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LEGISLATIVE FISCAL ESTIMATE:	Yes	06/24/2025 07/03/2025
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S4407 (1R)

INTRODUCED BILL: (Includes sponsor(s) statement)	Yes	
REPRINT(S):	Yes	SBA 6/26/25 1R
TECHNICAL REVIEW OF BILL:	No	
COMMITTEE STATEMENT:		
ASSEMBLY:	No	
SENATE:	Yes	Budget & Appropriations

(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	06/18/2025 07/03/2025

VETO MESSAGE:	No
GOVERNOR'S PRESS RELEASE ON SIGNING:	Yes
LEGISLATOR STATEMENT:	Yes

FOLLOWING WERE PRINTED:

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REPORTS:	No
HEARINGS:	No
NEWSPAPER ARTICLES:	Yes

Jelani Gibson, 'N.J. just invested \$500M in this key industry. Here's what it means for jobs. - With fears rising about Trump's tariffs, the new law is designed to bring more manufacturing jobs to New Jersey.', *Star-Ledger, The: WebEdition Articles* (online), 15 Aug 2025 <<https://infoweb.newsbank.com/apps/news/document-view?p=NewsBank&docref=news/1A27EAB3E77D7B58>>

CL/MMcB

P.L. 2025, CHAPTER 123, *approved August 13, 2025*
Assembly, No. 5687 (*Third Reprint*)

1 **AN ACT** establishing the Next New Jersey Manufacturing Program
2 and amending and supplementing P.L.2020, c.156.
3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*
6
7 1. (New section) P.L. , c. (C.) (pending before the
8 Legislature as this bill) shall be known and may be cited as the
9 “Next New Jersey Manufacturing Program Act.”
10
11 2. (New section) The Legislature finds and declares that:
12 a. Manufacturers are vital contributors to the State's economic
13 health and overall prosperity. They serve as engines of growth,
14 driving job creation, stimulating innovation, and fostering a robust
15 and productive workforce. By producing goods and contributing to
16 the supply chain, manufacturing facilities bolster the State's
17 competitiveness in the global market.
18 b. Projects involving manufacturing and manufacturers are
19 inherently beneficial to the State because they provide vital
20 contributions to the communities in which they are located,
21 enhancing the quality of life for residents, and producing
22 immeasurable economic benefits to the State.
23 c. The Next New Jersey Manufacturing Program is a
24 comprehensive tax credit program designed to drive substantial
25 investment, foster the creation of new jobs, and position New Jersey
26 as a leader in the manufacturing economy. The program will
27 encourage a wide range of manufacturing activities benefitting
28 various industries, including advanced manufacturing; non-retail
29 food and beverage; life sciences; defense; and the production of
30 components for clean energy technologies, such as offshore wind,
31 solar, geothermal, green hydrogen, nuclear energy, fuel cells,
32 battery storage, and other sustainable clean energy solutions.

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:
¹Assembly ALA committee amendments adopted June 16, 2025.
²Assembly AAP committee amendments adopted June 19, 2025.
³Assembly ABU committee amendments adopted June 26, 2025.

1 d. By offering competitive incentives, the Next New Jersey
2 Manufacturing Program encourages companies to allocate their
3 capital investments to New Jersey while demonstrating a long-term
4 commitment to the State's economic growth. The program is
5 designed for manufacturing facilities that establish or expand their
6 physical presence in New Jersey.

7
8 3. (New section) As used in P.L. , c. (C.) (pending
9 before the Legislature as this bill):

10 "Affiliate" means an entity that directly or indirectly controls, is
11 under common control with, or is controlled by an eligible business.
12 Control exists in all cases in which the entity is a member of a
13 controlled group of corporations as defined pursuant to section 1563
14 of the federal Internal Revenue Code (26 U.S.C. s.1563) or the
15 entity is an organization in a group of organizations under common
16 control that is subject to the regulations applicable to organizations
17 pursuant to subsection (b) or (c) of section 414 of the federal
18 Internal Revenue Code (26 U.S.C. s.414). A taxpayer may establish
19 by clear and convincing evidence, as determined by the Director of
20 the Division of Taxation in the Department of the Treasury, that
21 control exists in situations involving lesser percentages of
22 ownership than required by sections 1563 and 414 of the Internal
23 Revenue Code of 1986 (26 U.S.C. ss.1563 and 414). An affiliate of
24 a business may contribute to meeting either the capital investment
25 or full-time employee requirements of a business and new full-time
26 job requirements and may satisfy the requirement for site control
27 during construction and the eligibility period, but in no event shall
28 the tax credit certificate be issued to any affiliate.

29 "Authority" means the New Jersey Economic Development
30 Authority established by section 4 of P.L.1974, c.80 (C.34:1B-4).

31 "Board" means the Board of the New Jersey Economic
32 Development Authority, established by section 4 of P.L.1974, c.80
33 (C.34:1B-4).

34 "Building services" means any cleaning or routine building
35 maintenance work, including but not limited to sweeping,
36 vacuuming, floor cleaning, cleaning of rest rooms, collecting refuse
37 or trash, window cleaning, securing, patrolling, or other work in
38 connection with the care or securing of an existing building,
39 including services typically provided by a door-attendant or
40 concierge. "Building services" shall not include any skilled
41 maintenance work, professional services, or other public work for
42 which a contractor is required to pay the "prevailing wage," as
43 defined in section 2 of P.L.1963, c.150 (C.34:11-56.26).

44 "Business" means an applicant proposing to own or lease
45 premises in a qualified business facility that is: a corporation
46 subject to the tax imposed pursuant to section 5 of P.L.1945, c.162
47 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and
48 C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or

1 N.J.S.17B:23-5; or is a partnership, S corporation, limited liability
2 company, or non-profit corporation. A business shall include an
3 affiliate of the business if that business applies for a tax credit based
4 upon any capital investment made by 'an affiliate¹' or full-time
5 employees of an affiliate.

6 "Capital investment" means expenses that a business or an
7 affiliate of the business incurred on behalf of the business or
8 affiliate by its landlord, at the qualified business facility following
9 its submission of a completed application to the authority pursuant
10 to section 5 of P.L. , c. (C.) (pending before the Legislature as
11 this bill), but prior to the project completion date, as shall be
12 defined in the project agreement pursuant to section 7 of
13 P.L. , c. (C.) (pending before the Legislature as this bill),
14 or until such other time specified by the authority, and which
15 expenses are incurred for:

16 (1) site preparation and construction, repair, renovation,
17 improvement, equipping, or furnishing on real property or of a
18 building, structure, facility, or improvement to real property;

19 (2) obtaining and installing furnishings and machinery,
20 apparatus, or equipment, or obtaining and installing of parts in an
21 existing facility for the operation of a business on real property or
22 in a building, structure, facility, or improvement to real property; or
23 any combination of the foregoing;

24 (3) improvement to a site-related utility of the real property,
25 including, but not limited to, water, electric, sewer, and stormwater,
26 and transportation infrastructure improvements, plantings, solar
27 panels and components, energy storage components, installation
28 costs of solar energy systems or other environmental components
29 required to attain the level of silver rating and gold rating standards
30 or above in the LEED building rating system, but only to the extent
31 that such capital investments have not received any grant financial
32 assistance from any other State funding source;

33 (4) the value of a capital lease, as defined by generally accepted
34 accounting practices (GAAP), of furnishings and machinery,
35 apparatus, or equipment, based on the shorter of the useful life of
36 the leased property or the commitment period; and

37 (5) associated soft costs, which shall not exceed 20 percent of
38 all capital investment.

