

LEGISLATIVE FISCAL ESTIMATE A6110/6185:

No

VETO MESSAGE:

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GOVERNOR'S PRESS RELEASE ON SIGNING:

Yes

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RWH/JA

P.L. 2021, CHAPTER 419, *approved January 18, 2022*
Senate, No. 4068 (*Second Reprint*)

1 AN ACT concerning the elective pass-through ²entity² business
2 alternative income tax, amending ²["Title 54A of the New Jersey
3 Statutes"] P.L.2019, c.320 and P.L.2002, c.40².

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

7
8 1. Section 2 of P.L.2019, c.320 (C.54A:12-2) is amended to
9 read as follows:

10 2. As used in P.L.2019, c.320 (C.54A:12-1 et al.):

11 "Direct share of the tax paid" means the portion of ²["pass-
12 through"]² business alternative income tax calculated on the ²sum of
13 each member's share of² distributive proceeds ²["that is also included
14 in the gross income of a member of the electing pass-through entity
15 pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
16 et seq"] attributable to the pass-through entity².

17 "Director" means the Director of the Division of Taxation in the
18 Department of the Treasury.

19 "Distributive proceeds" means ²["(1)¹ all items of income, gain,
20 loss, or deduction of a pass-through entity to the extent the amounts
21 are included in the New Jersey gross income ¹of a resident member¹
22 as set forth in N.J.S.54A:5-1 ["the net income, dividends, royalties,
23 interest, rents, guaranteed payments, and gains of a pass-through
24 entity, derived from or connected with sources within the State, and
25 upon which tax is imposed and due on a member of the pass-
26 through entity pursuant to the "New Jersey Gross Income Tax Act,"
27 N.J.S.54A:1-1 et seq., in a taxable year"] ¹, and (2) with regard to all
28 other members the net income, dividends, royalties, interest, rents,
29 guaranteed payments, and gains of a pass-through entity, derived
30 from or connected with sources within the State, and upon which
31 tax is imposed and due on such members of the pass-through entity
32 pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
33 et seq., in a taxable year¹. For a nonresident, this means New Jersey
34 source income as set forth in N.J.S.54A:5-8.] (1) in the case of a
35 pass-through entity classified as a partnership for purposes of federal
36 income tax law, the sum of (a) the distributive share of partnership
37 income derived from sources both inside and outside New Jersey of all
38 partners who are resident individuals, estates, or trusts that the
39 partnership is required to report to the director under N.J.S.54A:5-4
40 plus (b) the distributive share of partnership income derived from
41 sources inside New Jersey of all partners of the pass-through entity

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 floor amendments adopted December 2, 2021.

²Senate SBA committee amendments adopted January 6, 2022.

1 who are not resident individuals, estates, or trusts that the partnership
2 is required to report to the director under section N.J.S.54A:5-4; and
3 (2) in the case of an electing S corporation, the pro rata share of S
4 corporation income allocated to this State as determined under section
5 12 of P.L.1993, c.173 (C.54A:5-10). For purposes of determining
6 distributive proceeds, a pass-through entity shall apply the allocation
7 factors determined under N.J.S.54A:5-7².

8 "Limited liability company" means an entity organized pursuant
9 to the "Revised Uniform Limited Liability Company Act,"
10 P.L.2012, c.50 (C.42:2C-1 et seq.), or prior law providing for the
11 formation of a limited liability company in this State, or formed as a
12 limited liability company under similar statutes of other states, that
13 is classified as a partnership or an S Corporation for purposes of
14 federal income tax law.

15 "Member" means a shareholder of an S corporation; a partner in
16 a general, limited, or limited liability partnership; or a member of a
17 limited liability company.

18 "Partnership" means a syndicate, group, pool, joint venture, or
19 other unincorporated organization, through or by means of which
20 any business, financial operation, or venture is carried on in this
21 State.

22 "Pass-through business alternative income tax" means the tax set
23 forth in subsection b. of section 3 of P.L.2019, c.320 (C.54A:12-3).

24 "Pass-through entity" means a partnership, an S corporation, or a
25 limited liability company, with at least one member who is liable
26 for tax on distributive proceeds pursuant to the "New Jersey Gross
27 Income Tax Act," N.J.S.54A:1-1 et seq., in a taxable year.

28 "Share of distributive proceeds" means the portion of distributive
29 proceeds attributable to a member of a pass-through entity in a
30 taxable year.

31 "Taxable year" means the same as in N.J.S.54A:1-2.

32 "Taxed at the business entity level" means taxed pursuant to an
33 election made under P.L.2019, c.320 (C.54A:12-1 et al.).

34 (cf: P.L.2019, c.320, s.2)

35
36 ²2. Section 3 of P.L.2019, c.320 (C.54A:12-3) is amended to
37 read as follows:

38 3. a. A pass-through entity with at least one member who is
39 liable pursuant to the "New Jersey Gross Income Tax Act,"
40 N.J.S.54A:1-1 et seq., for tax on that member's share of distributive
41 proceeds of the pass-through entity in a taxable year may elect to be
42 liable for, and pay, a pass-through business alternative income tax
43 in the taxable year.

44 b. Each pass-through entity that makes an election for a taxable
45 year pursuant to this section shall annually report to each of its
46 members, for the taxable year, the member's share of distributive
47 proceeds.

48 (1) The election to pay tax at the entity level is available if
49 consent is made by each member of the electing entity who is a

1 member at the time the election is filed or by any officer, manager,
 2 or member of the electing entity who is authorized, under law or the
 3 entity's organizational documents, to make the election and who
 4 represents to having such authorization under penalties of perjury.
 5 This election shall be made annually on or before the due date of
 6 the entity's return as established by the director and on forms
 7 prescribed by the director. This election shall not be made
 8 retroactively. If the members decide to revoke an election, that
 9 revocation shall occur on or before the due date of the entity's
 10 return.

11 (2) The tax imposed on a pass-through entity pursuant to this
 12 section shall be determined in accordance with the following table
 13 with respect to the sum of each member's share of distributive
 14 proceeds attributable to the pass-through entity for the taxable year.

15 For taxable years beginning on or after January 1, 2020:

16 If the sum of each member's	
17 share of distributive proceeds	
18 attributable to the pass-through	
19 entity is:	The tax is:
20 Not over \$250,000.00.....	5.675% of the sum of
	distributive proceeds
22 Over \$250,000.00 but not	
23 over \$1,000,000.00.....	\$14,187.50 plus 6.52% of the
	excess over \$250,000.00
25 Over \$1,000,000.00 【 but not	
26 over \$5,000,000.00 】	\$63,087.50 plus 【 9.12%
27 <u>10.9%</u>	of the excess over
28 \$1,000,000.00	
29 【 Over \$5,000,000.00	\$427,887.50 plus 10.9% of the
30	excess over \$5,000,000.00 】 .

31 c. The amount of pass-through business alternative income tax
 32 due from a pass-through entity in a taxable year shall be exclusive
 33 of any amount of tax due and paid by the pass-through entity
 34 pursuant to the "Corporation Business Tax Act (1945)," P.L.1945,
 35 c.162 (C.54:10A-1 et seq.), during any privilege period, except as
 36 otherwise provided in P.L.2019, c.320 (C.54A:12-1 et al.).

37 (1) A pass-through entity which elects to pay the pass-through
 38 business entity income tax shall be included in a combined group,
 39 as defined in subsection (z) of section 4 of P.L.1945, c.162
 40 (C.54:10A-4), and file a New Jersey combined return pursuant to
 41 the Corporation Business Tax Act, P.L.1945, c.162 (C.54:10A-1 et
 42 seq.). A pass-through entity which elects to pay the pass-through
 43 business entity income tax shall be excluded from a combined
 44 group, as defined in subsection (z) of section 4 of P.L.1945, c.162
 45 (C.54:10A-4), and from filing a New Jersey combined return
 46 pursuant to the Corporation Business Tax Act, P.L.1945, c.162
 47 (C.54:10A-1 et seq.) if the pass-through entity meets the following:
 48 (a) all of the members of the pass-through entity are taxpayers
 49 otherwise liable for the tax under the "New Jersey Gross Income

1 Tax Act," N.J.S.A.54A:1-1 et seq., and (b) no business entity taxed
2 as a corporation under the Corporation Business Tax Act, P.L.1945,
3 c.162 (C.54:10A-1 et seq.), has a direct, indirect, beneficial, or
4 constructive ownership or control of the pass-through entity.

