

ASSEMBLY, No. 5399

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 23, 2021

Sponsored by:

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

SYNOPSIS

Provides gross income tax and corporation business tax deductions for businesses whose employees participate in full-time remote employment.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT providing gross income tax and corporation business tax
2 deductions for businesses whose employees participate in full-
3 time remote employment, and supplementing chapter 3 of Title
4 54A of the New Jersey Statutes and P.L.1945, c.162 (C.54:10A-1
5 et seq.).
6

7 **BE IT ENACTED** by the Senate and General Assembly of the State
8 of New Jersey:
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10 1. a. If a taxpayer permits or requires any employees to
11 participate in full-time remote employment during a taxable year,
12 then the taxpayer may deduct from net profits of business,
13 distributive share of partnership income, or pro rata share of S
14 corporation income, as appropriate, an amount equal to \$250 for
15 each full-time employee who participates in full-time remote
16 employment for more than half of the taxable year, except that the
17 total deduction shall not exceed \$12,500 for the taxable year.

18 b. A taxpayer who claims a deduction under this section shall
19 submit the following information to the director, on a form
20 prescribed by the director:

21 (1) the number of full-time employees who participated in full-
22 time remote employment for more than half of the taxable year;

23 (2) the dates on which each full-time employee participated in
24 full-time remote employment during the taxable year;

25 (3) the number of times in which each full-time employee was
26 required to perform professional responsibilities at an on-site work
27 location during the period of full-time remote employment; and

28 (4) any other information that the director may deem necessary
29 to implement the provisions of this section.

30 c. (1) A business entity that is classified as a partnership shall
31 not be allowed a deduction pursuant to this section directly, but the
32 amount of deduction of a taxpayer in respect of a distributive share
33 of partnership income shall be determined by allocating to the
34 taxpayer that proportion of the deduction acquired by the
35 partnership that is equal to the taxpayer's share, whether or not
36 distributed, of the total distributive income or gain of the
37 partnership for its taxable year ending within or with the taxpayer's
38 taxable year.

39 (2) A taxpayer that is a New Jersey S corporation shall not be
40 allowed the tax deduction directly under N.J.S.54A:1-1 et seq., but
41 the amount of deduction of a taxpayer in respect of a pro-rata share
42 of S corporation income shall be determined by allocating to the
43 taxpayer that proportion of the deduction acquired by the New
44 Jersey S corporation that is equal to the taxpayer's share, whether or
45 not distributed, of the total pro-rata share of S corporation income
46 of the New Jersey S corporation for its privilege period ending
47 within or with the taxpayer's taxable year.

1 d. As used in this section, “full-time remote employment”
2 means an arrangement that permits a full-time employee to perform
3 all professional responsibilities from an off-site work location,
4 including the residence of the employee, during the entirety of the
5 workweek, provided that the employee may be required to perform
6 certain professional responsibilities at an on-site work location on
7 an irregular and infrequent basis.

8
9 2. a. If a taxpayer permits or requires any employees to
10 participate in full-time remote employment during a privilege
11 period, then the taxpayer may deduct from entire net income an
12 amount equal to \$250 for each full-time employee who participates
13 in full-time remote employment for more than half of the privilege
14 period, except that the total deduction shall not exceed \$12,500 for
15 a privilege period.

16 b. A taxpayer who claims a deduction under this section shall
17 submit the following information to the director, on a form
18 prescribed by the director:

19 (1) the number of full-time employees who participated in full-
20 time remote employment for more than half of the privilege period;

21 (2) the dates on which each full-time employee participated in
22 full-time remote employment during the privilege period;

23 (3) the number of times in which each full-time employee was
24 required to perform professional responsibilities at an on-site work
25 location during the period of full-time remote employment; and

26 (4) any other information that the director may deem necessary
27 to implement the provisions of this section.

28 c. As used in this section, “full-time remote employment”
29 means an arrangement that permits a full-time employee to perform
30 all professional responsibilities from an off-site work location,
31 including the residence of the employee, during the entirety of the
32 workweek, provided that the employee may be required to perform
33 certain professional responsibilities at an on-site work location on
34 an irregular and infrequent basis.

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36 3. Notwithstanding any provision of the “Administrative
37 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), to the
38 contrary, the Director of the Division of Taxation in the Department
39 of the Treasury may, immediately upon filing with the Office of
40 Administrative Law, adopt rules and regulations necessary to
41 implement the provisions of P.L. , c. (C.) (pending before
42 the Legislature as this bill), which shall be effective for a period not
43 to exceed 18 months following the date of filing and may thereafter
44 be amended, adopted, or readopted by the director in accordance
45 with the requirements of P.L.1968, c.410 (C.52:14B-1 et seq.).