39 "Capital investment" shall not include site acquisition vehicles
40 and heavy equipment not permanently located in the building,
41 structure, facility, or improvement. Landlord contributions for the
42 purpose of eligibility of the program, are allowed.

43 "Clean energy product manufacturer" means a business engaged
44 in the production or assembly of goods by transforming raw
45 materials or sub-components into components for renewable
46 energy, such as offshore wind, solar, geothermal, green hydrogen,
47 nuclear energy, fuel cells, battery storage, or other clean energy
48 manufacturing "Clean energy product manufacturer" does not

1 include businesses engaged in retail, wholesale, packaging,
2 software development, resource extraction, or waste incineration.

3 “Commitment period” means a period that is no less than two
4 times the eligibility period, as specified in the project agreement
5 entered into pursuant to section 7 of P.L. , c. (C.) (pending
6 before the Legislature as this bill).

7 "Director" means the Director of the Division of Taxation in the
8 Department of the Treasury.

9 “Eligibility period” means the period in which an eligible
10 business may claim a tax credit under the program, beginning with
11 the tax period in which the authority accepts certification of the
12 eligible business that it has met the capital investment and
13 employment requirements of the program and extending thereafter
14 for a term of five years.

15 “Eligible business” means any business that is a clean energy
16 product manufacturer or manufacturer, and that satisfies the criteria
17 set forth in section 5 of P.L. , c. (C.) (pending before the
18 Legislature as this bill) at the time of application for tax credits
19 under the program.

20 “Eligible position” or “full-time job” means a position in a
21 business in this State which the business has filled with a full-time
22 employee who spends at least 80 percent of the employee’s work
23 time in the State ²**[or]** and² at the qualified business facility, or
24 spends any other period of work time generally accepted by custom
25 or practice, as determined by the authority in its sole discretion
26 based on the characteristics of the employee’s job and work time in
27 the State ²**[or]** and² at the qualified business facility, and is offered
28 employee health benefits under a group health plan as defined under
29 section 14 of P.L.1997, c.146 (C.17B:27-54), a health benefits plan
30 as defined under section 1 of P.L.1992, c.162 (C.17B:27A-17), or a
31 policy or contract of health insurance covering more than one
32 person issued pursuant to Article 2 of Chapter 27 of Title 17B of
33 the New Jersey Statutes; provided, however, that the requirement to
34 offer employee health benefits shall be deemed to be satisfied if the
35 benefits are provided by the business or pursuant to a collective
36 bargaining agreement, no later than 90 days after the employee’s
37 start date, under a health benefits plan authorized pursuant to State
38 or federal law. An eligible position shall not include an
39 independent contractor or a consultant.

40 “Full-time employee” means a person who is:

41 (1) employed by a business for consideration for at least 35
42 hours a week, or who renders any other standard of service
43 generally accepted by custom or practice as full-time employment,
44 and whose wages are subject to withholding as provided in the
45 "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq.;

46 (2) employed by a professional employer organization pursuant
47 to an employee leasing agreement between the business and the

1 professional employer organization, pursuant to P.L.2001, c.260
2 (C.34:8-67 et seq.) for at least 35 hours a week, or who renders any
3 other standard of service generally accepted by custom or practice
4 as full-time employment, and whose wages are subject to
5 withholding as provided in the "New Jersey Gross Income Tax
6 Act," N.J.S.54A:1-1 et seq.; or

7 (3) a resident of another ¹**[State]** state¹, whose income is not
8 subject to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
9 et seq., due to a reciprocity agreement with the other state, or who
10 is a partner of a business who works for the partnership for at least
11 35 hours a week, or who renders any other standard of service
12 generally accepted by custom or practice as full-time employment,
13 and whose distributive share of income, gain, loss, or deduction, or
14 whose guaranteed payments, or any combination thereof, is subject
15 to the payment of estimated taxes, as provided in the "New Jersey
16 Gross Income Tax Act," N.J.S.54A:1-1 et seq., due to a reciprocity
17 agreement with the other state.

18 A "full-time employee" includes, but shall not be limited to, an
19 employee that has been hired by way of a labor union hiring hall or
20 its equivalent. ¹**[35]** Thirty-five¹ hours of employment per week in
21 the State shall constitute one "full-time employee," regardless of
22 whether or not the hours of work were performed by one or more
23 persons.

24 "Full-time employee" shall not include any person who works as
25 an independent contractor or on a consulting basis for the business
26 or a contract worker.

27 "Manufacturer" means a business engaged in the production or
28 assembly of goods by transforming raw materials or sub-
29 components into components or finished products through various
30 industrial processes, including but not limited to fabrication,
31 assembly, or chemical processes. "Manufacturer" does not include
32 businesses engaged in retail, wholesale, packaging, software
33 development, resource extraction, or waste incineration.

34 "Minimum environmental and sustainability standards" means
35 standards established by the authority in accordance with the green
36 building manual prepared by the Commissioner of Community
37 Affairs pursuant to section 1 of P.L.2007, c.132 (C.52:27D-130.6),
38 regarding the use of renewable energy, energy-efficient technology,
39 and non-renewable resources to reduce environmental degradation
40 and encourage long-term cost reduction.

41 "New full-time job" means an eligible position created by a
42 business, following approval of the business's application by the
43 board, that did not previously exist in this State. For the purposes
44 of determining the number of new full-time jobs, the eligible
45 positions of an affiliate shall be considered eligible positions of the
46 business. For the purpose of calculating the number of new full-
47 time jobs, a position shall not be considered a new full-time job

1 unless it is in addition to the number of full-time jobs in the
2 business's Statewide workforce in the last tax accounting or
3 privilege period prior to the tax credit amount approval.

4 “Partnership” means an entity classified as a partnership for
5 federal income tax purposes.

6 “Professional employer organization” means an employee
7 leasing company registered with the Department of Labor and
8 Workforce Development pursuant to P.L.2001, c.260 (C.34:8-67 et
9 seq.).

10 “Program” means the Next New Jersey Manufacturing Program
11 established by section 4 of P.L. , c. (C.) (pending before the
12 Legislature as this bill).