5 (2) Nothing shall prevent a group of pass-through entities under
6 common ownership by an individual, estate, or trust, or a group of
7 related individuals, estates, or trusts, from filing a composite or
8 consolidated pass-through business entity income tax return. In
9 determining whether the pass-through entities are under common
10 ownership, the individual, estate, or trust, or a group of related
11 individuals, estates, or trusts, must own more than 50 percent of the
12 direct or indirect voting control of each pass-through entity;
13 provided, however, section 318 of the federal Internal Revenue
14 Code, 26 U.S.C. s.318, shall apply for determining voting control.

15 d. Pass-through entities whose members have made the
16 business alternative income tax election shall file an entity tax
17 return and make payments on or before the 15th day of the third
18 month following the close of each entity's taxable year for federal
19 income tax purposes. A pass-through entity shall make estimated
20 entity tax payments on or before the 15th day of each of the fourth
21 month, sixth month, and ninth month of the taxable year and on or
22 before the 15th day of the first month succeeding the close of the
23 taxable year.

24 e. A pass-through entity that overpays tax in one taxable year
25 shall be allowed to apply the overpayment of tax to the subsequent
26 taxable year's estimated entity tax payments. ²

27 (cf: P.L.2019, c.320, s.3)

28

29 ²~~[2.]~~ ^{3,2} Section 5 of P.L.2019, c.320 (C.54A:12-5) is
30 amended to read as follows:

31 5. a. ²~~[~~Except as otherwise provided in paragraph (3) of
32 subsection b. of section 3 of P.L.2019, c.320 (C.54A:12-3), a
33 taxpayer shall be allowed a refundable gross income tax credit,
34 pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
35 et seq., if the taxpayer is a member of a pass-through entity that
36 elects to owe and pay the pass-through business alternative income
37 tax determined pursuant to section 3 of P.L.2019, c.320 (C.54A:12-
38 3) for the taxable year.

39 For each pass-through entity of which the taxpayer is a member,
40 the amount of the credit shall equal the member's ~~[pro rata]~~ direct
41 share of the tax paid pursuant to section 3 of P.L.2019, c.320
42 (C.54A:12-3), which credit shall be applied against the gross
43 income tax liability of the member in the taxable year. ~~]~~ Each
44 member of a pass-through entity that elects to be liable for, and pay,
45 the pass-through business alternative income tax pursuant to section
46 3 of P.L.2019, c.320 (C.54A:12-3) for the taxable year shall be
47 allowed a tax credit in the amount equal to the member's direct
48 share of the tax paid pursuant to section 3 of P.L.2019, c.320
49 (C.54A:12-3).

1 The credit allowed to each member of the pass-through entity
2 shall be applied for the taxable year as follows:

3 (1) a member who is a natural person shall be allowed a
4 refundable credit against the tax imposed under the "New Jersey
5 Gross Income Tax Act," N.J.S.54A:1-1 et seq.;

6 (2) a member that is an estate or trust shall be allowed a
7 refundable credit against the tax imposed under the "New Jersey
8 Gross Income Tax Act," N.J.S.54A:1-1 et seq., which credit may be
9 allocated to beneficiaries or may be used against the tax liability of
10 the estate or trust;

11 (3) a member that is a corporation, other than an S corporation,
12 shall be allowed a refundable credit against (a) the surtax imposed
13 under section 1 of P.L.2018, c.48 (C.54:10A-5.41) or (b) the tax
14 imposed under section 5 of P.L.1945, c.162 (C.54:10A-5);

15 (4) a member that is an S Corporation shall be allowed (a) a
16 refundable credit against the tax imposed under the "New Jersey
17 Gross Income Tax Act," N.J.S.54A:1-1 et seq., which credit shall be
18 allocated among the shareholders of the corporation or (b) a
19 refundable credit against the tax liability of the corporation, which
20 credit may be applied against: (i) the surtax imposed under section
21 1 of P.L.2018, c.48 (C.54:10A-5.41); (ii) the tax imposed under
22 section 5 of P.L.1945, c.162 (C.54:10A-5); (iii) the tax imposed
23 under subsection d. of section 4 of P.L.1993, c.173 (C.54:10A-
24 5.23); or (iv) the tax imposed under section 3 of P.L.2019, c.320
25 (C.54A:12-3); and

26 (5) a member that is an entity classified as a partnership for
27 federal tax purposes shall be allowed (a) a refundable credit against
28 the tax imposed under the "New Jersey Gross Income Tax Act,"
29 N.J.S.54A:1-1 et seq., which credit shall be allocated among the
30 partners of the partnership, or (b) a refundable credit against the tax
31 liability of the partnership, which credit may be applied against: (i)
32 the tax imposed pursuant to section 12 of P.L.2002, c.40
33 (C.54:10A-15.11); (ii) the fee imposed pursuant to N.J.S.54A:8-6;
34 or (iii) the tax imposed pursuant to section 3 of P.L.2019, c.320
35 (C.54A:12-3).²

36 b. The credit allowed by this section shall be available after the
37 application of all other credits allowed by law and claimed by the
38 ²[taxpayer] member, or as applicable, the beneficiary of a member
39 estate or trust, the shareholder of a member corporation, or the
40 partner of a member partnership.² in the taxable year.

41 c. For a ²[taxpayer that applies the credit available pursuant to
42 this section to the tax due pursuant to N.J.S.54A:1-1,] member,² if
43 the credit exceeds the amount of tax otherwise due, that amount of
44 excess shall be an overpayment for the purposes of N.J.S.54A:9-7
45 ²or R.S.54:49-15, as appropriate²; provided however, that
46 subsection (f) of N.J.S.54A:9-7 ²and section 7 of P.L.1992, c.175
47 (C.54:49-15.1)² shall not apply.

1 d. ²【The credit allowed to any trust or estate pursuant to this
2 section may be allocated to beneficiaries or be used against the tax
3 liability of the estate or trust, in accordance with rules and
4 regulations adopted by the director.】 (Deleted by amendment,
5 P.L. , c.) (pending before the Legislature as this bill)
6 e. The director shall adopt regulations to allow the amount of
7 the credit that shall be determined to be an overpayment for the
8 purposes of N.J.S.54A:9-7 or R.S.54:49-15, as appropriate, to be
9 applied against the estimated tax for a successive year.²
10 (cf: P.L.2019, c.320, s.5)

11

12 ²4. Section 11 of P.L.2019, c.320 (C.54:10A-5.43) is amended
13 to read as follows:

14 11. Where the pass-through entity, which pays the pass-through
15 business alternative income tax, is owned by both corporate
16 members and non-corporate members, the corporate member shall
17 be allowed a refundable tax credit against the surtax imposed
18 pursuant to section 1 of P.L.2018, c.48 (C.54:10A-5.41) or the tax
19 imposed under paragraph (1) of subsection c. of section 5 of
20 P.L.1945, c.162 (C.54:10A-5), if the corporate member is a member
21 of a pass-through entity that elects to owe and pay the pass-through
22 business alternative income tax determined pursuant to section 3 of
23 P.L.2019, c.320 (C.54A:12-3) for the taxable year; provided,
24 however, the credit shall not reduce the corporate member's tax
25 liability below the statutory minimum imposed under subsection e.
26 of section 5 of P.L.1945, c.162 (C.54:10A-5). **【Any excess credit**
27 **shall be carried over for a period of up to 20 privilege periods.】**

28 a. For each pass-through entity of which the corporate member
29 is a member, the amount of the credit shall equal the member's
30 share of the tax paid pursuant to section 3 of P.L.2019, c.320
31 (C.54A:12-3), which credit shall be applied against the surtax or
32 corporation business tax liability of the member during the
33 member's privilege period.

34 b. The credit allowed by this section shall be taken as
35 prescribed by the director. A taxpayer shall only claim a credit for
36 payment of the pass-through business alternative income tax made
37 by the entity that is applicable to the same tax year.

38 c. If the pass-through entity is unitary with both the corporate
39 member and the member's combined group filing a New Jersey
40 combined return for which the corporate member is included as a
41 member, within the meaning of subsection (dd) of section 4 of
42 P.L.1945, c.162 (C.54:10A-4) and section 23 of P.L.2018, c.48
43 (C.54:10A-4.11), the credit shall be shareable for the purposes of
44 subsection i. of section 18 of P.L.2018, c.48 (C.54:10A-4.6) and
45 allowed to reduce the total surtax and total corporation business tax
46 liability of the combined group but not the below the aggregate
47 statutory minimum tax of the taxable members of the combined
48 group.

