

Note to 54A:4-17.1
LEGISLATIVE HISTORY CHECKLIST
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LAWS OF: 2023 **CHAPTER:** 72

NJSA: Note to 54A:4-17.1 Increases child tax credit under gross income tax.

BILL NO: A5672 (Substituted for S3940)

SPONSOR(S) Reynolds-Jackson, Verlina and others

DATE INTRODUCED: 6/26/2023

COMMITTEE: **ASSEMBLY:** Budget

SENATE: --

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** 06/30/2023

SENATE: 06/30/2023

DATE OF APPROVAL: 6/30/2023

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (A5672 enacted) Yes

A5672

INTRODUCED BILL: (Includes sponsor(s) statement) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: Yes

S3940

INTRODUCED BILL: (Includes sponsor(s) statement) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: Yes

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

Derek Hall - For Times of Trenton, 'How N.J.'s record budget seeks to save you money Murphy signed the largest spending plan in N.J.'s history.', *Times, The* (online), 3 Jul 2023 001

Brent Johnson - For The Star-Ledger, 'Gov., lawmakers agree on budget with late adds Stay NJ, affordable housing, municipal aid and "Christmas tree" items bring tab to \$54B.', *Star-Ledger, The* (online), 29 Jun 2023 001

CL/JA

P.L. 2023, CHAPTER 72, *approved June 30, 2023*
Assembly, No. 5672

1 AN ACT increasing the amount of the child tax credit and amending
2 P.L.2022, c.24.

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

6
7 1. Section 1 of P.L.2022, c.24 (C.54A:4-17.1) is amended to
8 read as follows:

9 1. a. A resident taxpayer with New Jersey taxable income of
10 \$80,000 or less shall be allowed a credit against the tax otherwise
11 due pursuant to the "New Jersey Gross Income Tax Act,"
12 N.J.S.54A:1-1 et seq. for each child who has not attained the age of
13 six years as of the close of the taxable year and for which the
14 taxpayer is allowed a deduction under N.J.S.54A:3-1.

15 The credit shall be in the following amounts:

16 If the taxable income is:	The credit is:
17 \$30,000 or under	[\$500] <u>\$1,000</u>
18 over \$30,000 but not over \$40,000	[\$400] <u>\$800</u>
19 over \$40,000 but not over \$50,000	[\$300] <u>\$600</u>
20 over \$50,000 but not over \$60,000	[\$200] <u>\$400</u>
21 over \$60,000 but not over \$80,000	[\$100] <u>\$200</u>

22 The income limit set forth in this section shall apply to taxpayers
23 of any filing status.

24 b. A taxpayer shall be allowed the credit pursuant to this
25 section whether the taxpayer uses a Social Security number or an
26 Individual Taxpayer Identification Number on their tax forms.

27 c. If the amount of the credit allowed pursuant to this section
28 exceeds the amount of tax otherwise due pursuant to the "New
29 Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., after all other
30 credits and deductions, the amount of excess shall be treated as a
31 refundable overpayment.

32 d. To qualify for the credit allowed pursuant to this section, a
33 taxpayer shall file a joint return if the taxpayer is married, except
34 for a taxpayer who files as a head of household or surviving spouse
35 for federal income tax purposes for the taxable year.

36 e. In the case of a part-year resident, the amount of the credit
37 allowed pursuant to this section shall be pro-rated, based upon that
38 proportion which the total number of months of the taxpayer's

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 residency in the taxable year bears to 12 in that period. For this
2 purpose, 15 days or more shall constitute a month.

3 f. Any tax credit pursuant to this section shall not be taken into
4 account as income for purposes of determining the eligibility of an
5 individual for benefits or assistance or the amount or extent of
6 benefits or assistance under any State program and, to the extent
7 permitted by federal law, under any State program financed in
8 whole or in part with federal funds.

9 g. The Division of Taxation shall issue data as part of the
10 annual tax expenditure report, as required by section 1 of P.L.2009,
11 c.189 (C.52:27B-20a) to include the number of taxpayers claiming
12 the New Jersey Child Tax Credit, as well as claimants' income, the
13 number of children benefitting, and the average credit amount per
14 child and per claimant.
15 (cf: P.L.2022, c.24, s.1)

16
17 2. This act shall take effect immediately and shall apply to
18 taxable years beginning on and after January 1, 2023.

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21 STATEMENT

22

23 This bill doubles the amount of the child tax credit currently
24 provided to certain taxpayers with children under age six. Under
25 current law, a resident taxpayer with New Jersey taxable income of
26 \$80,000 or less is allowed a credit against the State income tax for
27 each child under age six. The amount of the credit is \$500 per child
28 if the taxpayer's income is \$30,000 or less and is incrementally
29 reduced with respect to levels of income in excess of \$30,000. The
30 credit is completely phased out once a taxpayer's income exceeds
31 \$80,000.

32 Beginning in tax year 2023, the bill would double the credit from
33 \$500 to \$1,000 for a resident taxpayer with a taxable income of
34 \$30,000 or less and a child under age six. The bill also doubles the
35 amount of the credit currently provided for taxpayers with taxable
36 incomes over \$30,000 but less than \$80,000 with a child under age
37 six.

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Increases child tax credit under gross income tax.