13 “Project” means the capital investment at a qualified business
14 facility and the employment commitment required pursuant to the
15 project agreement.

16 “Project agreement” means the contract executed between an
17 eligible business and the authority pursuant to section 7 of
18 P.L. , c. (C.) (pending before the Legislature as this bill),
19 which sets forth the terms and conditions under which the eligible
20 business may receive the tax credits authorized pursuant to the
21 program.

22 “Qualified business facility” means any building, complex of
23 buildings, or structural components of buildings, and all machinery
24 and equipment located therein, used in connection with the
25 operation of an eligible business primarily for: (1) the production or
26 assembly of goods by transforming raw materials into components
27 for renewable energy, such as offshore wind, solar, geothermal,
28 green hydrogen, fuel cells, or other clean energy; (2) producing or
29 assembling of goods ¹by transforming raw materials or
30 components into finished products through various industrial
31 processes; or (3) investigating, experimenting, and innovating to
32 create new products or improve existing products. Ancillary
33 activities related to packaging and distribution at the qualified
34 business facility are permitted.

35 “Soft costs” means all costs associated with financing, design,
36 engineering, legal services, or real estate commissions, including,
37 but not limited to, architect fees, permit fees, loan origination and
38 closing costs, construction management, and freight and shipping
39 delivery, but not including early lease termination costs, air fare,
40 mileage, tolls, gas, meals, packing material, marketing, temporary
41 signage, incentive consultant fees, authority fees, loan interest
42 payments, escrows, or other similar costs.

43 “Statewide workforce” means the total number of full-time
44 employees in the Statewide workforce of the business and any
45 affiliate of the business, if the affiliate contributes any capital
46 investment or full-time employees. "Statewide workforce" shall not
47 include full-time employees at any final point-of-sale retail

1 facilities unless the project, as approved by the board, includes full-
2 time employees engaged in final point-of-sale retail.

3 “Targeted industry” means any industry identified from time to
4 time by the authority which shall initially include advanced
5 transportation and logistics, advanced manufacturing, aviation,
6 autonomous vehicle and zero-emission vehicle research or
7 development, clean energy, life sciences, hemp processing,
8 information and high technology, finance and insurance,
9 professional services, film and digital media, non-retail food and
10 beverage businesses including food innovation, and other
11 innovative industries that disrupt current technologies or business
12 models.

13

14 4. (New section) a. The Next New Jersey Manufacturing
15 Program is hereby established as a program under the jurisdiction of
16 the New Jersey Economic Development Authority. The authority
17 shall administer the program to attract new investment to New
18 Jersey in key industries, create new jobs and economic
19 opportunities, and position New Jersey as a leader in the
20 manufacturing economy. Subject to the limitations set forth in
21 subsection b. of this section, the board may approve the award of
22 tax credits to an eligible business upon application of the chief
23 executive officer, or equivalent officer, of the eligible business and
24 following the payment of fees.

25 b. The value of all tax credits approved by the authority for
26 eligible businesses shall be subject to the limitations set forth in
27 section 98 of P.L.2020, c.156 (C.34:1B-362).

28

29 5. (New section) a. To be eligible for tax credits under the
30 program, a business’s chief executive officer, or equivalent officer,
31 shall demonstrate to the authority at the time of application that:

32 (1) the business shall make, acquire, or lease a capital
33 investment at the qualified business facility not less than the
34 applicable amount set forth in subsection b. of this section;

35 (2) the business shall create new full-time jobs in the State in an
36 amount not less than the applicable number set forth in subsection
37 c. of this section;

38 (3) the median salary of the full-time jobs at the qualified
39 business facility by the business shall be not less than 120 percent
40 of the median salary for manufacturing employees in the county in
41 which the project is located;

42 (4) the business shall be primarily engaged in the activities of a
43 manufacturer or a clean energy manufacturer at the qualified
44 business facility;

45 (5) the business shall enter into a collaborative relationship,
46 evidenced by the provision of opportunities for workforce hiring,
47 training, apprenticeship, or other measures determined appropriate
48 by the authority, with New Jersey public or private colleges or

1 universities, public or private high schools, or workforce
2 development organizations, or any combination thereof;

3 (6) the qualified business facility shall be in compliance with
4 minimum environmental and sustainability standards;

5 (7) the project shall comply with the authority's affirmative
6 action requirements, adopted pursuant to section 4 of P.L.1979,
7 c.303 (C.34:1B-5.4); and

8 (8) each worker employed to perform construction work or
9 building services work at the qualified business facility shall be
10 paid not less than the prevailing wage rate for the worker's craft or
11 trade, as determined by the Commissioner of Labor and Workforce
12 Development pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.).

13 b. To be eligible under the program, the minimum capital
14 investment at the qualified business facility shall be \$10,000,000.

15 c. To be eligible under the program, the minimum number of
16 new full-time jobs in the State shall be 20 new full-time jobs.

17 d. The chief executive officer of the business, or an equivalent
18 officer, shall certify that all factual representations made by the
19 business to the authority pursuant to subsection a. of this section are
20 true under the penalty of perjury.

21 e. A business shall not be awarded a tax credit under the
22 program if the business has received a tax credit under the
23 "Business Retention and Relocation Assistance Act," P.L.1996,
24 c.25 (C.34:1B-112 et seq.), "Business Employment Incentive
25 Program Act," P.L.1996, c.26 (C.34:1B-124 et al.), section 6 of
26 P.L.2010, c.57 (C.34:1B-209.4), "Grow New Jersey Assistance
27 Act," P.L.2011, c.149 (C.34:1B-242 et al.), "Emerge Program Act,"
28 sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.),
29 section 4 of P.L.2023, c.125 (C.34:1B-139.4), or the "Next New
30 Jersey Program Act," P.L.2024, c.49 (C.34:1B-394 et seq.), relating
31 to the same capital investment and employees that qualify the
32 business for a tax credit under the program.

33 f. An eligible business may submit an application to the
34 authority in accordance with the provisions of section 6 of
35 P.L. , c. (C.) (pending before the Legislature as this bill)
36 on or after the effective date of P.L. , c. (C.) (pending
37 before the Legislature as this bill) but prior to March 1, 2029.

38 g. Beginning on the date that the authority begins accepting
39 applications in accordance with section 6 of P.L. , c. (C.)
40 (pending before the Legislature as this bill) and continuing for two
41 years thereafter, \$100,000,000 of the tax credits made available to
42 the program pursuant to subparagraph (l) of paragraph (1) of
43 subsection b. of section 98 of P.L.2020, c.156 (C.34:1B-362) shall
44 be reserved exclusively for eligible businesses that are clean energy
45 product manufacturers. If during that period, the authority awards
46 less than \$100,000,000 in tax credits to eligible businesses that are
47 clean energy product manufacturers, the uncommitted portion shall
48 be available to be deployed by the authority to any eligible business

1 beginning in the third year next following the date that the authority
2 begins accepting applications in accordance with section 6 of
3 P.L. , c. (C.) (pending before the Legislature as this bill).