1 d. If the pass-through entity is unitary with the corporate
2 member, but not the member's combined group filing a New Jersey
3 combined return for which the corporate member is included as a
4 member, within the meaning of subsection (dd) of section 4 of
5 P.L.1945, c.162 (C.54:10A-4) and section 23 of P.L.2018, c.48
6 (C.54:10A-4.11), the credit shall not be shareable for the purposes
7 of subsection i. of section 18 of P.L.2018, c.48 (C.54:10A-4.6) but
8 shall be allowed to reduce the total surtax and total corporation
9 business tax liability of the corporate member derived from the
10 corporate member's activities that are independent of the unitary
11 business of the member's combined group.

12 e. An exempt corporate member that is a corporation exempt
13 from tax pursuant to section 3 of P.L.1945, c.162 (C.54:10A-3)
14 shall be refunded the share of the tax paid by the pass-through
15 entity on the exempt corporate member's distributive proceeds of
16 the pass-through entity.

17 f. For the purposes of this section:

18 "Corporate member" means a member that is not an individual,
19 an estate, or a trust subject to taxation pursuant to the "New Jersey
20 Gross Income Tax Act," N.J.S.54A:1-1 et seq., that is not a
21 corporation exempt from the Corporation Business Tax Act
22 pursuant to section 3 of P.L.1945, c.162 (C.54:10A-3). A corporate
23 member does not include another pass-through entity, including a
24 New Jersey S Corporation.

25 "Exempt corporate member" means a member that is not an
26 individual, an estate, or a trust subject to taxation pursuant to the
27 "New Jersey Gross Income Tax Act," N.J.S.A. 54A:1-1 et seq. and
28 that is a corporation exempt from the Corporation Business Tax Act
29 pursuant to section 3 of P.L.1945, c.162 (C.54:10A-3).

30 "Noncorporate member" means, an individual, an estate or a trust
31 subject to taxation pursuant to the "New Jersey Gross Income Tax
32 Act," N.J.S.A. 54A:1-1 et seq.

33 "Pass-through entity member" means a member that itself is a
34 pass-through entity, including a New Jersey S Corporation.

35 (cf: P.L.2019, c.320, s.11)²

36

37 ²⁵. Section 12 of P.L.2002, c.40 (C.54:10A-15.11) is amended
38 to read as follows:

39 12. a. (1) A partnership that is not a qualified investment
40 partnership or an investment club and that is not listed on a United
41 States national stock exchange shall, on or before the 15th day of
42 the fourth month succeeding the close of each privilege period,
43 remit a payment of tax. The amount of tax shall be equal to the sum
44 of: all of the share of the entire net income of the partnership for
45 that privilege period of all nonresident noncorporate partners,
46 multiplied by an allocation factor determined, pursuant to section 6
47 of P.L.1945, c.162 (C.54:10A-6), based on the allocation fractions
48 of the partnership for that privilege period, and multiplied by .0637
49 plus all of the share of the entire net income of the partnership for

1 that privilege period of all nonresident corporate partners,
2 multiplied by an allocation factor determined, pursuant to section 6
3 of P.L.1945, c.162 (C.54:10A-6), based on the allocation fractions
4 of the partnership for that privilege period, and multiplied by .09.

5 (2) (a) A partnership that is subject to the tax payment
6 requirements of paragraph (1) of this subsection shall make
7 installment payments of 25% of that tax on or before the 15th day
8 of each of the fourth month, sixth month and ninth month of the
9 privilege period and on or before the 15th day of the first month
10 succeeding the close of the privilege period.

11 (b) A partnership required to make an installment payment
12 pursuant to subparagraph (a) of this paragraph shall be deemed to
13 make an installment payment subject to the provisions of section 5
14 of P.L.1981, c.184 (C.54:10A-15.4) and shall be liable for any
15 additions to tax provided thereunder.

16 (3) A partnership shall not be required to remit a payment of tax
17 pursuant to paragraph (1) of this subsection for any nonresident that
18 reasonably expects to be refunded the payment on account of a tax
19 credit pursuant to section 5 of P.L.2019, c.320 (C.54A:12-5).

20 b. An amount of tax paid by a partnership pursuant to
21 paragraph (1) of subsection a. of this section and an installment
22 payment paid pursuant to subparagraph (a) of paragraph (2) of
23 subsection a. of this section shall be credited to the partnership
24 accounts of its nonresident partners in proportion to each
25 nonresident partner's share of allocated entire net income and the
26 multiplier rate for that partner class under subsection a. of this
27 section, and each amount of tax so credited shall be deemed to have
28 been paid by the respective partner in respect of the privilege period
29 or taxable year of the partner. Provided, however, that only a
30 nonresident partner who files a New Jersey tax return and reports
31 income that is subject to tax in this State may apply the tax paid by
32 the partnership and credited to the nonresident partner's partnership
33 account against the partner's tax liability; and provided further that
34 a partnership that pays tax pursuant to this section shall not be
35 entitled to claim a refund of payments credited to any of its
36 nonresident partners.

37 c. For the purposes of this section:

38 "Investment club" means an entity: that is classified as a
39 partnership for federal income tax purposes; all of the owners of
40 which are individuals; all of the assets of which are securities, cash,
41 or cash equivalents; the market value of the total assets of which do
42 not exceed, as measured on the last day of its privilege period, an
43 amount equal to the lesser of \$250,000 or \$35,000 per owner of the
44 entity; and which is not required to register itself or its membership
45 interests with the federal Securities and Exchange Commission;
46 provided that beginning with privilege periods commencing on or
47 after January 1, 2003 the director shall prescribe the total asset
48 value amounts which shall apply by increasing the \$250,000 total
49 asset amount and the per owner \$35,000 amount hereinabove by an

1 inflation adjustment factor, which amounts shall be rounded to the
2 next highest multiple of \$100. The inflation adjustment factor shall
3 be equal to the factor calculated by dividing the consumer price
4 index for urban wage earners and clerical workers for the nation, as
5 prepared by the United States Department of Labor for September
6 of the calendar year prior to the calendar year in which the privilege
7 period begins, by that index for September of 2001;

8 "Nonresident noncorporate partner" means, an individual, an
9 estate or a trust subject to taxation pursuant to the "New Jersey
10 Gross Income Tax Act," N.J.S.54A:1-1 et seq., that is not a resident
11 taxpayer or a resident estate or trust under that act;

12 "Nonresident corporate partner" means a partner that is not an
13 individual, an estate or a trust subject to taxation pursuant to the
14 "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., that is
15 not a corporation exempt from tax pursuant to section 3 of
16 P.L.1945, c.162 (C.54:10A-3), and that does not maintain a regular
17 place of business in this State other than a statutory office; and

18 "Partner" means an owner of an interest in the partnership, in
19 whatever manner that owner and ownership interest are designated.
20 (cf: P.L.2014, c.13, s.2)²

21

22 ²[3.] 6.² This act shall take effect ²[immediately and apply
23 retroactively to taxable years beginning on and after]² January 1,
24 ¹[2020] ²[2021¹] 2022².

25

26

27

28

29 _____
30 Revises elective pass-through entity business alternative income
tax.

SENATE, No. 4068

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED NOVEMBER 8, 2021

Sponsored by:

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

Senator STEVEN V. OROHO

District 24 (Morris, Sussex and Warren)

Co-Sponsored by:

Senators Singleton, O'Scanlon and Testa

SYNOPSIS

Revises calculation of elective pass-through business alternative income tax.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 11/8/2021)

1 AN ACT concerning the elective pass-through business alternative
2 income tax, amending Title 54A of the New Jersey Statutes.

3

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

6

7 1. Section 2 of P.L.2019, c.320 (C.54A:12-2) is amended to
8 read as follows:

9 2. As used in P.L.2019, c.320 (C.54A:12-1 et al.):

10 "Direct share of the tax paid" means the portion of pass-through
11 business alternative income tax calculated on the distributive
12 proceeds that is also included in the gross income of a member of
13 the electing pass-through entity pursuant to the "New Jersey Gross
14 Income Tax Act," N.J.S.54A:1-1 et seq.

15 "Director" means the Director of the Division of Taxation in the
16 Department of the Treasury.

17 "Distributive proceeds" means all items of income, gain, loss, or
18 deduction of a pass-through entity to the extent the amounts are
19 included in the New Jersey gross income as set forth in
20 N.J.S.54A:5-1 **【**the net income, dividends, royalties, interest, rents,
21 guaranteed payments, and gains of a pass-through entity, derived
22 from or connected with sources within the State, and upon which
23 tax is imposed and due on a member of the pass-through entity
24 pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
25 et seq., in a taxable year**】**. For a nonresident, this means New Jersey
26 source income as set forth in N.J.S.54A:5-8.