ASSEMBLY, No. 5672

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED JUNE 26, 2023

Sponsored by:

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Assemblywoman SHANIQUE SPEIGHT

District 29 (Essex)

Assemblyman WILLIAM W. SPEARMAN

District 5 (Camden and Gloucester)

Senator M. TERESA RUIZ

District 29 (Essex)

Senator TROY SINGLETON

District 7 (Burlington)

Co-Sponsored by:

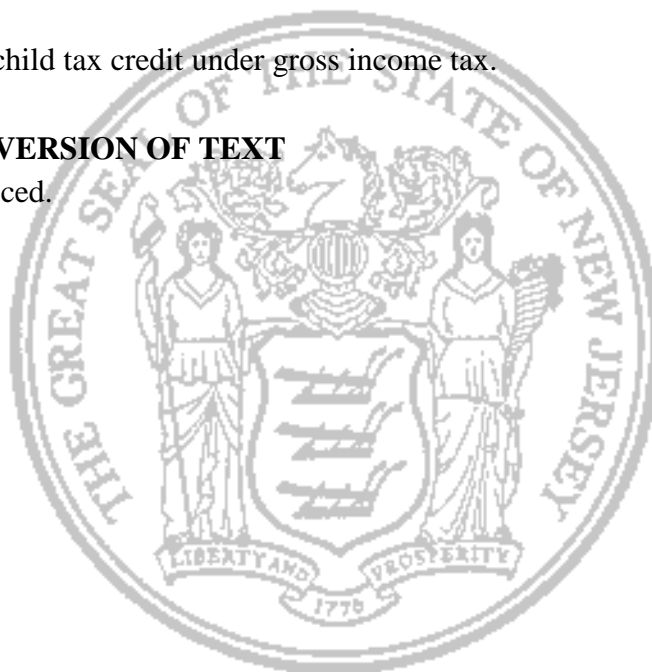
Assemblymen Wimberly, Atkins, Mukherji, Assemblywomen Jaffer, Murphy, Dunn, Lopez, McKnight, Senators Diegnan, Turner and Pou

SYNOPSIS

Increases child tax credit under gross income tax.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/30/2023)

A5672 REYNOLDS-JACKSON, SPEIGHT

1 AN ACT increasing the amount of the child tax credit and amending
2 P.L.2022, c.24.

3

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

6

7 1. Section 1 of P.L.2022, c.24 (C.54A:4-17.1) is amended to
8 read as follows:

9 1. a. A resident taxpayer with New Jersey taxable income of
10 \$80,000 or less shall be allowed a credit against the tax otherwise
11 due pursuant to the "New Jersey Gross Income Tax Act,"
12 N.J.S.54A:1-1 et seq. for each child who has not attained the age of
13 six years as of the close of the taxable year and for which the
14 taxpayer is allowed a deduction under N.J.S.54A:3-1.

15 The credit shall be in the following amounts:

16 If the taxable income is:	The credit is:
17 \$30,000 or under	[\$500] <u>\$1,000</u>
18 over \$30,000 but not over \$40,000	[\$400] <u>\$800</u>
19 over \$40,000 but not over \$50,000	[\$300] <u>\$600</u>
20 over \$50,000 but not over \$60,000	[\$200] <u>\$400</u>
21 over \$60,000 but not over \$80,000	[\$100] <u>\$200</u>

22 The income limit set forth in this section shall apply to taxpayers
23 of any filing status.

24 b. A taxpayer shall be allowed the credit pursuant to this
25 section whether the taxpayer uses a Social Security number or an
26 Individual Taxpayer Identification Number on their tax forms.

27 c. If the amount of the credit allowed pursuant to this section
28 exceeds the amount of tax otherwise due pursuant to the "New
29 Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., after all other
30 credits and deductions, the amount of excess shall be treated as a
31 refundable overpayment.

32 d. To qualify for the credit allowed pursuant to this section, a
33 taxpayer shall file a joint return if the taxpayer is married, except
34 for a taxpayer who files as a head of household or surviving spouse
35 for federal income tax purposes for the taxable year.

36 e. In the case of a part-year resident, the amount of the credit
37 allowed pursuant to this section shall be pro-rated, based upon that
38 proportion which the total number of months of the taxpayer's
39 residency in the taxable year bears to 12 in that period. For this
40 purpose, 15 days or more shall constitute a month.

41 f. Any tax credit pursuant to this section shall not be taken into
42 account as income for purposes of determining the eligibility of an
43 individual for benefits or assistance or the amount or extent of
44 benefits or assistance under any State program and, to the extent

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 permitted by federal law, under any State program financed in
2 whole or in part with federal funds.

3 g. The Division of Taxation shall issue data as part of the
4 annual tax expenditure report, as required by section 1 of P.L.2009,
5 c.189 (C.52:27B-20a) to include the number of taxpayers claiming
6 the New Jersey Child Tax Credit, as well as claimants' income, the
7 number of children benefitting, and the average credit amount per
8 child and per claimant.

9 (cf: P.L.2022, c.24, s.1)

10

11 2. This act shall take effect immediately and shall apply to
12 taxable years beginning on and after January 1, 2023.

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STATEMENT

16

17 This bill doubles the amount of the child tax credit currently
18 provided to certain taxpayers with children under age six. Under
19 current law, a resident taxpayer with New Jersey taxable income of
20 \$80,000 or less is allowed a credit against the State income tax for
21 each child under age six. The amount of the credit is \$500 per child
22 if the taxpayer's income is \$30,000 or less and is incrementally
23 reduced with respect to levels of income in excess of \$30,000. The
24 credit is completely phased out once a taxpayer's income exceeds
25 \$80,000.

26 Beginning in tax year 2023, the bill would double the credit from
27 \$500 to \$1,000 for a resident taxpayer with a taxable income of
28 \$30,000 or less and a child under age six. The bill also doubles the
29 amount of the credit currently provided for taxpayers with taxable
30 incomes over \$30,000 but less than \$80,000 with a child under age
31 six.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5672

STATE OF NEW JERSEY

DATED: JUNE 27, 2023

The Assembly Budget Committee reports favorably Assembly Bill No. 5672.

This bill doubles the amount of the child tax credit currently provided to certain taxpayers with children under age six. Under current law, a resident taxpayer with New Jersey taxable income of \$80,000 or less is allowed a credit against the State income tax for each child under age six. The amount of the credit is \$500 per child if the taxpayer's income is \$30,000 or less and is incrementally reduced with respect to levels of income in excess of \$30,000. The credit is completely phased out once a taxpayer's income exceeds \$80,000.