4
5 6. (New section) a. A business that meets the eligibility
6 criteria in section 5 of P.L. , c. (C.) (pending before the
7 Legislature as this bill) and is seeking tax credits for a project under
8 the program shall submit an application to the authority in a form
9 and manner prescribed by the authority.

10 b. Before the board may consider an eligible business's
11 application for tax credits, the authority shall confirm with the
12 Department of Labor and Workforce Development, the Department
13 of Environmental Protection, and the Department of the Treasury
14 whether the eligible business is in substantial good standing with
15 the respective department, or, if necessary, has entered into an
16 agreement with the respective department that includes a practical
17 corrective action plan for the eligible business. The eligible
18 business shall certify that the contractors or subcontractors that will
19 perform work at the qualified business facility: are registered as
20 required by "The Public Works Contractor Registration Act,"
21 P.L.1999, c.238 (C.34:11-56.48 et seq.); have not been debarred by
22 the Department of Labor and Workforce Development from
23 engaging in or bidding on Public Works Contracts in the State; and
24 possess a tax clearance certificate issued by the Division of
25 Taxation in the Department of the Treasury. The authority may also
26 contract with an independent third party to perform a background
27 check on the eligible business.

28 c. An eligible business shall pay to the authority the full
29 amount of the direct costs of an analysis of the eligible business's
30 application for a tax credit, which analysis shall be conducted by a
31 third party retained by the authority if the authority deems such
32 retention to be necessary.

33 d. If, at any time during the eligibility period, the authority
34 determines that the eligible business made a material
35 misrepresentation on the eligible business's application, the eligible
36 business shall forfeit all tax credits awarded under the program,
37 which forfeiture shall be in addition to any other criminal or civil
38 penalties for which the business and the certifying officer may be
39 liable.

40 e. If circumstances require an eligible business to amend its
41 application to the authority, then the chief executive officer of the
42 eligible business, or an equivalent officer, shall certify to the
43 authority that the information provided in its amended application is
44 true under the penalty of perjury.

45 f. Nothing shall preclude a business from applying for tax
46 credits under the program for more than one project through one or
47 more applications.

1 7. (New section) a. Following board approval of an
2 application submitted pursuant to section 6 of P.L. , c. (C.)
3 (pending before the Legislature as this bill), within a time period
4 established by the authority but before the authority and an eligible
5 business execute a project agreement pursuant to this section, the
6 eligible business shall demonstrate, in a form and manner
7 prescribed by the authority, that it has obtained site plan approval
8 and has committed financing for, and established site control of, the
9 qualified business facility. The chief executive officer of the
10 business, or an equivalent officer, shall certify that all factual
11 representations made by the business to the authority pursuant to
12 this subsection are true under the penalty of perjury.

13 b. Following approval by the board and compliance with the
14 provisions of subsection a. of this section, but before the issuance of
15 tax credits, the authority shall require an eligible business to enter
16 into a project agreement. The terms of the project agreement shall
17 be consistent with the eligibility requirements set forth in section 5
18 of P.L. , c. (C.) (pending before the Legislature as this bill)
19 and shall include, but not be limited to, the following:

20 (1) a detailed description of the proposed project that will result
21 in job creation, and the number of new full-time jobs that are
22 approved for tax credits;

23 (2) any personnel information that will enable the authority to
24 administer the program;

25 (3) a requirement that: the eligible business shall maintain the
26 project at a location in New Jersey for the commitment period; and
27 a provision that if the eligible business does not maintain the project
28 at a location in New Jersey for the commitment period, the
29 authority may recapture all or part of any tax credits awarded, at its
30 discretion;

31 (4) a requirement that the eligible business shall maintain the
32 number of new full-time jobs, and the salaries thereof, for which the
33 eligible business certified at the commencement of the eligibility
34 period; a requirement that if, in any tax period, the number of new
35 employees in eligible positions falls below 80 percent of the
36 number of new employees in eligible positions specified in the
37 project agreement or the program minimum, the business shall
38 forfeit any tax credits for which it would otherwise be eligible
39 under the program for that tax period, and in any subsequent period
40 until such time as the applicant restores the threshold minimum; and
41 a provision to permit the authority to proportionally reduce the tax
42 credit award for the business in any tax period in which the number
43 of new full-time jobs, or the salaries thereof, is reduced below the
44 new full-time jobs for which the business certified at the
45 commencement of the eligibility period, as required pursuant to
46 subsection f. of section 8 of P.L. , c. (C.) (pending before
47 the Legislature as this bill);

1 (5) a method for the eligible business to certify that it has met
2 the capital investment and employment requirements of the
3 program, as set forth in subsections b. and c. of section 5 of
4 P.L. , c. (C.) (pending before the Legislature as this bill),
5 and to report annually to the authority the number of new full-time
6 jobs, and the salaries thereof, for which the tax credits are to be
7 allowed;

8 (6) representations that the eligible business is in substantial
9 good standing with the Department of Environmental Protection,
10 the Department of Labor and Workforce Development, and the
11 Department of the Treasury, or has entered into an agreement with
12 the departments that includes a practical corrective action plan, and
13 that the project complies with all applicable laws, and specifically,
14 that the project does not violate any environmental law;

15 (7) a provision permitting the authority to require an audit of the
16 payroll records of the eligible business to be conducted from time to
17 time, as the authority deems necessary;

18 (8) (a) a provision requiring the eligible business to submit an
19 annual report to the chief executive officer of the authority, in a
20 form and manner prescribed by the authority, for the purpose of
21 allowing the authority to confirm that the eligible business is in
22 substantial good standing with the Department of Environmental
23 Protection, the Department of Labor and Workforce Development,
24 and the Department of the Treasury, or has entered into an
25 agreement with the respective department that includes a practical
26 corrective action plan;

27 (b) a requirement that at certification of project completion, the
28 eligible business shall confirm that each contractor or subcontractor
29 performing work at the qualified business facility: is registered as
30 required by "The Public Works Contractor Registration Act,"
31 P.L.1999, c.238 (C.34:11-56.48 et seq.); has not been debarred by
32 the Department of Labor and Workforce Development from
33 engaging in or bidding on Public Works Contracts in the State; and
34 possesses a tax clearance certificate issued by the Division of
35 Taxation in the Department of the Treasury.