27 "Limited liability company" means an entity organized pursuant
28 to the "Revised Uniform Limited Liability Company Act,"
29 P.L.2012, c.50 (C.42:2C-1 et seq.), or prior law providing for the
30 formation of a limited liability company in this State, or formed as a
31 limited liability company under similar statutes of other states, that
32 is classified as a partnership or an S Corporation for purposes of
33 federal income tax law.

34 "Member" means a shareholder of an S corporation; a partner in
35 a general, limited, or limited liability partnership; or a member of a
36 limited liability company.

37 "Partnership" means a syndicate, group, pool, joint venture, or
38 other unincorporated organization, through or by means of which
39 any business, financial operation, or venture is carried on in this
40 State.

41 "Pass-through business alternative income tax" means the tax set
42 forth in subsection b. of section 3 of P.L.2019, c.320 (C.54A:12-3).

43 "Pass-through entity" means a partnership, an S corporation, or a
44 limited liability company, with at least one member who is liable
45 for tax on distributive proceeds pursuant to the "New Jersey Gross
46 Income Tax Act," N.J.S.54A:1-1 et seq., in a taxable year.

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.

1 "Share of distributive proceeds" means the portion of distributive
2 proceeds attributable to a member of a pass-through entity in a
3 taxable year.

4 "Taxable year" means the same as in N.J.S.54A:1-2.

5 "Taxed at the business entity level" means taxed pursuant to an
6 election made under P.L.2019, c.320 (C.54A:12-1 et al.).
7 (cf: P.L.2019, c.320, s.2)

8
9 2. Section 5 of P.L.2019, c.320 (C.54A:12-5) is amended to
10 read as follows:

11 5. a. Except as otherwise provided in paragraph (3) of
12 subsection b. of section 3 of P.L.2019, c.320 (C.54A:12-3), a
13 taxpayer shall be allowed a refundable gross income tax credit,
14 pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
15 et seq., if the taxpayer is a member of a pass-through entity that
16 elects to owe and pay the pass-through business alternative income
17 tax determined pursuant to section 3 of P.L.2019, c.320 (C.54A:12-
18 3) for the taxable year.

19 For each pass-through entity of which the taxpayer is a member,
20 the amount of the credit shall equal the member's **pro rata** direct
21 share of the tax paid pursuant to section 3 of P.L.2019, c.320
22 (C.54A:12-3), which credit shall be applied against the gross
23 income tax liability of the member in the taxable year.

24 b. The credit allowed by this section shall be available after the
25 application of all other credits allowed by law and claimed by the
26 taxpayer in the taxable year.

27 c. For a taxpayer that applies the credit available pursuant to
28 this section to the tax due pursuant to N.J.S.54A:1-1, if the credit
29 exceeds the amount of tax otherwise due, that amount of excess
30 shall be an overpayment for the purposes of N.J.S.54A:9-7;
31 provided however, that subsection (f) of N.J.S.54A:9-7 shall not
32 apply.

33 d. The credit allowed to any trust or estate pursuant to this
34 section may be allocated to beneficiaries or be used against the tax
35 liability of the estate or trust, in accordance with rules and
36 regulations adopted by the director.

37 (cf: P.L.2019, c.320, s.5)

38
39 3. This act shall take effect immediately and apply
40 retroactively to taxable years beginning on and after January 1,
41 2020.

42

43

44

STATEMENT

45

46 This bill revises how to calculate the elective pass-through
47 business alternative income tax.

1 Currently, when a pass-through entity chooses to pay the
2 business alternative income tax, the pass-through entity's tax is
3 calculated based on the portion of the entity's income that is
4 derived from business conducted in New Jersey. The owners of the
5 entity are then allowed a gross income tax credit based on the
6 amount of tax the entity paid. Because the tax is calculated using
7 only the entity's income derived from New Jersey, the tax is
8 sometimes lower than it otherwise may be and therefore the entity's
9 owners' tax credit is lower than it may otherwise be.

10 Under this bill, for owners of the entity that are New Jersey
11 residents, the pass-through entity's tax is calculated based on all
12 income of the entity as long as the income would be taxable under
13 the gross income tax. Resident owners of pass-through entities will
14 therefore be able to obtain a larger gross income tax credit. For
15 owners of the entity that are non-residents, the pass-through entity's
16 tax will continue to be based on income derived from business
17 conducted in New Jersey.

18 The changes made by this bill will apply retroactively to taxable
19 year 2020, the first year that the elective pass-through business
20 alternative income tax was in effect.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 4068

STATE OF NEW JERSEY

DATED: NOVEMBER 8, 2021

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 4068.

This bill revises the manner in which the elective pass-through business alternative income tax is calculated. Currently, when a pass-through entity chooses to pay the business alternative income tax, the pass-through entity's tax is calculated based on the portion of the entity's income that is derived from business conducted in New Jersey. The owners of the entity are then allowed a gross income tax credit based on the amount of tax the entity paid. Because the tax is calculated using only the entity's income derived from New Jersey, the tax is sometimes lower than it otherwise may be and therefore the entity's owners' tax credit is lower than it may otherwise be.

Under this bill, for owners of the entity that are New Jersey residents, the pass-through entity's tax is calculated based on all income of the entity as long as the income would be taxable under the gross income tax. Resident owners of pass-through entities will therefore be able to obtain a larger gross income tax credit. For owners of the entity that are non-residents, the pass-through entity's tax will continue to be based on income derived from business conducted in New Jersey.

The changes made by this bill will apply retroactively to taxable year 2020, the first year that the elective pass-through business alternative income tax was in effect.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 4068

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 6, 2022

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 4068 (1R).

This bill revises the elective pass-through entity business alternative income tax, which was enacted in January 2020. The optional tax allows pass-through entities to pay an entity-level tax while the entities' owners obtain an offsetting credit against other taxes. The optional tax effectively allows entity owners to reduce the amount of the tax that counts towards the cap on the federal income tax deduction for state and local taxes (SALT).

The bill makes changes to the elective pass-through entity business alternative income tax by modifying: (1) how the optional tax is calculated so that more income is subject to the tax, thereby allowing a larger credit to be obtained for paying the optional tax; (2) the offsetting tax credit structure and permitted uses of the credits so that the credits are more generous; (3) the tax brackets for the optional tax to better align with the most recent changes to the State's gross income tax brackets; and (4) the treatment of overpayments of tax and excessive credits so that they may be applied to tax liability in the successive year, or refunded in the case of corporation business taxpayers.

The bill also provides that entities will not be required to make a payment on the share of the income of each nonresident entity-owner if the entity-owner expects to get the money back in the form of a tax credit as a result of the entity paying the optional entity-level tax.

COMMITTEE AMENDMENTS:

The committee amendments revise the provisions of law concerning the calculation and allocation of income and among members of a pass-through entity to adjust the counting of income of individuals who are residents and non-residents of New Jersey. The amendments also more clearly articulate the manner in which tax credits may be allowed for different types of legal entities.

In addition, the amendments revise the tax brackets for the optional tax to better align with the most recent changes to the State's gross

income tax brackets, and allow overpayments of tax and excessive credits to be applied to tax liability in the successive year.

The amendments also change the effective date to January 1, 2022.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.

STATEMENT TO
SENATE, No. 4068

with Senate Floor Amendments
(Proposed by Senator SARLO)

ADOPTED: DECEMBER 2, 2021

These amendment modify the definition of “distributive proceeds”
and change the effective date.

ASSEMBLY, No. 6110

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED DECEMBER 2, 2021

Sponsored by:

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

Assemblyman JON M. BRAMNICK

District 21 (Morris, Somerset and Union)

Co-Sponsored by:

Assemblymen Wirths and Space

SYNOPSIS

Revises calculation of elective pass-through business alternative income tax.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/2/2021)

1 AN ACT concerning the elective pass-through business alternative
2 income tax, amending Title 54A of the New Jersey Statutes.

3

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

6

7 1. Section 2 of P.L.2019, c.320 (C.54A:12-2) is amended to
8 read as follows:

9 2. As used in P.L.2019, c.320 (C.54A:12-1 et al.):

10 "Direct share of the tax paid" means the portion of pass-through
11 business alternative income tax calculated on the distributive
12 proceeds that is also included in the gross income of a member of
13 the electing pass-through entity pursuant to the "New Jersey Gross
14 Income Tax Act," N.J.S.54A:1-1 et seq.