Beginning in tax year 2023, the bill would double the credit from \$500 to \$1,000 for a resident taxpayer with a taxable income of \$30,000 or less and a child under age six. The bill also doubles the amount of the credit currently provided for taxpayers with taxable incomes over \$30,000 but less than \$80,000 with a child under age six.

As reported by the committee, this bill is identical to Senate Bill No. 3940.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concurs with the Executive's estimate. The OLS estimates that this bill will reduce revenues earmarked for the Property Tax Relief Fund by \$123.2 million to \$141.1 million annually beginning in FY 2024. The Executive's estimate falls within this range.

The OLS projects that taxpayers will claim the child tax credit for about 311,000 to 372,000 dependent children under the age of six for calendar year 2023 in FY 2024. Taxpayers are estimated to claim the bill's maximum credit of \$1,000 per child for about 180,000 dependent children. The rest of eligible taxpayers will claim credits between \$200 and \$800 per child. The tax credit is refundable, so taxpayers will be able to claim and utilize the full amount of their tax credit.

FISCAL NOTE
ASSEMBLY, No. 5672
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: JULY 26, 2023

SUMMARY

Synopsis: Increases child tax credit under gross income tax.

Type of Impact: Annual State revenue loss to Property Tax Relief Fund.

Agencies Affected: Department of the Treasury.

Executive Estimate

Fiscal Impact	FY 2024 and Each FY Thereafter
Additional Annual State Revenue Loss	\$123.2 million

Office of Legislative Services Estimate

Fiscal Impact	FY 2024 and Each FY Thereafter
Additional Annual State Revenue Loss	\$123.2 million to \$141.1 million

- The Office of Legislative Services (OLS) concurs with the Executive’s estimate. The OLS estimates that this bill will reduce revenues earmarked for the Property Tax Relief Fund by \$123.2 million to \$141.2 million annually beginning in FY 2024. The Executive’s estimate falls within this range.
- The OLS projects that taxpayers will claim the child tax credit for about 311,000 to 372,000 dependent children under the age of six for calendar year 2023 in FY 2024. Taxpayers are estimated to claim the bill’s maximum credit of \$1,000 per child for about 180,000 dependent children. The rest of eligible taxpayers will claim credits between \$200 and \$800 per child.
- The tax credit is refundable, so taxpayers will be able to claim and utilize the full amount of their tax credit.

BILL DESCRIPTION

This bill doubles the amount of the child tax credit currently provided to certain taxpayers. The bill allows a gross income tax credit for each child of the taxpayer under the age of six years starting in tax year 2023. The credit is refundable, meaning that any excess credit beyond the taxpayer's tax liability will be paid to the taxpayer as a tax refund. The credit is available to taxpayers who have a New Jersey taxable income of \$80,000 or less in accordance with the following schedule:

If the taxable income is:	The credit is:
Not over \$30,000	\$1,000
over \$30,000 but not over \$40,000	\$800
over \$40,000 but not over \$50,000	\$600
over \$50,000 but not over \$60,000	\$400
over \$60,000 but not over \$80,000	\$200.

FISCAL ANALYSIS

EXECUTIVE BRANCH

According to information from the Executive, the gross income tax revenue forecast includes a tax cut related to the expansion of the State's Child Tax Credit, which is estimated at \$123.2 million. The Executive estimated the number of dependents under the age of six in previous tax years and made projections for future tax years. The estimated cost of the proposal is determined by multiplying the number of dependents under the age of six by various incomes to their corresponding tax credit per child.

OFFICE OF LEGISLATIVE SERVICES

The OLS concurs with the Executive. The OLS estimates that taxpayers will claim the tax credit for 311,000 to 372,000 children for calendar year 2023. Taxpayers will be able to claim the bill's maximum credit of \$1,000 per child for about 180,000 dependent children under the age of six. The rest of the affected taxpayers will claim a tax credit between \$200 and \$800. The OLS estimates that the bill may reduce annual revenues earmarked for the Property Tax Relief Fund by a low end estimate of \$123.2 million and a high end estimate of \$141.1 million. The OLS notes that the tax credit is refundable, so taxpayers will be able to claim and utilize the full amount of their tax credit.

Section: Revenue, Finance, and Appropriations

Analyst: Patrick Walsh
Assistant Fiscal Analyst

Approved: Thomas Koenig
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE, No. 3940

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED JUNE 8, 2023

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex)

Senator TROY SINGLETON

District 7 (Burlington)

Co-Sponsored by:

Senators Diegnan, Turner and Pou

SYNOPSIS

Increases child tax credit under gross income tax.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/30/2023)

S3940 RUIZ, SINGLETON

1 AN ACT increasing the amount of the child tax credit and amending
2 P.L.2022, c.24.

3

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

6

7 1. Section 1 of P.L.2022, c.24 (C.54A:4-17.1) is amended to
8 read as follows:

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12 N.J.S.54A:1-1 et seq. for each child who has not attained the age of
13 six years as of the close of the taxable year and for which the
14 taxpayer is allowed a deduction under N.J.S.54A:3-1.

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22 The income limit set forth in this section shall apply to taxpayers
23 of any filing status.

24 b. A taxpayer shall be allowed the credit pursuant to this
25 section whether the taxpayer uses a Social Security number or an
26 Individual Taxpayer Identification Number on their tax forms.

27 c. If the amount of the credit allowed pursuant to this section
28 exceeds the amount of tax otherwise due pursuant to the "New
29 Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., after all other
30 credits and deductions, the amount of excess shall be treated as a
31 refundable overpayment.

32 d. To qualify for the credit allowed pursuant to this section, a
33 taxpayer shall file a joint return if the taxpayer is married, except
34 for a taxpayer who files as a head of household or surviving spouse
35 for federal income tax purposes for the taxable year.

