

# SENATE, No. 4184

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED NOVEMBER 22, 2021

**Sponsored by:**

**Senator JOSEPH P. CRYAN**

**District 20 (Union)**

**SYNOPSIS**

Provides tax credits for hiring certain military spouses.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT to incentivize the hiring of certain military spouses and  
2 supplementing Title 34 of the Revised Statutes

3  
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5 *of New Jersey:*

6  
7 1. As used in P.L. , c. (C. ) (pending before the  
8 Legislature as this bill):

9 "Commissioner" means the Commissioner of Labor and  
10 Workforce Development.

11 "Employer" means any nongovernmental business entity  
12 including, but not limited to, a nonprofit organization, a  
13 corporation, S corporation, limited liability company, partnership,  
14 limited partnership, and sole proprietorship, and shall include all  
15 entities related by common ownership or control.

16 "Nonresident military spouse employee" means an employee  
17 earning at least the State minimum wage on the effective date of  
18 P.L. , c. (C. ) (pending before the Legislature as this bill) who  
19 is a nonresident of this State and is the spouse of an active duty  
20 member of the Armed Forces of the United States who has been  
21 transferred to this State in the course of the member's service, is  
22 legally domiciled in this State, or has moved to this State on a  
23 permanent change-of-station basis.

24  
25 2. a. There is established in the Department of Labor and  
26 Workforce Development a Military Spouse Employment Tax Credit  
27 Program, administered by the commissioner, to provide tax credits  
28 to employers of nonresident military spouse employees. The  
29 purpose of the program is to incentivize the employment of  
30 individuals, whose careers and livelihoods are impacted by the  
31 military service of their spouses.

32 b. An employer may apply to the commissioner for an award of  
33 tax credits under this section. A tax credit awarded pursuant to this  
34 section shall be in the form of a tax credit certificate issued by the  
35 commissioner in the amount provided in subsection c. of this  
36 section against the corporation business tax imposed pursuant to  
37 section 5 of P.L.1945, c.162 (C.54:10A-5) or the gross income tax  
38 imposed pursuant to the "New Jersey Gross Income Tax Act,"  
39 N.J.S.54A:1-1 et seq., whichever of the two taxes is applicable to  
40 the employer.

41 c. (1) The final amount of the tax credit provided to an  
42 employer for each nonresident military spouse employee employed  
43 by the employer during a taxable year or privilege period shall be a  
44 tax credit equal to:

45 (a) for a nonresident military spouse employee who works for  
46 an employer for at least 120 hours but less than 400 hours in a  
47 taxable year or privilege period, 15 percent of the wages paid by the  
48 employer to the nonresident military spouse employee; or

1 (b) for a nonresident military spouse employee who works for  
2 an employer for at least 400 hours in a taxable year or privilege  
3 period, 25 percent of the wages paid by the employer to the  
4 nonresident military spouse employee; or

5 (2) Notwithstanding the provisions of paragraph (1) of this  
6 subsection c., the final amount of a tax credit provided to an  
7 employer for a nonresident military spouse employee shall not  
8 exceed \$2,400 in a taxable year or privilege period.

9 d. An employer may qualify for a tax credit pursuant to  
10 P.L. , c. (C. ) (pending before the Legislature as this bill) in a  
11 taxable year or privilege period beginning on or after January 1,  
12 2020.

13  
14 3. a. Notwithstanding any provision of the "Administrative  
15 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the  
16 contrary, the commissioner, in consultation with the State Treasurer  
17 and the Department of Military and Veterans' Affairs, may adopt,  
18 upon filing with the Office of Administrative Law, such regulations  
19 that the commissioner deems necessary to implement the provisions  
20 of P.L. , c. (C. ) (pending before the Legislature as this bill),  
21 which regulations shall be effective for a period not to exceed 180  
22 days from the date of the filing. The commissioner shall thereafter  
23 amend, adopt, or readopt the regulations in accordance with the  
24 requirements of P.L.1968, c.410 (C.52:14B-1 et seq.). The  
25 regulations adopted by the commissioner shall include the  
26 following:

27 (1) standards and procedures for determining which employees  
28 are nonresident military spouse employees for the purpose of  
29 determining the eligibility of employers for tax credits;

30 (2) any additions to, or modifications of, record-keeping  
31 requirements needed to calculate the amounts of tax credits under  
32 P.L. , c. (C. ) (pending before the Legislature as this bill); and

33 (3) a method for employers to submit tax credit certificates to  
34 the Division of Taxation pursuant to P.L. , c. (C. ) (pending  
35 before the Legislature as this bill).

36 b. Beginning the year next following the year in which  
37 P.L. , c. (C. ) (pending before the Legislature as this bill)  
38 takes effect and every three years thereafter, the commissioner shall  
39 prepare a report concerning the award of tax credits under  
40 P.L. , c. (C. ) (pending before the Legislature as this bill), and  
41 submit the report to the Governor, and, pursuant to section 2 of  
42 P.L.1991, c.164 (C.52:14-19.1), to the Legislature. Each report  
43 required under this subsection shall include the names and locations  
44 of, and the amount of tax credits awarded to, each employer  
45 awarded a tax credit under P.L. , c. (C. ) (pending before the  
46 Legislature as this bill).

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48 4. This act shall take effect immediately.

STATEMENT

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3       This bill provides tax credits, to be awarded by the  
4 Commissioner of Labor and Workforce Development, for the hiring  
5 of certain military spouses. Under the bill, an employer may claim  
6 a tax credit for hiring an employee who is a nonresident of this  
7 State and is the spouse of an active duty member of the Armed  
8 Forces of the United States who has been transferred to this State in  
9 the course of the member's service, is legally domiciled in this  
10 State, or has moved to this State on a permanent change-of-station  
11 basis.

12       The final amount of the tax credit provided to an employer for  
13 hiring a nonresident military spouse employee is to equal:

14       (1) for a nonresident military spouse employee who works for  
15 an employer for at least 120 hours but less than 400 hours in a  
16 taxable year or privilege period, 15 percent of the wages provided  
17 by the employer to the nonresident military spouse employee; or

18       (2) for a nonresident military spouse employee who works for  
19 an employer for at least 400 hours in a taxable year or privilege  
20 period, 25 percent of the wages provided by the employer to the  
21 military spouse employee; or

22       The bill limits the final amount of a tax credit for hiring a  
23 nonresident military spouse employee to \$2,400 in a tax year.