

ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT COMMITTEE

STATEMENT TO ASSEMBLY, No. 5218

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 8, 2021

The Assembly Commerce and Economic Development Committee reports favorably and with committee amendments Assembly Bill No. 5218.

This bill, as amended, would allow the owner of a small restaurant or of an alcoholic beverage manufacturer to use a bonus depreciation allowance of up to \$150,000 for capital expenditures incurred within New Jersey to comply with the health and safety requirements of the Governor's executive orders regarding the COVID-19 pandemic. These capital expenditures would include but are not limited to the purchase of heaters and overhangs. This benefit would be available to a restaurant owner if the restaurant has no more than 100 employees, and if the restaurant is not a chain restaurant.

Bonus depreciation allows a business to immediately deduct a large percentage of the purchase price of certain property. New Jersey decoupled from the federal rules regarding bonus depreciation in 2002. This bill re-couples to the federal rules for small business restaurant owners on up to \$150,000 of expenditures incurred to comply with the Governor's COVID-19 executive orders.

COMMITTEE AMENDMENTS:

Amendments to the bill extend eligibility for the additional depreciation allowance to owners of alcoholic beverage manufacturers.