36 e. In the case of a part-year resident, the amount of the credit
37 allowed pursuant to this section shall be pro-rated, based upon that
38 proportion which the total number of months of the taxpayer's
39 residency in the taxable year bears to 12 in that period. For this
40 purpose, 15 days or more shall constitute a month.

41 f. Any tax credit pursuant to this section shall not be taken into
42 account as income for purposes of determining the eligibility of an
43 individual for benefits or assistance or the amount or extent of
44 benefits or assistance under any State program and, to the extent

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 permitted by federal law, under any State program financed in
2 whole or in part with federal funds.

3 g. The Division of Taxation shall issue data as part of the
4 annual tax expenditure report, as required by section 1 of P.L.2009,
5 c.189 (C.52:27B-20a) to include the number of taxpayers claiming
6 the New Jersey Child Tax Credit, as well as claimants' income, the
7 number of children benefitting, and the average credit amount per
8 child and per claimant.

9 (cf: P.L.2022, c.24, s.1)

10

11 2. This act shall take effect immediately and shall apply to
12 taxable years beginning on and after January 1, 2023.

13

14

15

STATEMENT

16

17 This bill doubles the amount of the child tax credit currently
18 provided to certain taxpayers with children under age six. Under
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20 \$80,000 or less is allowed a credit against the State income tax for
21 each child under age six. The amount of the credit is \$500 per child
22 if the taxpayer's income is \$30,000 or less and is incrementally
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25 \$80,000.

26 Beginning in tax year 2023, the bill would double the credit from
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28 \$30,000 or less and a child under age six. The bill also doubles the
29 amount of the credit currently provided for taxpayers with taxable
30 incomes over \$30,000 but less than \$80,000 with a child under age
31 six.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3940

STATE OF NEW JERSEY

DATED: JUNE 27, 2023

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3940.

This bill doubles the amount of the child tax credit currently provided to certain taxpayers with children under age six. Under current law, a resident taxpayer with New Jersey taxable income of \$80,000 or less is allowed a credit against the State income tax for each child under age six. The amount of the credit is \$500 per child if the taxpayer's income is \$30,000 or less and is incrementally reduced with respect to levels of income in excess of \$30,000. The credit is completely phased out once a taxpayer's income exceeds \$80,000.

Beginning in tax year 2023, the bill would double the credit from \$500 to \$1,000 for a resident taxpayer with a taxable income of \$30,000 or less and a child under age six. The bill also doubles the amount of the credit currently provided for taxpayers with taxable incomes over \$30,000 but less than \$80,000 with a child under age six.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concurs with the Executive's estimate. The OLS estimates that this bill will reduce revenues earmarked for the Property Tax Relief Fund by \$123.2 million to \$141.1 million annually beginning in FY 2024. The Executive's estimate falls within this range.

The OLS projects that taxpayers will claim the child tax credit for about 311,000 to 372,000 dependent children under the age of six for calendar year 2023 in FY 2024. Taxpayers are estimated to claim the bill's maximum credit of \$1,000 per child for about 180,000 dependent children. The rest of eligible taxpayers will claim credits between \$200 and \$800 per child.

The tax credit is refundable, so taxpayers will be able to claim and utilize the full amount of their tax credit.

FISCAL NOTE
SENATE, No. 3940
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: JUNE 23, 2023

SUMMARY

Synopsis: Increases child tax credit under gross income tax.

Type of Impact: Annual State revenue loss to Property Tax Relief Fund.

Agencies Affected: Department of the Treasury.

Executive Estimate

Fiscal Impact	<u>FY 2024 and Each FY Thereafter</u>
Additional Annual State Revenue Loss	\$123.2 million

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2024 and Each FY Thereafter</u>
Additional Annual State Revenue Loss	\$123.2 million to \$141.1 million

- The Office of Legislative Services (OLS) concurs with the Executive’s estimate. The OLS estimates that this bill will reduce revenues earmarked for the Property Tax Relief Fund by \$123.2 million to \$141.1 million annually beginning in FY 2024. The Executive’s estimate falls within this range.
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BILL DESCRIPTION

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The credit is available to taxpayers who have a New Jersey taxable income of \$80,000 or less in accordance with the following schedule:

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Not over \$30,000	\$1,000
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over \$40,000 but not over \$50,000	\$600
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over \$60,000 but not over \$80,000	\$200.

FISCAL ANALYSIS

EXECUTIVE BRANCH

According to information from the Executive, the gross income tax revenue forecast includes a tax cut related to the expansion of the State’s Child Tax Credit, which is estimated at \$123.2 million. The Executive estimated the number of dependents under the age of six in previous tax years and made projections for future tax years. The estimated cost of the proposal is determined by multiplying the number of dependents under the age of six by various incomes to their corresponding tax credit per child.

OFFICE OF LEGISLATIVE SERVICES

The OLS concurs with the Executive. The OLS estimates that taxpayers will claim the tax credit for 311,000 to 372,000 children for calendar year 2023. Taxpayers will be able to claim the bill’s maximum credit of \$1,000 per child for about 180,000 dependent children under the age of six. The rest of the affected taxpayers will claim a tax credit between \$200 and \$800. The OLS estimates that the bill may reduce annual revenues earmarked for the Property Tax Relief Fund by a low end estimate of \$123.2 million and a high end estimate of \$141.1 million. The OLS notes that the tax credit is refundable, so taxpayers will be able to claim and utilize the full amount of their tax credit.

Section: Revenue, Finance, and Appropriations

Analyst: Patrick Walsh
Assistant Fiscal Analyst

Approved: Thomas Koenig
Legislative Budget and Finance Officer

This fiscal note has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

Governor Murphy Signs Fiscal Year 2024 Budget into Law

06/30/2023

*Budget Provides Historic Levels of Property Tax Relief, Another Record Investment in School Funding
Increases Investments in Affordable Housing, Higher Education, and Economic Growth
Continues Path of Fiscal Responsibility with Another Full Pension Payment of \$7.1 Billion and Surplus of over \$8 Billion*

TRENTON – Governor Phil Murphy signed the Fiscal Year 2024 Appropriations Act into Law on Friday, building on the historic progress made over the last five years with new investments centered around increasing affordability, promoting fiscal responsibility, and creating world-class opportunities for everyone to succeed.