15 "Director" means the Director of the Division of Taxation in the
16 Department of the Treasury.

17 "Distributive proceeds" means all items of income, gain, loss, or
18 deduction of a pass-through entity to the extent the amounts are
19 included in the New Jersey gross income as set forth in
20 N.J.S.54A:5-1 **【**the net income, dividends, royalties, interest, rents,
21 guaranteed payments, and gains of a pass-through entity, derived
22 from or connected with sources within the State, and upon which
23 tax is imposed and due on a member of the pass-through entity
24 pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
25 et seq., in a taxable year**】**. For a nonresident, this means New Jersey
26 source income as set forth in N.J.S.54A:5-8.

27 "Limited liability company" means an entity organized pursuant
28 to the "Revised Uniform Limited Liability Company Act,"
29 P.L.2012, c.50 (C.42:2C-1 et seq.), or prior law providing for the
30 formation of a limited liability company in this State, or formed as a
31 limited liability company under similar statutes of other states, that
32 is classified as a partnership or an S Corporation for purposes of
33 federal income tax law.

34 "Member" means a shareholder of an S corporation; a partner in
35 a general, limited, or limited liability partnership; or a member of a
36 limited liability company.

37 "Partnership" means a syndicate, group, pool, joint venture, or
38 other unincorporated organization, through or by means of which
39 any business, financial operation, or venture is carried on in this
40 State.

41 "Pass-through business alternative income tax" means the tax set
42 forth in subsection b. of section 3 of P.L.2019, c.320 (C.54A:12-3).

43 "Pass-through entity" means a partnership, an S corporation, or a
44 limited liability company, with at least one member who is liable
45 for tax on distributive proceeds pursuant to the "New Jersey Gross
46 Income Tax Act," N.J.S.54A:1-1 et seq., in a taxable year.

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.

1 "Share of distributive proceeds" means the portion of distributive
2 proceeds attributable to a member of a pass-through entity in a
3 taxable year.

4 "Taxable year" means the same as in N.J.S.54A:1-2.

5 "Taxed at the business entity level" means taxed pursuant to an
6 election made under P.L.2019, c.320 (C.54A:12-1 et al.).
7 (cf: P.L.2019, c.320, s.2)

8
9 2. Section 5 of P.L.2019, c.320 (C.54A:12-5) is amended to
10 read as follows:

11 5. a. Except as otherwise provided in paragraph (3) of
12 subsection b. of section 3 of P.L.2019, c.320 (C.54A:12-3), a
13 taxpayer shall be allowed a refundable gross income tax credit,
14 pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
15 et seq., if the taxpayer is a member of a pass-through entity that
16 elects to owe and pay the pass-through business alternative income
17 tax determined pursuant to section 3 of P.L.2019, c.320 (C.54A:12-
18 3) for the taxable year.

19 For each pass-through entity of which the taxpayer is a member,
20 the amount of the credit shall equal the member's **pro rata** direct
21 share of the tax paid pursuant to section 3 of P.L.2019, c.320
22 (C.54A:12-3), which credit shall be applied against the gross
23 income tax liability of the member in the taxable year.

24 b. The credit allowed by this section shall be available after the
25 application of all other credits allowed by law and claimed by the
26 taxpayer in the taxable year.

27 c. For a taxpayer that applies the credit available pursuant to
28 this section to the tax due pursuant to N.J.S.54A:1-1, if the credit
29 exceeds the amount of tax otherwise due, that amount of excess
30 shall be an overpayment for the purposes of N.J.S.54A:9-7;
31 provided however, that subsection (f) of N.J.S.54A:9-7 shall not
32 apply.

33 d. The credit allowed to any trust or estate pursuant to this
34 section may be allocated to beneficiaries or be used against the tax
35 liability of the estate or trust, in accordance with rules and
36 regulations adopted by the director.

37 (cf: P.L.2019, c.320, s.5)

38
39 3. This act shall take effect immediately and apply
40 retroactively to taxable years beginning on and after January 1,
41 2020.

42

43 STATEMENT

44

45 This bill revises how to calculate the elective pass-through
46 business alternative income tax.

47 Currently, when a pass-through entity chooses to pay the
48 business alternative income tax, the pass-through entity's tax is

1 calculated based on the portion of the entity's income that is
2 derived from business conducted in New Jersey. The owners of the
3 entity are then allowed a gross income tax credit based on the
4 amount of tax the entity paid. Because the tax is calculated using
5 only the entity's income derived from New Jersey, the tax is
6 sometimes lower than it otherwise may be and therefore the entity's
7 owners' tax credit is lower than it may otherwise be.

8 Under this bill, for owners of the entity that are New Jersey
9 residents, the pass-through entity's tax is calculated based on all
10 income of the entity as long as the income would be taxable under
11 the gross income tax. Resident owners of pass-through entities will
12 therefore be able to obtain a larger gross income tax credit. For
13 owners of the entity that are non-residents, the pass-through entity's
14 tax will continue to be based on income derived from business
15 conducted in New Jersey.

16 The changes made by this bill will apply retroactively to taxable
17 year 2020, the first year that the elective pass-through business
18 alternative income tax was in effect.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR

ASSEMBLY, Nos. 6110 & 6185

STATE OF NEW JERSEY

DATED: DECEMBER 13, 2021

The Assembly Appropriations Committee reports favorably a committee substitute for Assembly Bill Nos. 6110 & 6185. The committee substitute is identical to the introduced version of Assembly Bill No. 6185.

This bill revises the elective pass-through entity business alternative income tax, which was enacted in January 2020. The optional tax allows pass-through entities to pay an entity-level tax while the entities' owners obtain an offsetting credit against other taxes. The optional tax effectively allows entity owners to reduce the amount of the tax that counts towards the cap on the federal income tax deduction for state and local taxes (SALT).

The bill makes changes to the elective pass-through entity business alternative income tax by modifying:

- how the optional tax is calculated so that more income is subject to the tax, thereby allowing a larger credit to be obtained for paying the optional tax;
- the offsetting tax credit structure and permitted uses of the credits so that the credits are more generous;
- the tax brackets for the optional tax to better align with the most recent changes to the State's gross income tax brackets; and
- the treatment of overpayments of tax and excessive credits so that they may be applied to tax liability in the successive year.

The bill also provides that entities will not be required to make a payment on the share of the income of each nonresident entity-owner if the entity-owner expects to get the money back in the form of a tax credit as a result of the entity paying the optional entity-level tax.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, Nos. 6110 & 6185

with Assembly Floor Amendments
(Proposed by Assemblyman BENSON)

ADOPTED: DECEMBER 20, 2021

This amendment changes the effective date of the bill from January 1, 2021 to January 1, 2022.

Governor Murphy Takes Action on Legislation

01/18/2022

TRENTON – Governor Murphy today signed the following bills:

S-384/A-1964 (Weinberg, Singleton/Stanley, Munoz, McKeon, Sumter, Lampitt, Vainieri Huttle, Wimberly, Mosquera, Downey, Chiaravalloti) – Expands training for judges, law enforcement officers and assistant county prosecutors concerning handling of domestic violence cases

S-386/A-1763 (Weinberg, Singleton/Munoz, Vainieri Huttle, Downey, Mosquera, Lampitt, Benson) - Establishes mandatory domestic violence training for municipal prosecutors

S-396/A-4903 (Weinberg, Addiego/Johnson, Mukherji) – Adjusts statute of limitations on damage claim for construction defect in common interest communities

S-705/A-1077 (Ruiz, Cunningham/Speight, Vainieri Huttle, Downey) – Requires DOH to develop and implement plan to improve access to perinatal mood and anxiety disorder screening

SCS for S-844 and 2533/ACS for A-4635 (Pou, Greenstein/Zwicker, Lopez) – Revises reporting requirements for charitable organizations and non-profit corporations

S-867/A-2316 (Pou/Jimenez, Giblin, Johnson) – Permits physical therapists to perform dry needling under certain circumstances

S-896/A-2396 (Pou, Turner/Wimberly, Timberlake, Murphy) – Expands Office of Public Defender representation of juveniles; repeals section 4 of P.L.1968, c.371

S-969WGR/ACS for A-2687 (Ruiz, Turner/Mazzeo, Lampitt, Moen) – Establishes loan redemption program for certain teachers to redeem loan amounts received under New Jersey College Loans to Assist State Students Loan Program through employment in certain schools; makes annual appropriation of \$1 million

