaurant <sup>1</sup>or alcoholic beverage manufacturer<sup>1</sup>, provided that,  
 43 section 26 of P.L.2004, c.65 (C.54A:5-1.2) prohibited such  
 44 additional depreciation allowance. The director shall prescribe 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:

<sup>1</sup>Assembly ACE committee amendments adopted March 8, 2021.

1 rules and regulations necessary to carry out the provisions of this  
2 section.

3 b. As used in this section:

4 <sup>1</sup>“Alcoholic beverage manufacturer” means a limited brewery,  
5 winery, distillery, cidery, or meadery licensed pursuant to R.S.33:1-  
6 10.<sup>1</sup>

7 “Director” means Director of the Division of Taxation in the  
8 Department of the Treasury.

9 “Eligible property expenditures” means capital expenditures  
10 incurred by the taxpayer to comply with the health and safety  
11 requirements imposed under the executive orders issued by the  
12 Governor in response to the COVID-19 pandemic, including but not  
13 limited to the purchase of heaters and overhangs.

14 “Small business restaurant” means a restaurant as defined in  
15 section 1 of P.L.1983, c.488 (C.26:3E-1) with not more than 100  
16 employees, but shall not include a restaurant <sup>1</sup>**【with】** if its owner  
17 also owns<sup>1</sup> more than two <sup>1</sup>**【separate】** restaurants that are operated  
18 under the same name as the small business restaurant at<sup>1</sup> locations  
19 outside the State.

20

21 3. This act shall take effect immediately <sup>1</sup>and shall be  
22 retroactive to March 9, 2020<sup>1</sup>.