36 (c) a provision that if the eligible business fails to submit any
37 report required under this paragraph, if the Department of
38 Environmental Protection, the Department of Labor and Workforce
39 Development, or the Department of the Treasury advises that the
40 eligible business is neither in substantial good standing nor has
41 entered into a practical corrective action plan, or if the eligible
42 business fails to confirm that each contractor or subcontractor is in
43 compliance with this paragraph, then the eligible business shall
44 forfeit the issuance of tax credits, pending resolution of the
45 underlying violations or other issues;

46 (9) a requirement for the eligible business to submit evidence, as
47 required by the authority, that it has entered into and maintained a
48 collaborative relationship with a New Jersey public or private

1 college or university, public or private high school, or workforce
2 development organization, or any combination thereof;

3 (10) a provision permitting the authority to amend the project
4 agreement; and

5 (11) a provision establishing the conditions under which the
6 authority, the eligible business, or both, may terminate the
7 agreement.

8 c. (1) The authority may recapture all or part of a tax credit
9 awarded if an eligible business does not remain in compliance with
10 the requirements of a project agreement for the duration of the
11 commitment period. A recapture of tax credits initiated pursuant to
12 this subsection may include interest on the recapture amount, at a
13 rate equal to the statutory rate for corporate business or insurance
14 premiums tax deficiencies, plus any statutory penalties, and all
15 costs incurred by the authority and the Division of Taxation in the
16 Department of the Treasury in connection with the pursuit of the
17 recapture, including, but not limited to, counsel fees, court costs,
18 and other costs of collection. Failure of the eligible business to
19 meet any program criteria shall constitute a default and shall result
20 in the recapture of all or part of the tax credit awarded.

21 (2) If all or part of a tax credit sold or assigned pursuant to
22 section 9 of P.L. , c. (C.) (pending before the Legislature
23 as this bill) is subject to recapture, then the authority shall pursue
24 recapture from the eligible business and not from the purchaser or
25 assignee of the tax credit transfer certificate. The purchaser or
26 assignee of a tax credit transfer certificate shall be subject to any
27 limitations and conditions that apply to the use of the tax credits by
28 the eligible business.

29 (3) Any funds recaptured pursuant to this subsection, including
30 penalties and interest, shall be deposited into the General Fund.

31 d. A business may include an affiliate for any period, provided
32 that the business provides a valid tax clearance certificate for the
33 affiliate and a verification of the nature of the affiliate relationship
34 during the relevant period, and provided further that the affiliate
35 provides acceptable responses to the authority's legal disclosures
36 inquiries, as determined by the authority. A formal modification of
37 the authority's approval of the project agreement shall not be
38 necessary to add or remove an affiliate after approval or execution
39 of the project agreement.

40 e. A business may change its name filed with the authority by
41 providing a copy of the filed amendment to the certificate of
42 incorporation or formation, as the case may be, of the business and
43 a valid tax clearance certificate with the business's new name. A
44 formal modification of the authority's approval shall not be
45 necessary to change a business's name after approval or execution
46 of the project agreement.

1 8. (New section) a. Upon completion of the capital investment
2 and employment requirements of the program, an eligible business
3 shall submit certifications to the authority, in a form and manner
4 prescribed by the authority, evidencing that the eligible business has
5 satisfied the conditions relating to the capital investment and
6 employment requirements of the project agreement, and including
7 such supporting evidence as the authority deems necessary. The
8 chief executive officer of the business, or an equivalent officer,
9 shall certify that all factual representations made by the business to
10 the authority pursuant to this subsection are true under the penalty
11 of perjury.

12 b. (1) In accordance with the project agreement, beginning
13 upon the receipt of occupancy permits for any portion of the
14 project, or upon any other event evidencing project completion as
15 set forth in the project agreement, an eligible business shall be
16 allowed a tax credit in an amount determined pursuant to this
17 subsection. No more than the amount of tax credits equal to the
18 total credit amount awarded under the program divided by the
19 duration of the eligibility period in years may be taken in any tax
20 period.

21 (2) Not including any bonus awarded pursuant to paragraph (3)
22 of this subsection, the amount of the tax credit awarded under the
23 program to an eligible business shall be the lesser of:

24 (a) the product of 0.1 percent of the eligible business's total
25 capital investment, multiplied by the number of new full-time jobs;

26 (b) 25 percent of the eligible business's total capital investment;
27 or

28 (c) \$150,000,000.

29 (3) The authority may in its discretion establish one or more
30 bonuses, not to exceed a total of five percent of the award approved
31 by the authority pursuant to paragraph (2) of this subsection, for
32 which an eligible business may apply in a form and manner
33 prescribed by the authority. Criteria related to the eligibility for,
34 and approval of, such bonuses shall be established in rules and
35 regulations adopted in accordance with section 10 of P.L. ,
36 c. (C.) (pending before the Legislature as this bill), and may
37 include, but shall not limited to, the following: the eligible
38 business's qualified business facility is located in an opportunity
39 zone eligible census tract pursuant to 26 U.S.C. s.1400Z-1; the
40 eligible business is certified as part of the Business Certification
41 Program administered by the Division of Revenue and Enterprise
42 Services in the Department of the Treasury; the eligible business
43 has at least one active and executed collective bargaining
44 agreement; the eligible business operates in a targeted industry or
45 part of the supply chain for a targeted industry; and any other
46 criteria as determined by the authority.

47 c. (1) Commencing in the year in which the grant of tax
48 credits is issued and for the remainder of the commitment period, an

1 eligible business that is awarded tax credits under the program shall
2 submit an annual report, no later than the date indicated in the
3 project agreement, indicating whether the eligible business
4 continues to maintain the number of new full-time jobs, and the
5 salaries thereof, specified in the project agreement. As part of the
6 annual report, an eligible business shall provide to the authority a
7 copy of its applicable New Jersey tax return and the quarterly wage
8 report required under R.S.43:21-14 submitted to the Department of
9 Labor and Workforce Development, together with an annual payroll
10 report showing: the new full-time jobs that were created in
11 accordance with the project agreement; and the new full-time jobs
12 created during each subsequent year of the commitment period. In
13 the annual report, an eligible business shall explain the reason, if
14 applicable, for any discrepancies between the annual payroll report
15 submitted by the eligible business and the quarterly wage report.
16 The failure of an eligible business to submit the information
17 required pursuant to this paragraph shall result in the forfeiture of
18 the award for that year. The chief executive officer of the eligible
19 business, or an equivalent officer, shall certify that the information
20 provided pursuant to this paragraph is true under the penalty of
21 perjury. Claims, records, or statements submitted by an eligible
22 business to the authority in order to receive tax credits shall not be
23 considered claims, records, or statements made in connection with
24 State tax laws.

25 (2) Upon receipt and review of each report submitted during the
26 eligibility period, the authority shall provide to the eligible business
27 and the director a certificate of compliance indicating the amount of
28 tax credits that the eligible business may apply against its tax
29 liability. The authority shall pro rate the tax credit for the first and
30 last years of the eligibility period based on the number of full
31 months the project was certified in the year the eligible business
32 first certifies.