S-994/A-6248 (Sweeney, Singleton/Lopez) – Requires State agencies and political subdivisions to make good faith effort to purchase five percent of goods and services from Central Nonprofit Agency

SCS for S-1016/ACS for A-2070 (Smith, Bateman/Calabrese, Mukherji, Benson) – Restricts use of neonicotinoid pesticides

S-1020/AS for ACS for A-1184 and 4414 (Ruiz, Gopal/Zwicker, Conaway, Verrelli, Caputo) – Requires School Report Card to include demographic breakdown of students who receive disciplinary actions; requires Commissioner of Education to establish Statewide database concerning certain disciplinary actions

S-1559/A-1659 (Scutari, Diegnan/Quijano, Bramnick, Mukherji, Sumter, Downey, Dancer) – “New Jersey Insurance Fair Conduct Act”

S-1771/A-1489 (Madden, Turner/Moriarty, Mosquera, Vainieri Huttle) – Expressly prohibits invasive examination of unconscious patient by health care practitioner without patient’s prior informed written consent

S-2160wGR/A-5701 (Sweeney, Oroho, Singer/Carter, Lampitt, Jasey) – Creates special education unit within the Office of Administrative Law; requires annual report

SCS for S-2515/ACS for A-4676 (Smith, Greenstein/Quijano, Jasey, McKeon) – Establishes postconsumer recycled content requirements for rigid plastic containers, glass containers, paper and plastic carryout bags, and plastic trash bags; prohibits sale of polystyrene loose fill packaging

S-2723/A-2614 (Sweeney, Turner/Murphy, Benson, Timberlake) – “21st Century Integrated Digital Experience Act”

S-2830/A-5291 (Ruiz, Singleton/Quijano) – Requires educator preparation program to report passing rates of students who complete certain tests and to disseminate information on test fee waiver programs, and permits collection of student fee for certain testing costs

S-2835/A-5292 (Ruiz, Cunningham/Quijano, Lampitt, Jasey) – Requires compilation of data and issuance of annual reports on New Jersey teacher workforce

S-2921/A-5554 (Gopal, Greenstein/Houghtaling, Downey, Mukherji) – Allows municipalities to designate outdoor areas upon which people may consume alcoholic beverages

S-3009/A-4847 (Vitale, Gopal, Gill/Vainieri Huttle, Quijano, Verrelli) – Authorizes expanded provision of harm reduction services to distribute sterile syringes and provide certain support services to persons who use drugs intravenously

S-3081/A-5219 (Singleton/McKeon, Dunn) – Repeals law concerning excess rates and charges for title insurance; makes agreement to use services of title or settlement service company subject to attorney review

S-3164/A-4987 (Gopal, Singleton/Houghtaling, Vainieri Huttle, Giblin) – Creates NJ Legislative Youth Council

S-3265/A-5074 (Diegnan, Greenstein/DeAngelo, Dancer, Mukherji) – Permits members of SPRS to purchase service credit for prior public employment with federal government or another state

S-3342/A-5463 (Codey, Singleton/Jasey, Giblin, Timberlake) – Directs NJT to erect statue in honor of A. Philip Randolph; appropriates \$90,000

S-3465/A-4336 (Oroho, Sweeney/Houghtaling, Space) – Directs Department of Agriculture to pay annual premiums to enrolled dairy farmers for certain coverage under the federal Dairy Margin Coverage Program; appropriates \$125,000

S-3488wGR/A-5537 (Sweeney, Gopal, O'Scanlon/Burzichelli, Dancer, Spearman) – Modifies certain procedures pertaining to school district regionalization; establishes grant program for cost reimbursement of conducting regionalization feasibility studies; and provides financial incentives for regionalization

S-3493/A-5458 (Vitale, Gill/Vainieri Huttle, Mukherji, McKnight) – Permits expungement of possession or distribution of hypodermic syringe or needle offense in cases of previous expungement; repeals criminal offense of possession of syringe

S-3539/A5409 (T. Kean, Gopal/Houghtaling) – Directs DEP to establish grant program for local governments to support development of community gardens

S-3594/A-5509 (Singleton, Scutari/Zwicker, Reynolds-Jackson, Verrelli) – Provides that in personal

injury or wrongful death lawsuits, calculations of lost or impaired earnings capacity not be reduced because of race, ethnicity, gender identity or expression, or affectional or sexual orientation

S-3672/A-6009 (Singleton, Turner, Moen, Johnson, McKnight) – Permits exemption from civil service examination requirement for entry-level law enforcement officers, sheriff's officers, and State and county correctional police officers; permits hiring or appointment of such officers under certain conditions, and makes appropriation

S-3673/A-6219 (Gopal, Greenstein/Burzichelli) – Authorizes limited breweries and craft distilleries to sell at retail and offer for sampling purposes product bottled and stored off-site under certain circumstances

S-3685/A-5576 (Ruiz, Codey/Jasey, Lampitt, Mukherji) – Permits teacher and professional staff member who provides special services retired from TPAF to return to employment for up to two years without reenrollment in TPAF if employment commences during 2021-2022 and 2022-2023 school years

S-3707/A-5673 (Vitale, Ruiz/Vainieri Huttle, Downey, Zwicker) – Repeals statute criminalizing sexual penetration while infected with venereal disease or HIV under certain circumstances; requires that in prosecutions for endangering another by creating substantial risk of transmitting infectious disease, name of defendant and other person be kept confidential

S-3764/A-3369 (Gopal, Weinberg/Johnson, Stanley, Karabinchak) – Establishes Commission on Asian American Heritage in DOE

S-3810/ACS for A-5862 (Sweeney, Addiego, Greenstein/Benson, Quijano) – "Responsible Collective Negotiations Act"

S-3968/A-5930 (Singleton, Beach/Sumter, Karabinchak) – Increases purchasing threshold permitting Director of Division of Purchase and Property to delegate authority to agencies; increases bid advertising threshold on certain contracts by same scale

S-3975/A-5963 (Greenstein, Oroho/Benson, Vainieri Huttle, DeAngelo) – Establishes requirements to commence screening newborn infants for congenital cytomegalovirus infection; establishes public awareness campaign

S-4004wGR/A-5950 (Weinberg, Greenstein/Sumter, Benson, Reynolds-Jackson) – Establishes database of certain appointed positions and elected offices

S-4020/A-5867 (Gopal, Cunningham/Chiaravalloti, Jasey, Carter) – Expands bonding authority of New Jersey Educational Facilities Authority to permit financing for general funding needs at New Jersey's institutions of higher education

S-4021/A-6100 (Gopal, Ruiz/Mukherji, Jasey, Timberlake, Stanley) – Requires school districts to provide instruction on history and contributions of Asian Americans and Pacific Islanders as part of implementation of New Jersey Student Learning Standards in Social Studies

S-4043/A-6005 (Cunningham/Jasey, Greenwald) – Raises statutory threshold for certain public bidding, permits bidder disqualification due to prior negative experience, adds exemptions to public bidding requirement under "State College Contracts Law," and establishes process for cooperative pricing system

S-4063/A-6220 (Sweeney/Giblin, Egan) – Removes New Jersey Maritime Pilot and Docking Pilot Commission from appropriations act provision that limits compensation and health benefits; clarifies PERS and SHBP eligibility for members of commission

S-4068/ACS for A-6110 and 6185 (Sarlo, Oroho/Benson, Mukherji, Bramnick) – Revises elective pass-through entity business alternative income tax

S-4074wGR/A-6000 (Ruiz, Beach/Verrelli, Lampitt, Carter) – Allows alternative evaluation in place of basic skills testing requirements for certain teacher certification

SCS for S-4102/A-6230 (Sweeney, Ruiz/Benson, Mejia, Zwicker) – Establishes Direct Support Professional Career Development Program; appropriates \$1,000,000

S-4128/A-6231 (Sweeney, Pou/Houghtaling, Conaway, Dancer) – Requires that only fruits and vegetables grown and packaged in NJ may be labeled by food retailers as local to State

S-4207/A-6119 (Sweeney, Beach/Mukherji, Egan, Pintor Marin) – Concerns apprenticeship programs of public works contractors

S-4210/A-6062 (Sweeney, Greenstein/Greenwald, McKnight, Mukherji) – Requires EDA to establish loan program to assist certain businesses with funding to provide reasonable accommodations for employees with disabilities

S-4211/A-6228 (Sweeney, Corrado/Benson, Speight, Zwicker) – Establishes county college-based adult centers for transition for individuals with developmental disabilities; makes annual appropriation of \$4.5 million