The budget approved by the Legislature earlier in the day provides record levels of direct property tax relief with additional aid for seniors and renters while once again providing the highest level of school funding in history; making a third consecutive full pension payment; and supporting significant investments in the economy, workforce development, and affordable housing.

The Governor signed the budget in the rotunda of the newly renovated New Jersey State House where he was joined by Senate President Nicholas Scutari, Assembly Speaker Craig Coughlin, Senate Majority Leader M. Teresa Ruiz, Assembly Majority Leader Louis D. Greenwald, Senate Budget Chair Paul Sarlo, Assembly Budget Chair Eliana Pintor Marin, and State Treasurer Elizabeth Maher Muoio.

“When I first proposed this budget, I said it was a budget designed with a singular purpose – to continue building an economy where every family can afford to make their America Dream come true. Today we are delivering on that promise,” said **Governor Murphy**. “Over the last two years we have committed over \$6 billion in direct property tax relief, tackling of the single greatest and longest standing affordability challenges our state faces. This budget will also lower prescription-drug costs for seniors, help hardworking families by expanding free pre-K for kids, create good-paying jobs and fight climate change by building a green economy, expand mental health services for our kids, build and preserve affordable housing so everyone has a place they can call home, help first-generation homebuyers achieve the safety and security of owning a home, and so much more. We are accomplishing all of this in a fiscally responsible way. This budget continues to fully deliver on our commitments to our pension payments and school funding, while also maintaining a healthy surplus.”

“The budget signed into law today will help make New Jersey more affordable for hardworking residents and families by boosting tax relief and investing in affordable housing, social services, and education,” said **Lt. Governor Sheila Y. Oliver, who serves as Commissioner of the Department of Community Affairs**. “This budget demonstrates that we remain steadfast in our commitment to providing New Jerseyans of all walks of life the opportunity and resources to thrive.”

“This is a great budget for the people of New Jersey. It will help make their lives more affordable with an historic amount of property tax relief, including increased rebates, an expansion of Senior Freeze and a down payment on StayNJ, which will provide additional tax relief for senior citizens,” said **Senate President Nicholas Scutari**. “We are also distributing \$150 million in energy tax receipts to municipalities to further hold down property taxes. This is a fiscally-responsible spending plan that includes a record level of school funding, a full pension payment and a surplus of more than \$10 billion. This budget will help improve the lives and livelihoods of New Jersey’s residents in meaningful ways.”

“This budget ensures our state will be more affordable for everyone,” said **Assembly Speaker Craig Coughlin**. “It also meets our obligations with yet another full pension payment, increases in school aid, support for our most vulnerable neighbors, and a healthy surplus for any future economic uncertainty. I am especially proud of what we’ve done for New Jersey seniors, with the StayNJ program set to deliver historic property tax relief. I proposed StayNJ because seniors deserve the dignity of remaining in their homes, enjoying their later years near their families. Thanks to Governor Murphy, Senate President Scutari, and all our partners in the legislature for their work on this. We have demonstrated that we can do big, bold things for New Jersey while being fiscally responsible.”

“The budget signed today represents the culmination of months of long meetings and thoughtful deliberations and includes significant investments in our communities, our families and our future,” said **Senate Majority Leader M. Teresa Ruiz**. “We are doubling the child tax credit, continuing on the pathway towards universal Pre-K and once again increasing social funding. We are continuing to fund the postpartum home visitation program and lifesaving mental health initiatives. This budget represents our continued effort to make New Jersey more affordable for all of our residents while making lasting investments in our children and the institutions and programs which will nourish their growth and success.”

“The FY24 State Budget reflects our shared priorities, spending on programs that will make a difference in the lives of New Jersey residents while maintaining a healthy surplus,” said **Assembly Majority Leader Louis D. Greenwald**. “New Jersey residents will benefit from new and expanded property tax relief programs and an expanded child tax credit. We are funding programs to support education, affordable housing and healthcare, which will have a meaningful impact.”

“This is a responsive and responsible budget that meets the economic challenges of our time,” said **Senate Budget Committee Chairman Paul Sarlo**. “It will provide significant tax relief, install economic safeguards and help fuel economic growth. It addresses our top priority of making the lives of New Jersey’s residents more affordable. It includes a full pension payment, a record amount of school aid, a robust surplus to protect against economic uncertainty and a debt defeasance fund to drive down debt. We need to continue to be fiscally responsible with the use of our resources at the same time we expand economic opportunities that build a better future for New Jersey and our residents.”

“This budget highlights the priorities of a New Jersey that values its residents, promotes inclusivity, and invests in our future,” said **Assembly Budget Committee Chairwoman Eliana Pintor Marin**. “Together, we are ensuring that hardworking families receive the retirement security they deserve, access to safe and affordable homes, relief from property taxes, and quality education that empowers our children to thrive.”

“I would like to thank my staff at the Department of the Treasury, particularly the hardworking folks at the Office of Management and Budget and the Office of Revenue and Economic Analysis for their tireless dedication and professionalism. The budget signed by the governor today continues our commitment to making the state a more affordable place to live, raise a family, and retire,” said **State Treasurer Elizabeth Maher Muoio**. “With unprecedented tax relief for our seniors and middle-class families, a third full pension payment in as many years, record funding of our best-in-the-nation schools and a budget surplus of approximately 15 percent, this budget maintains sound fiscal management that helps prepare for the Next New Jersey.”

The \$54.5 billion budget for Fiscal Year (FY2024) includes a historic surplus of \$8.3 billion, which is more than 15 percent of budgeted appropriations, dwarfing the surplus inherited from previous years ago.