33 d. (1) Upon receipt by the director of the certificate of
34 compliance, the director shall allow the eligible business a tax
35 credit. ³【The eligible business may apply the credit allowed by the
36 director against the eligible business's tax liability for the tax period
37 in which the director allowed the tax credit, or may carry forward
38 the credit for use by the eligible business】 Notwithstanding the
39 provisions of any law or regulation to the contrary, the credit amount
40 may first be taken by the tax certificate holder for the tax period for
41 which it was issued, for the tax period in which it was issued, or in any
42 tax period during the time the business is required to maintain the
43 project at a location in New Jersey, as set forth in the incentive
44 agreement. The tax certificate holder may transfer the tax credit
45 amount on or after the date of issuance for use by the transferee in the
46 tax period for which it was issued, for the tax period in which it was
47 issued, or in any of the next three successive tax periods. The tax

1 certificate holder or transferee may first use the credit against tax
2 liabilities in the tax period in which it was issued or in a succeeding
3 tax period, as authorized in this subsection, without the need for
4 amending the tax return for the tax period for which the credit was
5 issued, subject to the provisions of this section. The tax certificate
6 holder or transferee may carry forward an unused credit resulting from
7 the limitations of paragraph (3) of this subsection, if necessary, for
8 use³ in any of the next 10 successive tax periods, which credit shall
9 expire thereafter.

10 (2) The amount of credit allowed may be applied against the tax
11 liability otherwise due pursuant to section 5 of P.L.1945, c.162
12 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and
13 C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or
14 N.J.S.17B:23-5.

15 (3) The director shall prescribe the order of priority of the
16 application of the credit allowed under this section and any other
17 credits allowed by law against the tax imposed under section 5 of
18 P.L.1945, c.162 (C.54:10A-5). The amount of a credit applied
19 under this section against the tax imposed pursuant to section 5 of
20 P.L.1945, c.162 (C.54:10A-5) for a privilege period, together with
21 any other credits allowed by law, shall not reduce the tax liability to
22 an amount less than the statutory minimum provided in subsection
23 (e) of section 5 of P.L.1945, c.162 (C.54:10A-5).

24 e. An eligible business shall forfeit the credit amount for any
25 tax period for which the eligible business's documentation remains
26 uncertified as of the date for certification indicated in the project
27 agreement, although credit amounts for the remainder of the years
28 of the eligibility period shall remain available to the eligible
29 business.

30 f. If, in any tax period, the number of new employees in
31 eligible positions, or the salaries thereof, drops below 80 percent of
32 the number of new employees in eligible positions specified in the
33 project agreement or the amount required as a condition of program
34 eligibility pursuant to section 4 of P.L. , c. (C.) (pending
35 before the Legislature as this bill), whichever is greater, then the
36 eligible business shall forfeit all tax credits allowed for that tax
37 period and each subsequent tax period, until the first tax period in
38 which the authority has reviewed and approved documentation,
39 submitted by the eligible business, demonstrating that the number
40 of new employees in eligible positions, or the salaries thereof, is not
41 less than 80 percent of the number specified in the project
42 agreement or the amount required as a condition of program
43 eligibility pursuant to section 4 of P.L. , c. (C.) (pending
44 before the Legislature as this bill), whichever is greater.

45
46 9. (New section) a. Within three years of the tax period in
47 which the director first allows the eligible business a tax credit, an
48 eligible business may apply to the director and the chief executive

1 officer of the authority for a tax credit transfer certificate in lieu of
 2 the eligible business being allowed any amount of the tax credit
 3 against the State tax liability of the eligible business. The tax credit
 4 transfer certificate, upon receipt thereof by the eligible business
 5 from the director and the chief executive officer of the authority,
 6 may be sold or assigned, in an amount not less than ¹["\$25,000"]
 7 ³["\$25 million¹"] \$25,000³, within three years of the tax period in
 8 which the eligible business receives the tax credit transfer
 9 certificate from the director, to another person that may have a tax
 10 liability pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5),
 11 sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and 54:18A-3),
 12 section 1 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. ³[A
 13 purchaser or assignee of a tax credit transfer certificate pursuant to
 14 this section shall apply the transferred credit against the same tax or
 15 taxes for which the eligible business was approved a tax credit
 16 under the program.]³ The tax credit transfer certificate provided to
 17 the eligible business shall include a statement waiving the eligible
 18 business's right to claim the tax credit that the eligible business has
 19 elected to sell or assign.

20 b. The eligible business shall not sell or assign a tax credit
 21 transfer certificate allowed under this section for consideration
 22 received by the eligible business of less than 85 percent of the
 23 transferred credit amount before considering any further
 24 discounting to present value which shall be permitted. The tax
 25 credit transfer certificate issued to the eligible business by the
 26 director shall be subject to any limitations and conditions imposed
 27 on the application of State tax credits pursuant to P.L. , c.
 28 (C.) (pending before the Legislature as this bill) and any other
 29 terms and conditions that the director may prescribe.

30 c. A purchaser or assignee of a tax credit transfer certificate
 31 pursuant to this section shall not make any subsequent transfers,
 32 assignments, or sales of the tax credit transfer certificate.

33 d. The authority shall publish on its Internet website the
 34 following information concerning each tax credit transfer certificate
 35 approved by the authority and the director pursuant to this section:

- 36 (1) the name of the ³[transferrer] transferor³;
- 37 (2) the name of the transferee;
- 38 (3) the value of the tax credit transfer certificate;
- 39 (4) the State tax against which the transferee may apply the tax
 40 credit; and
- 41 (5) the consideration received by the ³[transferrer] transferor³.

42
 43 10. (New section) Notwithstanding the provisions of the
 44 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
 45 seq.) to the contrary, the chief executive officer of the authority
 46 shall adopt, immediately, upon filing with the Office of
 47 Administrative Law, such rules and regulations as the chief

1 executive officer deems necessary to implement the provisions of
 2 P.L. , c. (C.) (pending before the Legislature as this bill),
 3 which rules and regulations shall be effective for a period not to
 4 exceed 365 days after the date of the filing. Before the expiration
 5 of the rules and regulations, the chief executive officer shall amend,
 6 adopt, or readopt the rules and regulations in accordance with the
 7 requirements of the "Administrative Procedure Act," P.L.1968,
 8 c.410 (C.52:14B-1 et seq.).