S-4218/A-6256 (Scutari/Reynolds-Jackson, Wimberly, Mukherji) – Appropriates \$2 million to CRDA to support costs associated with hosting NAACP National Convention in Atlantic City

S-4233/A-6229 (Scutari, Gopal/Mukherji, Jimenez) – Limits fees charged to patients and authorized third parties for copies of medical and billing records

S-4252/A-6182 (Madden/Murphy, Chaparro) – Limits extension of mandatory retirement to 90 days from State Police Retirement System during emergencies

A-259/S-2224 (DeAngelo, Mukherji, Benson/Gopal, Pennacchio) – Provides civil service preference to military service members who did not serve in theater of operation but received campaign or expedition medal

A-798/S-52 (Verrelli, Vainieri Huttel, Armato/Singer, Greenstein) – Establishes local drug overdose fatality review teams

A-802/S-1352 (Verrelli, Reynolds-Jackson, Murphy/Turner, Pou) – Requires certain retailers to train employees on gift card fraud

A-862wGR/S-962 (Chiaravalloti, Karabinchak/Pennacchio, Pou) – Permits municipalities to refund excess property taxes paid by a taxpayer who wins an assessment appeal as a property tax credit

A-953/S-4031 (Karabinchak, Houghtaling/Pou) – Requires architects disclose insurance coverage

ACS for A-998 and 2349/S-4312 (Moen, Downey, Houghtaling, Benson, Vainieri Huttel/Ruiz, Beach, Singleton) – The “New Jersey Social Innovation Act”; establishes social innovation loan pilot program and study commission within EDA

A-1121/S-1871 (Murphy, Dancer, Stanley/Lagana, Pennacchio) – Upgrades certain crimes of misrepresenting oneself as member or veteran of US Armed Forces or organized militia

A-1219wGR/S-1054 (Chaparro, McKnight/Stack) – Requires owner notification of rabies testing protocol prior to testing of owner’s animal for rabies

A-1229wGR/S-2161 (Schaer, Mosquera, Tucker, Lampitt, Vainieri Huttle, Quijano, Wimberly, Pintor Marin, Jasey/Turner, Singleton) – Requires DCA to make information on homeless prevention programs and services available on its Internet website

A-1293/S-3977 (Greenwald, Burzichelli, Mukherji/Greenstein, Gopal) – Establishes advisory council for the brewery, cidery, meadery, and distillery industries in NJ and provides for funding through certain alcoholic beverage tax receipts

A-1663/S-1842 (Quijano, Vainieri Huttle, Karabinchak/Cryan, Scutari) – Establishes “New Jersey Nonprofit Security Grant Program”

A-2186/S-1599 (Mukherji, Chaparro, McKnight/Codey, Pou) – Establishes Statewide database of beds in shelters for the homeless

A-2360/S-3285 (Chaparro, Karabinchak, Johnson/Greenstein, Stack) – Requires electric public utility to charge residential rate for service used by residential customer for electric vehicle charging at charging stations within certain designated parking spaces

A-2685wGR/S-4209 (Armato, Mazzeo, Mukherji/Stack) – Concerns information on property condition disclosure statement

A-2772/S-1040 (Downey, Houghtaling, Benson/Gopal) – Authorizes certain Medicaid recipients residing on post-secondary school campus to participate remotely in meetings of non-medical nature regarding Medicaid benefits

A-2877/S-1149 (Dancer, Vainieri Huttle, Reynolds-Jackson/Ruiz) – Requires registration of certain vacant and abandoned properties with municipalities and provides enforcement tools related to maintenance of these properties

A-3007/S-3127 (Lampitt, Dunn, Benson/Lagana, Gopal) – Requires institutions of higher education to provide students with access to mental health care programs and services and to establish a hotline to provide information concerning the availability of those services

A-3392/S-1219 (Reynolds-Jackson, Timberlake, Jasey/Turner, Beach) – Requires student representative be appointed to each board of education of school district and board of trustees of charter school that includes grades nine through 12

A-3804/S-1590 (Armato, Murphy, S. Kean/Beach, A.M. Bucco) – Designates 9-1-1 operators or dispatchers as 9-1-1 first responder dispatchers

A-3870/S-2807 (Karabinchak, Johnson, Mukherji/Greenstein, Pou) – “Defense Against Porch Pirates Act”; amends theft statute

A-3950wGR/S-3180 (Verrelli, Benson, Zwicker/Greenstein, Turner) – Prohibits employer use of tracking device in vehicle operated by employee under certain circumstances

A-4002wGR/S-2257 (Caputo, Dancer, Murphy/Gopal, Sarlo) – Allows deduction of promotional gaming credit from gross revenue on sports wagering

A-4232/S-4231 (Houghtaling, Dancer, Wirths/Oroho, Smith) – Creates program in Department of Agriculture for deer fencing on certain farmland

A-4238/S-2561 (Chiaravalloti, Schaer, Benson/Gopal, Singer) – Establishes minimum Medicaid reimbursement rate for adult medical day care services

A-4241/S-2894 (Downey, Vainieri Huttle, Murphy/Pou) – Requires DHS to conduct biennial survey of SNAP experience

ACS for A-4253/S-3233 (Conaway, Pinkin, Jimenez/Cryan) – Requires certain electronic medical programs to include demographic data entry feature; requires laboratories to record certain patients' demographic information; requires certain hospitals and laboratories to implement cultural competency training program

A-4366/S-2801 (Taliaferro, Sumter, Mukherji/Pou, Greenstein) – Requires Police Training Commission to contract with crisis intervention training center to provide mental health training to police officers and establish curriculum specific to persons experiencing economic crisis or substance use disorder

A-4434wGR/S-2716 (Greenwald, Lampitt, Mukherji/Beach, Ruiz) – Establishes Student Wellness Grant Program in DOE

A-4478/S2759 (Vainieri Huttle, Speight, Schepisi, DeCroce/Vitale, Madden) – Establishes additional requirements for DOH to assess sanctions and impose penalties on nursing homes; revises reporting requirements for nursing homes

A-4569/S-3535 (Reynolds-Jackson, Benson, Karabinchak/Turner) – Requires BPU, electric power suppliers, and gas suppliers to publish certain information related to filing of customer complaints

ACS for A-4655/S-3595 (Reynolds-Jackson, Wimberly, Carter/Turner) – Limits police presence at polling places and ballot drop boxes; prohibits electioneering within 100 feet of ballot drop box

A-4771/S-2951 (Downey, Armato, Mukherji/Gopal, Singleton) – Expands offenses eligible for expungement upon successful discharge from drug court

A-4856/S-3094 (Lampitt, Benson, Caputo/Ruiz, Beach) – Requires Internet websites and web services of school districts, charter schools, renaissance schools, and the Marie H. Katzenbach School for the Deaf to be accessible to persons with disabilities

A-5033wGR/S-3279 (Benson, Dancer, Verrelli/Gopal) – Authorizes motor vehicle dealers to sell motor vehicles online and obtain electronic signatures for motor vehicle transactions

ACS for A-5075wGR/S-4001 (Burzichelli, Dancer, Johnson/Sweeney, A.M. Bucco) – Removes Fire Museum and Fallen Firefighters Memorial from auspices of DEP and establishes museum as independent organization; makes \$200,000 supplemental appropriation

A-5160/S-3324 (DeAngelo, Conaway, Zwicker/Smith, Bateman) – Establishes minimum energy and water efficiency standards for certain products sold, offered for sale, or leased in the State

A-5294/S-3418 (Speight, Vainieri Huttle, Verrelli/Gopal, Madden) – Provides fast track hiring and advancement employment opportunities by State for persons with significant disabilities

A-5296/S-3426 (Speight, Vainieri Huttle, McKnight/T. Kean, Schepisi) – Provides for employment by State of certain persons with disabilities

A-5322/S-3433 (Mosquera, Vainieri Huttle, DePhillips/Cruz-Perez, T. Kean) – Provides for process to vacate and expunge certain arrests, charges, complaints, convictions, other dispositions, and DNA

records, associated with violations by certain human trafficking victims

A-5336wGR/S-3441 (Benson, Freiman, Vainieri Huttie/Diegnan, Madden) – Requires DHS to establish payment programs for purchase of transportation services from private sector and government transportation service providers

A-5439/S-3760 (Caputo, Dancer, Murphy/Gopal, Beach) – Changes deadline for New Jersey Racing Commission's annual report from end of calendar year to end of State fiscal year

A-5694/S-3783 (Houghtaling, Downey, Dancer/Gopal, Madden) – Permits dependents of military member to enroll in school district in advance of military member's relocation to district

