

[Second Reprint]

SENATE, No. 1411

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

Senator CHRISTOPHER "KIP" BATEMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Senator JOSEPH A. LAGANA

District 38 (Bergen and Passaic)

Co-Sponsored by:

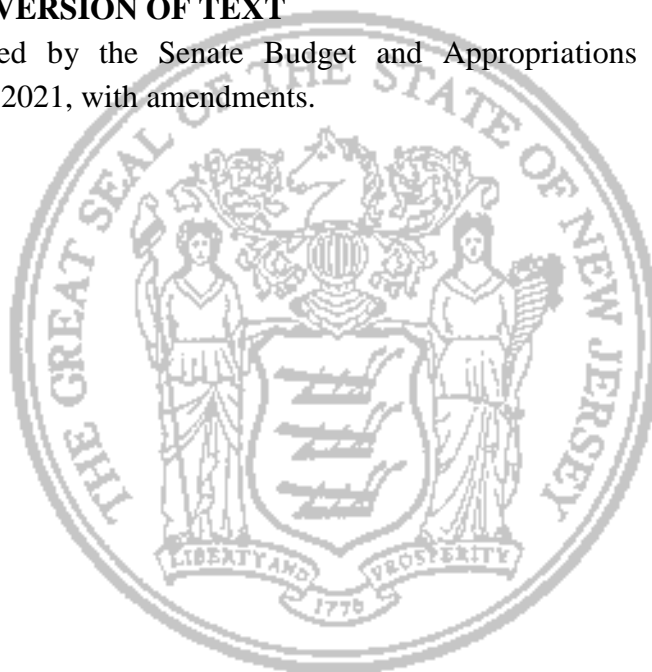
Senators Diegnan, Greenstein, O'Scanlon and Oroho

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: 11/8/2021)

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

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

¹1. The Legislature finds and declares that:

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

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

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

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

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

²f. Sodium and chloride from excessive road salting practices have contaminated private well water in certain areas of the State. Homeowners in these areas have been forced to purchase bottled water for their potable water needs. In addition, sodium and chloride contamination of their well water has in some case damaged pipes and appliances in their homes. Sodium and chloride can also each leach lead and other metals from pipes that provide the well water to the homes.²

¹[1] ²a. A taxpayer shall be allowed to deduct from gross income amounts paid in the taxable year for:

²(1)² lead-based paint hazard abatement in the taxpayer's ¹[primary residence] residential property¹, if performed by a ¹[State-] ¹certified lead abatement contractor;

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

²(3)² replacement of a water service line containing lead, provided that the line is owned by the taxpayer, the line is on the real property 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:

¹Senate SEN committee amendments adopted June 15, 2021.

²Senate SBA committee amendments adopted November 8, 2021.

line's replacement is necessary for abatement of the hazard in the taxpayer's ¹primary residence residential property¹; ¹and¹

²(4)² replacement of plumbing containing lead in the taxpayer's primary residence¹.¹;

²(5)² remediation of lead and other contaminants within soil on the taxpayer's residential property; and

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

b. ²A taxpayer whose private well water is contaminated with levels of sodium or chloride that exceed the U.S. Environmental Protection Agency secondary maximum containment levels (smcl) shall be allowed to deduct from gross income in a taxable year:

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

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

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

c. ²The total deduction allowed for a taxpayer pursuant to this section shall not exceed ¹[\$25,000] \$45,000¹ in a taxable year. ¹A taxpayer shall be eligible to claim the deductions set forth in this section regardless of income.¹

²[c.] d.² To be eligible for the deduction for amounts paid for lead-based paint hazard abatement, a taxpayer shall submit to the director ¹[a receipt of] an affidavit from the municipality where the residential property is located acknowledging the¹ work done and amounts paid to a ¹[State-]¹ certified lead abatement contractor. To be eligible for the deduction for amounts paid for asbestos hazard abatement, a taxpayer shall submit to the director ¹[a receipt of] an affidavit from the municipality where the residential property is located acknowledging the¹ work done and amounts paid to a ¹[State-]¹ licensed asbestos abatement contractor.

²[d.] e.² The director shall promulgate standards by which taxpayers shall document proof of eligibility for the deduction.

¹²[e.] f.² As used in this section:

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

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

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

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