9
 10 11. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to
 11 read as follows:

12 98. a. The combined value of all tax credits awarded under the
 13 "Historic Property Reinvestment Act," sections 2 through 8 of
 14 P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the
 15 "Brownfields Redevelopment Incentive Program Act," sections 9
 16 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287);
 17 the "New Jersey Innovation Evergreen Act," sections 20 through 34
 18 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food
 19 Desert Relief Act," sections 35 through 42 of P.L.2020, c.156
 20 (C.34:1B-303 through 34:1B-310); the "New Jersey Community-
 21 Anchored Development Act," sections 43 through 53 of P.L.2020,
 22 c.156 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire
 23 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
 24 322 through 34:1B-335); the "Emerge Program Act," sections 68
 25 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of
 26 P.L.2010, c.57 (C.34:1B-209.4); the "Cultural Arts Incentives
 27 Program Act," P.L.2023, c.197 (C.34:1B-383 et al.); **and** the
 28 "Next New Jersey Program Act," P.L.2024, c.49 **[(C.34:1B-362 et**
 29 **seq.)]** (C.34:1B-394 et al.); and the "Next New Jersey
 30 Manufacturing Program Act," P.L. , c. (C.) (pending
 31 before the Legislature as this bill) shall not exceed an overall cap of
 32 \$11.5 billion over a nine-year period, subject to the conditions and
 33 limitations set forth in this section. Of this \$11.5 billion, \$2.5
 34 billion shall be reserved for transformative projects approved under
 35 the Aspire Program.

36 b. (1) The total value of tax credits awarded under any
 37 constituent program of the "New Jersey Economic Recovery Act of
 38 2020," P.L.2020, c.156 (C.34:1B-269 et al.), the "Cultural Arts
 39 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.),
 40 **and** the "Next New Jersey Program Act," P.L.2024, c.49
 41 **[(C.34:1B-362 et seq.)]** (C.34:1B-394 et al.), and the "Next New
 42 Jersey Manufacturing Program Act," P.L. , c. (C.) (pending
 43 before the Legislature as this bill) shall be subject to the following
 44 limitations, except as otherwise provided in subsection c. of this
 45 section:

46 (a) for tax credits awarded under the "Historic Property
 47 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156

1 (C.34:1B-270 through 34:1B-276), the total value of tax credits
2 annually awarded during each of the first six years of the nine-year
3 period shall not exceed \$50 million;

4 (b) for tax credits awarded under the "Brownfields
5 Redevelopment Incentive Program Act," sections 9 through 19 of
6 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value
7 of tax credits annually awarded during each of the first six years of
8 the nine-year period shall not exceed \$50 million;

9 (c) for tax credits awarded under the "New Jersey Innovation
10 Evergreen Act," sections 20 through 34 of P.L.2020, c.156
11 (C.34:1B-288 through 34:1B-302), the total value of tax credits
12 annually awarded during each of the first six years of the nine-year
13 period shall not exceed \$60 million and the total value of tax credits
14 awarded over the entirety of the nine-year period shall not exceed
15 \$300,000,000;

16 (d) for tax credits awarded under the "Food Desert Relief Act,"
17 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
18 34:1B-310), the total value of tax credits annually awarded during
19 each of the first six years of the nine-year period shall not exceed
20 \$40 million;

21 (e) for tax credits awarded under the "New Jersey Community-
22 Anchored Development Act," sections 43 through 53 of P.L.2020,
23 c.156 (C.34:1B-311 through 34:1B-321), and the "Cultural Arts
24 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), the
25 total value of tax credits awarded during the nine-year period shall
26 not exceed \$1,200,000,000; provided, however, tax credits shall not
27 be available under the "New Jersey Community-Anchored
28 Development Act," sections 43 through 53 of P.L.2020, c.156
29 (C.34:1B-311 through 34:1B-321), until January 1, 2026.
30 Beginning January 1, 2026, the authority shall annually award tax
31 credits under the "New Jersey Community-Anchored Development
32 Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311
33 through 34:1B-321), valuing no greater than \$130 million for
34 projects located in the 13 northern counties of the State, and the
35 authority shall annually award tax credits valuing no greater than
36 \$70 million for projects located in the eight southern counties of the
37 State. If during any year of operation of the "New Jersey
38 Community-Anchored Development Act," sections 43 through 53 of
39 P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), the authority
40 awards tax credits pursuant to the program in an amount less than
41 the annual limitation for projects located in northern counties or
42 southern counties, as applicable, the uncommitted portion of the
43 annual limitation shall be available to be deployed by the authority
44 in a subsequent year without consideration to the county in which a
45 project is located;

46 (f) for tax credits awarded under the "New Jersey Aspire
47 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
48 322 through 34:1B-335), and the "Emerge Program Act," sections

1 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
2 including tax credits awarded for transformative projects, the total
3 value of tax credits annually awarded during each of the first six
4 years of the nine-year period shall not exceed \$1.1 billion. If the
5 authority awards tax credits in an amount less than the annual
6 limitation, then the uncommitted portion of the annual limitation
7 shall be made available for qualified offshore wind projects
8 awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4),
9 pursuant to subparagraph (h) of this paragraph, projects awarded a
10 tax credit pursuant to the "Next New Jersey Program Act,"
11 P.L.2024, c.49 [(C.34:1B-362 et seq.)] (C.34:1B-394 et al.),
12 pursuant to subparagraph (k) of this paragraph, projects awarded a
13 tax credit pursuant to the "Next New Jersey Manufacturing Program
14 Act," P.L. , c. (C.) (pending before the Legislature as this
15 bill), pursuant to subparagraph (l) of this paragraph, or New Jersey
16 studio partners, New Jersey film-lease production companies, and
17 taxpayers, other than New Jersey studio partners and New Jersey
18 film-lease production companies awarded under sections 1 and 2 of
19 P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b), pursuant to
20 subparagraph (i) of this paragraph and subsection d. of this section.
21 During each of the first six years of the nine-year period, the
22 authority shall annually award tax credits valuing no greater than
23 \$715 million for projects located in the northern counties of the
24 State, and the authority shall annually award tax credits valuing no
25 greater than \$385 million for projects located in the southern
26 counties of the State under the "New Jersey Aspire Program Act,"
27 sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through
28 34:1B-335), and the "Emerge Program Act," sections 68 through 81
29 of P.L.2020, c.156 (C.34:1B-336 et al.). If during any of the first
30 six years of the nine-year period, the authority awards tax credits
31 under the "New Jersey Aspire Program Act," sections 54 through 67
32 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
33 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
34 (C.34:1B-336 et al.), in an amount less than the annual limitation
35 for projects located in northern counties or southern counties, as
36 applicable, the uncommitted portion of the annual limitation shall
37 be available to be deployed by the authority in a subsequent year,
38 provided that the uncommitted portion of tax credits shall be
39 awarded for projects located in the applicable geographic area,
40 except that (i) after the completion of the third year of the nine-year
41 period, the authority may deploy 50 percent of the uncommitted
42 portion of tax credits for any previous year without consideration to
43 the county in which a project is located; and (ii) after the
44 completion of the sixth year of the nine-year period, the authority
45 may deploy all available tax credits, including the uncommitted
46 portion of the annual limitation for any previous year, without
47 consideration to the county in which a project is located;

