

SENATE, No. 3184

STATE OF NEW JERSEY

219th LEGISLATURE

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Sponsored by:

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Co-Sponsored by:

Senator Diegnan

SYNOPSIS

Provides corporation business tax credit and allows gross income tax deduction for purchase and installation of electric vehicle charging stations.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/23/2021)

1 **AN ACT** providing a corporation business tax credit and a gross
2 income tax deduction for the purchase and installation of electric
3 vehicle charging stations, and supplementing P.L.1945, c.162
4 (C.54:10A-1 et seq.) and Title 54A of the Revised Statutes.

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

8
9 1. a. (1) For the first privilege period beginning on or after the
10 date of enactment of P.L. , c. (C.) (pending before the
11 Legislature as this bill), a taxpayer shall be allowed a credit against
12 the tax imposed pursuant to section 5 of P.L.1945, c.162
13 (C.54:10A-5) for the amount paid during the privilege period to
14 purchase and install an electric vehicle charging station which is
15 used directly and exclusively by the taxpayer in the taxpayer's
16 business, trade, or occupation. The credit allowed pursuant to this
17 paragraph shall be 25 percent of the amount paid to purchase and
18 install an electric vehicle charging station, up to \$500.

19 (2) For the second privilege period beginning on or after the
20 date of enactment of P.L. , c. (C.) (pending before the
21 Legislature as this bill), a taxpayer shall be allowed a credit against
22 the tax imposed pursuant to section 5 of P.L.1945, c.162
23 (C.54:10A-5) for the amount paid during the privilege period to
24 purchase and install an electric vehicle charging station which is
25 used directly and exclusively by the taxpayer in the taxpayer's
26 business, trade, or occupation. The credit allowed pursuant to this
27 paragraph shall be 15 percent of the amount paid to purchase and
28 install an electric vehicle charging station, up to \$300.

29 (3) For the third privilege period beginning on or after the date
30 of enactment of P.L. , c. (C.) (pending before the Legislature
31 as this bill), a taxpayer shall be allowed a credit against the tax
32 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) for
33 the amount paid during the privilege period to purchase and install
34 an electric vehicle charging station which is used directly and
35 exclusively by the taxpayer in the taxpayer's business, trade, or
36 occupation. The credit allowed pursuant to this paragraph shall be
37 eight percent of the amount paid to purchase and install an electric
38 vehicle charging station, up to \$150.

39 b. (1) To qualify for the tax credit allowed pursuant to this
40 section, the taxpayer shall file an application for a certification from
41 the Commissioner of Environmental Protection that the electric
42 vehicle charging station purchased by the taxpayer qualifies for the
43 tax credit provided by this section, and is used directly and
44 exclusively by the taxpayer in that taxpayer's business, trade, or
45 occupation. The certification shall specifically indicate the date of
46 purchase of the charging station, a description of the vehicles to use
47 the charging station, a description of how the charging station is
48 used in the taxpayer's business, trade, or occupation, the amount

1 paid for the charging station, and proof of completed installation of
2 the charging station. The commissioner shall prescribe the form for
3 the application and certification.

4 (2) The Commissioner of Environmental Protection shall have
5 90 days from the date of receipt of a complete application to make a
6 determination as to the issuance of a certification.

7 (3) Upon certification, the Commissioner of Environmental
8 Protection shall submit a copy thereof to the taxpayer and the
9 director. In filing a tax return that includes a claim for the credit
10 allowed pursuant to this section, the taxpayer shall include a copy
11 of the certification.

12 c. No credit shall be allowed pursuant to this section for an
13 electric vehicle charging station purchased and installed after the
14 conclusion of the first three privilege periods following the date of
15 enactment of P.L. , c. (C.) (pending before the Legislature as
16 this bill).

17 d. The amount of the credit applied under this section against
18 the tax imposed pursuant to section 5 of P.L.1945, c.162
19 (C.54:10A-5), for a privilege period, when taken together with any
20 other credits allowed against the tax imposed pursuant to section 5
21 of P.L.1945, c.162, shall not exceed 50% of the tax liability
22 otherwise due and shall not reduce the tax liability to an amount
23 less than the statutory minimum provided in subsection (e) of
24 section 5 of P.L.1945, c.162. The priority in which credits allowed
25 pursuant to this section and any other credits shall be taken shall be
26 as determined by the Director of the Division of Taxation. The
27 amount of the credit otherwise allowable under this section which
28 cannot be applied for the privilege period due to the limitations of
29 this subsection or under other provisions of P.L.1945, c.162 may be
30 carried over, if necessary, to the seven privilege periods following
31 the privilege period for which the credit was allowed.

32 e. As used in this section:

33 “Electric vehicle charging station” or “charging station” means
34 an electric recharging point complete with electric vehicle supply
35 equipment that is capable of providing level 2 charging or level 3
36 charging for plug-in electric vehicles.

37 “Level 2 charging” means an onboard charging system providing
38 a 240 volt alternate current electricity to a plug-in electric vehicle in
39 a single phase with a maximum current specified at 32 continuous
40 amps with a branch circuit breaker rated at 40 amps and a maximum
41 continuous input power specified at 7.68 kilowatts.