A-5814/S-3851 (Swain, Tully, Benson/Lagana, Diegnan) – Creates Office of School Bus Safety in Department of Education; appropriates \$200,000

A-5864wGR/S-3939 (Speight, Pintor Marin, Chaparro, McKnight, DeAngelo, Bergen/Gopal, Cryan) – Allows law enforcement officers to review body worn camera recordings prior to creating initial report

A-5997/S-4084 (Coughlin, Lopez/Sweeney, O'Scanlon) – Removes requirement for Legislature, DOE, free public libraries, and historical societies to purchase "Manual of the Legislature of New Jersey"

A-6012/S-4076 (Moen, Murphy, Freiman/Sarlo, Gopal) – Appropriates \$500,000 for USS New Jersey Commissioning Committee to support commissioning of boat and assigned personnel

A-6020/S-4114 (Conaway, Jimenez, Vainieri Huttie/Codey) – Establishes requirements for certain tobacco product retailers to stock and sell nicotine replacement therapy products

A-6060/S-4272 (Tucker, Caputo, Mukherji/Cunningham) – Makes supplemental appropriation of \$8 million to DHS to increase reimbursement for funeral, burial, and crematory services provided to certain beneficiaries of Work First New Jersey and Supplemental Security Income programs

A-6073/S-4140 (Verrelli/Vitale) – Temporarily waives certain basic life support services crewmember requirements

A-6093/S-4201 (Stanley, Benson, Timberlake/Greenstein, Gopal) – Mandates periodic cancer screening examinations for firefighters enrolled in SHBP

A-6108wGR/S-4247 (DeAngelo, Egan, Houghtaling/Madden) – Updates licenses offered by and certain licensure requirements from Board of Examiners of Electrical Contractors

A-6132/S-4235 (Schaer, Greenwald, Conaway/Singer, Gopal) – Permits volunteer paramedics to operate within mobile intensive care units

A-6133/S-4251 (Bramnick, Mukherji, Downey/Scutari) – Allows certain persons not yet appointed as administrator of estate to pursue lawsuit for damages for wrongful death on behalf of deceased's survivors

A-6150/S-4119 (DeAngelo, Karabinchak, Wirths/Oroho, Pou) – Revises penalties for transfer of certain professional and occupational licenses

A-6159/S-4236 (Coughlin, McKnight/Vitale, Ruiz) – Revises and renames Office of Food Insecurity Advocate

A-6162/S-4246 (Benson, Stanley/Gopal) – Requires certain motor vehicle dealers to maintain certain

requirements for business premises

A-6205/S-4270 (Coughlin, McKeon/Pou) – Amends certain requirements concerning insurance holding companies

A-6206wGR/S-4260 (Wimberly/Diegnan, Oroho) – Codifies right of real estate broker-salespersons and salespersons to define relationship with broker as one between broker and independent contractor or employee and enforces current and previous written agreements addressing relationship

A-6207/S-4222 (Greenwald, Lampitt, Benson/Sweeney) – Eliminates requirement for DOE to set certain tuition rates for approved private schools for students with disabilities in certain cases

A-6208/S-4151 (Mosquera, DeAngelo, Armato/Greenstein, Cruz-Perez) – Appropriates \$60,940,361 from constitutionally dedicated CBT revenues to State Agriculture Development Committee for farmland preservation purposes

A-6209/S-4154 (Freiman, Spearman, Egan/Turner, Oroho) – Appropriates \$18 million from constitutionally dedicated CBT revenues to State Agriculture Development Committee for county planning incentive grants for farmland preservation purposes

A-6210/S-4150 (Taliaferro, Moriarty, Burzichelli/Cruz-Perez, Greenstein) – Appropriates \$4.5 million from constitutionally dedicated CBT revenues to State Agriculture Development Committee for municipal planning incentive grants for farmland preservation purposes

A-6211/S-4149 (Houghtaling, Reynolds-Jackson, Downey/Cruz-Perez, Greenstein) – Appropriates \$440,240 from constitutionally dedicated CBT revenues to State Agriculture Development Committee for grants to certain nonprofit organizations for farmland preservation purposes

A-6212/S-4148 (Jimenez, Swain, Timberlake/Codey, Corrado) – Appropriates \$54.5 million from constitutionally dedicated CBT revenues for recreation and conservation purposes to DEP for State capital and park development projects

A-6213/S-4155 (Kennedy, Carter, Tully/Bateman, Smith) – Appropriates \$49.932 million from constitutionally dedicated CBT revenues to DEP for State acquisition of lands for recreation and conservation purposes, including Blue Acres projects, and Green Acres Program administrative costs

A-6214/S-4153 (Danielsen, Zwicker, Conaway/Greenstein, Smith) – Appropriates \$80,539,578 from constitutionally dedicated CBT revenues and various Green Acres funds to DEP for local government open space acquisition and park development projects

A-6215/S-4152 (Stanley, Murphy, Jasey/Smith, Greenstein) – Appropriates \$14,687,510 to DEP from constitutionally dedicated CBT revenues for grants to certain nonprofit entities to acquire or develop lands for recreation and conservation purposes

A-6246/S-4295 (Karabinchak/Sweeney) – Concerns changes in control of hotels and disruptions of hotel services

A-6257/S-4311 (McKnight/Sweeney, Singleton) – Imposes surcharge on casino hotel occupancies to fund public safety services

A-6262/S-4314 (Burzichelli, Reynolds-Jackson, Mukherji/Sweeney, Oroho, T. Kean) – Permits PERS retiree to return to employment in NJ Legislature after retirement under certain circumstances

A-6263/S-4315 (Burzichelli, Reynolds-Jackson, Mukherji/Sweeney, Oroho, T. Kean) – Appropriates \$2 million to Legislative Services Commission

Governor Murphy pocket vetoed the following bills:

S-73/A-4580 (Bateman, Sarlo/Zwicker, Thomson, McKnight) – Establishes requirements for sale of cottage food products

S-995/A-6172 (Sweeney, A.M. Bucco/Downey, McKnight) – Requires DOLWD and DHS to conduct assessment of community rehabilitation programs and community businesses

S-1934/A-1158 (Sweeney, Pou, Cryan/Freiman, Lopez, Murphy) – Authorizes use of disability benefits for transportation provided by transportation network companies

S-2679/A-1979 (Beach, Smith/Stanley, Lopez, Kennedy) – Requires paint producers to implement or participate in paint stewardship program

S-2768/A-4664 (Singleton, Ruiz/Reynolds-Jackson, Stanley, Sumter) – Authorizes State Chief Diversity Officer to conduct disparity study concerning utilization of minority-owned and women-owned businesses in State procurement process

S-3458/A-6245 (Lagana, Gopal/Coughlin, Jimenez, Mukherji) – Revises out-of-network arbitration process

S-3529/A-5442 (Addiego, Diegnan/DeAngelo, Dancer, Dunn) – Clarifies that member of SPRS may receive accidental disability benefit under certain circumstances

S-3715/A-5804 (Cryan/Quijano, Mukherji) – Modifies certain definitions related to transient accommodation taxes and fees

S-4189/A-6112 (Vitale, Cruz-Perez/Lopez) – Permits PERS retiree to return to elective public office after retirement under certain circumstances

A-1073/S-3432 (Speight, Pintor Marin, McKnight, Timberlake/Ruiz, O'Scanlon) – Establishes requirements to screen certain people who are pregnant and who have given birth for preeclampsia

A-1269/S-3490 (Greenwald, Giblin, Calabrese/Cruz-Perez, Beach) – Eliminates one percent tax on purchasers of Class 4A commercial property transferred for consideration in excess of \$1 million

A-4958/S-3740 (Tully, Armato, Zwicker/Lagana, Oroho) – Provides temporary exemption under sales and use tax for winterizing certain small business operations

A-5334/S-3442 (Lopez, Mazzeo, Stanley/Diegnan, T. Kean) – Requires DOT, NJT, and DHS to study and implement transportation mobility and accessibility improvements for persons with autism and developmental disabilities

A-5484/S-3817 (Dancer, Caputo, Houghtaling/Lagana) – Requires New Jersey Racing Commission to adopt procedures to enforce internal controls; requires annual audit

A-6033/S-4194 (Bramnick/Sweeney, T. Kean) – Classifies golf caddies as independent contractors for purposes of State employment laws

A-6157/S-4202 (Speight, Moen/Ruiz, Beach) – Prohibits circumventing intergovernmental transfer process for law enforcement officers in certain circumstances