Increasing Affordability

With the FY2024 budget, a total of 20 tax cuts for working and middle-class families and seniors have been enacted under the Murphy Administration, including more than \$2 billion in direct property tax relief for the second year of the ANCHOR property tax relief program. As the State begins to phase-in the newly enacted StayNJ property tax relief program championed by Assembly Speaker Coughlin, ANCHOR will provide a \$250 boost in relief for senior homeowners and renters this year. Eligible senior tenants will now see their relief boosted by more than 55 percent to \$700 in the coming year and homeowners will receive \$1,250 or \$1,750, depending on their income.

The StayNJ senior property tax credit affordability program expands income limits and modifies ownership requirements with the aim of cutting property taxes in half for many eligible New Jersey seniors by providing a direct credit of up to \$6,500 on property tax bills when fully implemented.

Additional relief for seniors was also enacted alongside the budget, which will expand eligibility for the Senior Freeze property tax relief program next year for those with incomes up to \$150,000, up from roughly \$100,000. To further help boost affordability for seniors, the budget and legislation signed alongside it (S3/A3), sponsored by Senator Joseph Vitale and Assemblyman Chris Tully, also increases eligibility for the State’s senior prescription drug and hearing aid programs to help make New Jersey more affordable for individuals of all ages.

In addition to raising the income eligibility limits for the Pharmaceutical Assistance to the Aged and Disabled Program (PAAD) to benefit more seniors, the new law includes a number of directives to encourage enrollment in both PAAD and the Senior Gold Prescription Program, including establishing a grant program in the Department of Human Services to support

hiring and training of Senior Save Navigators to assist residents in applying for programs such as PAAD and Senior Gold.

For working- and middle-class families, the budget delivers significant relief by including the Governor's proposal to double the Child Tax Credit that was enacted last year. The program will now provide up to \$1,000 per child under age six for families earning under \$30,000.

For the second year in a row, the budget includes a back-to-school sales tax holiday and waives the fee for entrance into all State parks for another year, including Island Beach State Park. To help boost the ranks of teachers in New Jersey the budget also waives the fee for teacher certification, as proposed by the Governor this year.

For the sixth straight year, the Governor has also promised no fare increases for NJ TRANSIT commuters.

Additionally, the budget continues to increase indirect property tax relief by providing \$150 million in Energy Tax Receipts-related payments to extend the Municipal Relief Fund for an additional year, doubling last year's funding, which is designed to offset the burden on local property taxpayers by providing additional aid to municipalities.

Expanding Educational Opportunity

The budget also supports the Governor's commitment to supporting New Jersey's best-in-the-nation public education system by providing another record total of \$11 billion in direct aid for public schools, including an increase of \$832 million, as well as \$103 million in supplemental stabilization aid enacted in April for school districts adjusting to changes in enrollment. With this latest budget, the State has now increased overall K-12 support to New Jersey's public schools by more than \$2.6 billion over six years, a more than 20 percent increase, all of which helps offset local property taxes.

Advancing the Governor's goal of universal pre-K, the budget includes an additional \$116 million for pre-school education aid, \$40 million of which will go towards expanding programs in new districts as well as other critical needs for further expansion.

Additionally, the Governor is working to shore up the ranks of teachers, budgeting over \$20 million in new investments and other supports to help ensure New Jersey has the trained and dedicated workforce to provide a top-quality education for public school students years into the future. This includes \$10 million for student teacher stipends to help future educators meet the costs of living while working and studying for their credentials, \$5 million to waive teacher certification fees, \$2 million for Culture and Climate Innovation Grants to help improve educator quality of life, \$1 million for the Teachers Loan Redemption Program, \$1 million to develop local partnerships for para-professional training, \$800,000 for a teaching apprenticeship program, and \$500,000 to expand the Teacher Leader Network. The proposed budget also maintains funding for Men of Color Hope Achievers (MOCHA) and the Mid-Career Teacher Development Programs to support a diverse educator workforce.

To accelerate learning outcomes, the State will also dedicate nearly \$55 million this year in federal funds for learning acceleration and other recovery programs, as proposed by the Governor.

The budget also strengthens the Governor's "College Promise" programs by increasing the eligibility threshold for both the Community College Opportunity Grant and the Garden State Guarantee so that students with family incomes up to \$100,000 can benefit. Additionally, the budget increases the value of Tuition Aid Grants for over 20,000 students and expands the Some College, No Degree program, so that former students with some credit receive the support they need to complete school.

The budget also provides over \$150 million in the Outcomes-Based Allocation this year for State colleges and universities, compared to \$55 million in FY2023, to help keep tuition affordable and support the next generation of New Jersey's educated workforce. Additionally, it includes \$70 million to help cover fringe benefit costs at public research universities, \$20 million for community colleges, and an additional \$5 million for independent colleges and universities.

Promoting Fiscal Responsibility

In addition to a record projected ending surplus of \$8.3 billion – 20 times larger than the surplus the Murphy Administration inherited – the FY2024 budget also makes good on the Administration's commitment to public sector employees by including the third consecutive full pension payment. The \$7.1 billion payment, which includes contributions from the State Lottery, brings the total contribution to the pension fund under the Murphy Administration to \$32.6 billion, nearly triple the \$12.2 billion paid under the previous six administrations combined. The FY2024 payment will mark the first time in a quarter of a century that the State has contributed 100 percent of the Actuarially Determined Contribution three years in a row.

The budget also puts additional money in the Debt Defeasance and Prevention Fund, bringing the current available balance to \$2 billion to support important State infrastructure projects and avoid incurring new debt in the future. The FY2024 deposit brings the total allocation to the fund to \$9.25 billion over the last two years, which has been used to retire existing debt while setting aside money to pay for upcoming projects that might otherwise be bonded. Over a two-year period, \$3.5 billion from the fund has already been used to defease \$4.7 billion in State debt service through FY2042, saving the State's taxpayers \$1.2 billion.

