

SENATE ENVIRONMENT AND ENERGY COMMITTEE

STATEMENT TO

SENATE, No. 3184

STATE OF NEW JERSEY

DATED: JANUARY 21, 2021

The Senate Environment and Energy Committee favorably reports Senate Bill No. 3184.

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. The bill would become effective 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 corporation business tax credit, 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.