42 “Level 3 charging” means an offboard charging system
43 providing a 480 volt alternate current to a plug-in electric vehicle in
44 a three-phase circuit.

45 “Plug-in electric vehicle” means an on-road motor vehicle that
46 uses a battery to store the electrical energy to power the vehicle’s
47 motor and is charged or recharged from an external source of

1 electricity by plugging the vehicle into an electric power source,
2 such as an electric vehicle charging station.

3
4 2. a. (1) For the first taxable year beginning on or after the
5 date of enactment of P.L. , c. (C.) (pending before the
6 Legislature as this bill), a taxpayer shall be allowed to deduct from
7 gross income 25 percent, up to \$500, of the amount paid to purchase
8 and install an electric vehicle charging station in that taxable year.

9 (2) For the second taxable year beginning on or after the date of
10 enactment of P.L. , c. (C.) (pending before the Legislature as
11 this bill), a taxpayer shall be allowed to deduct from gross income
12 15 percent, up to \$300, of the amount paid to purchase and install
13 an electric vehicle charging station in that taxable year.

14 (3) For the third taxable year beginning on or after the date of
15 enactment of P.L. , c. (C.) (pending before the Legislature as
16 this bill), a taxpayer shall be allowed to deduct from gross income
17 eight percent, up to \$150, of the amount paid to purchase and install
18 an electric vehicle charging station in that taxable year.

19 b. No deduction shall be allowed pursuant to this section for
20 the purchase and installation of an electric vehicle charging station
21 purchased and installed after the conclusion of the first three
22 taxable years beginning on or after the date of enactment of
23 P.L. , c. (C.) (pending before the Legislature as this bill).

24 c. As used in this section:

25 “Electric vehicle charging station” or “charging station” means
26 an electric recharging point complete with electric vehicle supply
27 equipment that is capable of providing level 2 charging or level 3
28 charging for plug-in electric vehicles.

29 “Level 2 charging” means an onboard charging system providing
30 a 240 volt alternate current electricity to a plug-in electric vehicle in
31 a single phase with a maximum current specified at 32 continuous
32 amps with a branch circuit breaker rated at 40 amps and a maximum
33 continuous input power specified at 7.68 kilowatts.

34 “Level 3 charging” means an offboard charging system
35 providing a 480 or more volt alternate current or direct current to a
36 plug-in electric vehicle in a three-phase circuit.

37 “Plug-in electric vehicle” means an on-road motor vehicle that
38 uses a battery to store the electrical energy to power the vehicle’s
39 motor and is charged or recharged from an external source of
40 electricity by plugging the vehicle into an electric power source,
41 such as an electric vehicle charging station.

42
43 3. This act shall take effect immediately and apply to amounts
44 paid in the first three tax years beginning on or after the date of
45 enactment of this act.

STATEMENT

This bill would provide a corporation business tax credit and allow a gross income tax deduction for the purchase and installation of electric vehicle charging stations, and would become effective at the next taxable year beginning on or after the date of enactment of this bill into law. The credit and deduction provided by the bill would be available for the first three tax years occurring on or after the date of enactment; no credit or deduction would be provided for electric vehicle charging stations purchased and installed after the conclusion of the first three tax years occurring on or after the date of enactment.

In order to qualify for the credit under the corporation business tax, the electric vehicle charging station must be used directly and exclusively by the taxpayer in the taxpayer's business, trade, or occupation. For charging stations purchased and installed in the first taxable year occurring on or after the date of enactment of this bill into law, a taxpayer would be allowed a credit in an amount of 25 percent of the cost, up to \$500; for a charging station purchased and installed in the second year the credit is allowed, in an amount of 15 percent of the cost, up to \$300; and for a charging station purchased and installed in the third year the credit is allowed, in an amount of eight percent of the cost, up to \$150. To qualify for the corporation business tax credit, the taxpayer would need to file an application for a certification from the Commissioner of Environmental Protection that the electric vehicle charging station purchased and installed by the taxpayer qualifies for the tax credit, and is used directly and exclusively by the taxpayer in that taxpayer's business, trade, or occupation.

The gross income tax deduction provides that for the first tax year occurring on or after the date of enactment of this bill into law, a taxpayer would be allowed a gross income tax deduction of 25 percent, up to \$500, for the purchase and installation of an electric vehicle charging station. For the second tax year, a taxpayer would be allowed a gross income tax deduction of 15 percent, up to \$300, for the purchase and installation of an electric vehicle charging station, and for the third tax year, a taxpayer would be allowed a gross income tax deduction of eight percent, up to \$150, for the purchase and installation of a charging station.

The promotion of electric vehicles and hybrid electric vehicles, and the infrastructure needed to recharge them, would serve to reduce the purchase of foreign petroleum that supports an estimated 75 billion on-road vehicle miles traveled annually in the State. New Jersey citizens, businesses and institutions pay billions of dollars each year to foreign oil suppliers for the gasoline and diesel fuels needed for that travel.