The continued commitment by the Governor and the Legislature to bolster the pension system, reduce debt, and build up the State's surplus has saved taxpayers money and garnered a total of seven credit rating upgrades from the four major rating agencies over the last 16 months.

The budget also includes substantial funding to continue upgrading the State's service-based infrastructure to ensure a more efficient delivery of essential services to taxpayers, including more than \$40 million to continue improving the unemployment insurance system, digitizing more services at the Motor Vehicle Commission, and expanding the Division of Taxation's property tax relief call center.

Expanding Opportunity and Promoting Economic Growth

The budget also places a concerted focus on expanding opportunities for every New Jersey resident in tandem with supporting economic growth, a hallmark of Governor Murphy's time in office.

An \$80 million allocation of federal American Rescue Plan (ARP) funds will be used to create an Urban Investment Fund and Atlantic City Economic Foundations Fund to work alongside current and proposed business incentive programs. The funds will aid in the revitalization of urban areas and catalyze new economic and community activity where shifting patterns of work and commuting since the pandemic have reduced foot traffic and created ongoing challenges to community vitality.

Grants from the fund would be flexible and responsive to the needs of cities and could include funding to reimagine the use of now-underutilized office space, support capital construction projects that renovate or restore vacant buildings, or build new destinations and spaces for urban communities. As proposed by the Governor in February, the budget includes a specific set-aside for Atlantic City to improve public safety, rebuild distressed housing, and diversify economic development in the city.

The FY2024 budget also allocates \$50 million in continued support for the Main Street Recovery Program, which funds multiple financial assistance products aimed at supporting the growth and success of small businesses in New Jersey.

The budget continues to expand job opportunities for New Jerseyans, increasing the allocation for the Workforce Development Partnership Fund (WDPF) by \$5 million, to \$27.5 million to invest in apprenticeships, pre-apprenticeships, on-the-job training, and other programs that develop skills while bringing more women and minorities into job training opportunities. The State has invested a total of \$50 million through grant programs since the Governor took office to create and develop work-based learning, pre-apprenticeship and apprenticeship programs across the state.

The budget also includes significant investments to grow New Jersey's green economy and combat climate change, including \$12 million more for the Clean Energy Program, which previously went to NJ TRANSIT, a \$40 million Green Fund to leverage both private capital and federal funds, \$20 million for the Resilience and Stormwater Planning and Infrastructure program, and an additional \$10 million to support the continued installation of EV charging infrastructure throughout the State.

Additionally, the budget agreement includes \$20 million to support the creation of a Social Impact Investment Fund, an innovative new financing tool to provide below-market loans

socially conscious projects in distressed municipalities.

The budget agreement also includes the \$100 million Boardwalk Fund Governor Murphy initially proposed in February, which will support repairs and renovations to boardwalks up down the Jersey shore that support the State's tourism industry and provide a crucial economic engine.

The budget also includes an additional \$20 million for continued development of the ambitious, new, nine-mile Greenway that will convert a former rail line into a new State park connecting eight Essex and Hudson County communities.

The budget agreement not only reduces NJ TRANSIT's capital-to-operating transfer to its lowest level in 21 years, it also includes \$137 million in new funding from the Debt Defeasance and Prevention Fund to match federal funding earmarked for transportation-related capital investments. Additionally, the budget will expand the Department of Transportation's innovative Simple Fix Safety program.

The FY2024 budget also funds substantial investments to improve public health and social outcomes and reduce long-standing disparities.

To that end, the budget includes nearly \$300 million for a host of housing affordability initiatives, including over \$100 million in federal ARP funds to build upon last year's \$300 million landmark creation of the Affordable Housing Production Fund. A new Urban Preservation Fund will provide \$80 million to maintain affordability of existing units in New Jersey cities and additional funds will be used to develop new workforce housing units to improve affordability in transit-served areas, enhance urban vitality, and launch a Resilient Homes Construction Pilot program to expand building stock and affordable homeownership across the state. All told, the Murphy Administration will have committed over \$1.3 billion in federal ARP funds to housing programs over the last three fiscal years.

Drawing on the work of the Wealth Disparity Task Force, the budget also includes an additional \$15 million to enhance the existing [Down Payment Assistance Program](#) to provide changing assistance for first-generation homebuyers and help families who have been excluded from homeownership for generations.

The budget also includes over \$300 million more than last year in ARP and State funding to support hospital capital investments to bolster New Jersey's public health infrastructure. This includes \$30 million to create the City of Newark Access to Health Care Partnership, and \$60 million in additional funding for University Hospital to expand and improve its emergency and maternity departments.

Additionally, the budget includes \$86 million that was initially proposed by the Governor in February to support a one-time program through the Department of Human Services to subsidize training and recruitment for mental health, substance use, and developmental disabilities service providers to help address what has become a national crisis.

As part of Governor Murphy's national leadership on youth mental health, the budget also includes \$43 million to launch the New Jersey Statewide Student Support Services (NJ4S) network, which will deliver wellness and prevention supports from regional hubs. An additional \$40 million will support providers across multiple divisions in the Department of Children and Families, including the Children's System of Care.

The budget also continues to invest in improving maternal and infant health and mortality rates throughout New Jersey. As part of First Lady Tammy Murphy's Nurture NJ initiative proposed budget includes new funds for a maternal health data center and to train community health workers and doulas. Additionally, \$15.6 million in State funding will support the continued expansion of the landmark, statewide Universal Newborn Home Nurse Visitation Program, putting New Jersey further along the path to being one of the first states in the nation to provide this critical care for all mothers and newborns within the first two weeks of birth.

The budget also continues to provide crucial investments to make health care more affordable and accessible for every New Jerseyan, leveraging State and federal funding through Get Covered New Jersey exchange, while also supporting [Cover All Kids](#) and funding a \$10 million pilot program to eliminate personal medical debt.

To address the disparate, long-term impact that many justice system fees and fines can have on people of limited means, the budget includes Governor Murphy's proposal to eliminate public defender fees, which are currently assessed on indigent clients regardless of whether they are ultimately found guilty. Additionally, the budget provides funding for the Parol Revocation Defense Unit and to increase the rates paid to attorneys assisting the Office of the Public Defender to help ensure that residents of limited means have access to an effective legal defense.

The budget also includes the Governor's proposal to provide over \$8 million in increased State funds to support the first-in-the-nation statewide expansion of the ARRIVE Together program, which stands for Alternative Responses to Reduce Instances of Violence and Escalation and pairs police officers and State Troopers with mental health professionals when responding to a person who is experiencing a mental health crisis.

To ensure that the State's first responders and law enforcement professionals receive the training and equipment necessary to protect and serve New Jersey's nine million residents, the budget funds the Governor's proposed doubling of the successful Firefighters Grant Program, bringing the total to \$20 million. The budget also makes significant investments to strengthen the ranks of the New Jersey State Police, allocating \$120 million to begin building a new training center for the next generation of New Jersey State Police and including an additional \$5 million for the 166th State Trooper recruit class.

An additional one-page policy summary on the central commitments of the FY2024 budget can be found online [here](#).

In addition to the Appropriations Act, Governor Murphy also signed the following bills into law today:

A-1/S-1 (Coughlin, Greenwald, Freiman, Swain, Moriarty, Wimberly, Lopez, Tully/Scutari, Gopal, Lagana) - Establishes Stay NJ senior property tax credit affordability program; expands income limit and modifies ownership requirement for eligibility to receive homestead property tax reimbursement; appropriates not more than \$300 million

S-3980/A-5673 (Sarfo/Freiman) - Credits \$400 million to "New Jersey Debt Defeasance and Prevention Fund"; appropriates \$371 million to DOC, DLPS, South Jersey Port Corporation and DOT; establishes process for authorizing future appropriations for debt defeasance and capital projects

A-5668/S-3978 (Pintor Marin/Sarfo) - Makes FY 2023 supplemental appropriations of \$158,525,000 and modifies certain language provisions

A-5590/S-3941 (Lampitt, Carter, Jasey/Gopal) - Waives certain certification and credentialing fees for teachers for one year

S-3940/A-5672 (Ruiz, Singleton/Reynolds-Jackson, Speight, Spearman) - Increases child tax credit under gross income tax

A-3/S-3 (Tully, Moriarty, McKnight, Freiman, Quijano, Mukherji, Swain, Carter/Vitale, Lagana, Zwicker) - Revises income eligibility criteria for, and provides for promotion of, PAAD Senior Gold Prescription Discount Program; establishes "Senior Save Navigator Grant Program" to assist applicants with NJ Save applications.

A-590/S-405 (Spearman, McKnight, Haider/Johnson, Singer) - Codifies, and increases under certain circumstances, current minimum Medicaid per diem reimbursement rates for assisted living residences, comprehensive personal care homes, and assisted living programs; makes appropriation

A-5082/S-3587 (Greenwald, Mukherji, McKnight/Lagana, Gopal) - Establishes Medicaid per diem rate for pediatric medical day care services delivered by provider offering on-site services; appropriates \$3.6 million to DHS

A-5173/S-2362 (McKnight, Speight, Tully/Beach, Madden) - Requires hourly reimbursement rate for home health aide services provided through Statewide Respite Care Program Jersey Assistance for Community Caregiving Program to be no less than Medicaid fee-for-service rate for personal care services; makes appropriation

A-4674/S-3278 (Moriarty, Danielsen, McKnight/Stanfield, Bucco) - Concerns eligibility for senior freeze reimbursement if eligible claimant exceeds income limit

S-2857/A-4167 (Gopal, Ruiz/Benson, Sumter, Verrelli) - Establishes "Sustainable New Jersey Fund" in DEP to support certain sustainability initiatives; appropriates \$1 million

A-5209/S-3615 (Freiman/Sarlo, Zwicker) - Establishes Agritourism Fund; requires annual appropriation of \$2.5 million from General Fund; appropriates \$2.5 million

S-4052/A-5654 (Smith/Freiman, Reynolds-Jackson, Quijano) - Appropriates \$9,184,427 to DEP from constitutionally dedicated CBT revenues for grants to certain nonprofit entities to acquire or develop lands for recreation and conservation purposes, and for certain administrative expenses.

S-4018/A-5584 (Johnson, Turner/Jimenez, Freiman, Moriarty) - Revises New Jersey False Claims Act to comply with federal law for purposes of entitling State to enhanced recovery of Medicaid fraud cases

A-2190/S-3075 (Caputo, Chaparro, Greenwald/Beach, Polistina) - Extends authorization for Internet gaming law to 2028

A-5606/S-3953 (Haider, Moen/Sarlo) - Appropriates unexpended funds from "1999 Statewide Transportation and Local Bridge Fund"
[Revenue Certification](#)

S-2024/A-5669 (Sarlo/Pintor Marin) - LINE ITEM VETO - Appropriates \$54,357,547,000 in State funds and \$26,144,171,463 in federal funds for the State budget for fiscal year 2024.

[Line Item Veto Statement](#)

[Line Item Veto Message](#)

The Governor also conditionally vetoed the following bills earlier today and signed them later in the day upon concurrence by the Legislature:

A-4701/S-3144 (Pintor Marin, Speight, Schaer/Gopal, Ruiz, Singer) - Supplemental appropriation of \$3.6 million to DHS to increase adult medical day care Medicaid per diem rate \$86.10 to \$89.54

[Conditional Veto Message](#)

S-4053/A-5655 (Greenstein, Turner/Sumter, Tully) - Appropriates \$87,783,515 from constitutionally dedicated CBT revenues and various Green Acres funds to DEP for local government open space acquisition and park development projects, and for certain administrative expenses.

[Conditional Veto Message](#)