1 (g) except as provided in subparagraph (j) of this paragraph, for
2 tax credits awarded for transformative projects under the "New
3 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
4 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax
5 credits awarded during the nine-year period shall not exceed \$2.5
6 billion. The total value of tax credits awarded for transformative
7 projects in a given year shall not be subject to an annual limitation,
8 except that the total value of tax credits awarded to any
9 transformative project shall not exceed \$400 million;

10 (h) from the tax credits made available, pursuant to
11 subparagraph (f) of this paragraph, to the "New Jersey Aspire
12 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
13 322 through 34:1B-335), and the "Emerge Program Act," sections
14 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
15 including tax credits awarded for transformative projects, an
16 amount not to exceed \$350,000,000 shall be made available for
17 qualified offshore wind projects awarded a credit pursuant to
18 section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three
19 years of the nine-year period;

20 (i) beginning in fiscal year 2023, from the tax credits made
21 available, pursuant to subparagraph (f) of this paragraph, to the
22 "New Jersey Aspire Program Act," sections 54 through 67 of
23 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
24 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
25 (C.34:1B-336 et al.), not including tax credits awarded for
26 transformative projects, additional amounts shall be made available
27 for New Jersey studio partners, New Jersey film-lease production
28 companies, and taxpayers, other than New Jersey studio partners
29 and New Jersey film-lease production companies pursuant to
30 sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-
31 12b);

32 (j) beginning in fiscal year 2024, from the tax credits made
33 available, pursuant to subparagraph (f) of this paragraph, to the
34 "New Jersey Aspire Program Act," sections 54 through 67 of
35 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
36 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
37 336 et al.), not including tax credits awarded for transformative
38 projects, an amount not to exceed \$500,000,000 may be annually
39 transferred for the award to transformative projects under the "New
40 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
41 c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the
42 remaining allocation of tax credits otherwise available for
43 transformative projects, pursuant to subparagraph (g) of this
44 paragraph, is less than \$1,000,000,000; and (ii) the authority board
45 determines that the transfer of tax credits is warranted based on
46 such criteria as the authority deems appropriate, which may include
47 the criteria set forth in paragraph (2) of this subsection. If a transfer
48 of tax credits is made pursuant to this subparagraph, the authority

1 shall award no greater than 65 percent of the tax credits transferred
 2 pursuant to this subparagraph to transformative projects located in
 3 the northern counties of the State and no greater than 35 percent of
 4 the tax credits transferred pursuant to this subparagraph to
 5 transformative projects located in the southern counties of the State;

6 **【and】**

7 (k) beginning in fiscal year 2025, from the tax credits made
 8 available, pursuant to subparagraph (f) of this paragraph, to the
 9 "New Jersey Aspire Program Act," sections 54 through 67 of
 10 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
 11 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
 12 336 et al.), but not including tax credits awarded for transformative
 13 projects, an amount not to exceed \$500,000,000 shall be made
 14 available for projects awarded a tax credit pursuant to the "Next
 15 New Jersey Program Act," P.L.2024, c.49 **【(C.34:1B-362 et seq.)】**
 16 (C.34:1B-394 et al.); and

17 (l) beginning in fiscal year 2026, from the tax credits made
 18 available, pursuant to subparagraph (f) of this paragraph, to the
 19 “New Jersey Aspire Program Act,” sections 54 through 67 of
 20 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the “Emerge
 21 Program Act,” sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
 22 336 et al.), but not including tax credits awarded for transformative
 23 projects, an amount not to exceed \$500,000,000 shall be made
 24 available for projects awarded a tax credit pursuant to the “Next
 25 New Jersey Manufacturing Program Act,” P.L. , c. (C.)
 26 (pending before the Legislature as this bill). In accordance with the
 27 provisions of subsection g. of section 5 of P.L. , c. (C.)
 28 (pending before the Legislature as this bill), \$100,000,000 of the tax
 29 credits made available to the “Next New Jersey Manufacturing
 30 Program Act,” P.L. , c. (C.) (pending before the
 31 Legislature as this bill) pursuant to this subparagraph shall be
 32 reserved exclusively for eligible businesses that are clean energy
 33 product manufacturers.

34 (2) The authority may in any given year determine that it is in
 35 the State's interest to approve an amount of tax credits in excess of
 36 the annual limitations set forth in paragraph (1) of this subsection,
 37 but in no event more than \$200,000,000 in excess of the annual
 38 limitation, upon a determination by the authority board that such
 39 increase is warranted based on specific criteria that may include:

40 (i) the increased demand for opportunities to create or retain
 41 employment and investment in the State as indicated by the volume
 42 of project applications and the amount of tax credits being sought
 43 by those applications;

44 (ii) the need to protect the State's economic position in the event
 45 of an economic downturn;

- 1 (iii) the quality of project applications and the net economic
2 benefit to the State and municipalities associated with those
3 applications;
- 4 (iv) opportunities for project applications to strengthen or protect
5 the competitiveness of the State under the prevailing market
6 conditions;
- 7 (v) enhanced access to employment and investment for
8 underserved populations in distressed municipalities and qualified
9 incentives tracts;
- 10 (vi) increased investment and employment in high-growth
11 technology sectors and in projects that entail collaboration with
12 education institutions in the State;
- 13 (vii) increased development proximate to mass transit facilities;
- 14 (viii) any other factor deemed relevant by the authority.
- 15 c. In the event that the authority in any year approves projects
16 for tax credits in an amount less than the annual limitations set forth
17 in paragraph (1) of subsection b. of this section, then the
18 uncommitted portion of the annual limitation shall be available to
19 be deployed by the authority in future years for projects under the
20 same program; provided however, that in no event shall the
21 aggregate amount of tax credits approved be in excess of the overall
22 cap of \$11.5 billion, and in no event shall the uncommitted portion
23 of the annual limitation for any previous year be deployed after the
24 conclusion of the nine-year period.
- 25 d. Notwithstanding the provisions of any other law to the
26 contrary, the uncommitted balance of the total value of tax credits
27 authorized for award by the authority pursuant to subparagraph (f)
28 of paragraph (1) of subsection b. of this section to the "New Jersey
29 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
30 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68
31 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made
32 available for tax credits allowed to New Jersey studio partners, New
33 Jersey film-lease production companies, and taxpayers, other than
34 New Jersey studio partners and New Jersey film-lease production
35 companies pursuant to sections 1 and 2 of P.L.2018, c.56
36 (C.54:10A-5.39b and C.54A:4-12b). The value of tax credits,
37 including tax credits allowed through the granting of tax credit
38 transfer certificates, made available to New Jersey studio partners,
39 New Jersey film-lease production companies, and taxpayers, other
40 than New Jersey studio partners and New Jersey film-lease
41 production companies pursuant to this subsection shall be as
42 follows:
- 43 (1) in fiscal year 2023, \$250,000,000 for New Jersey studio
44 partners and \$250,000,000 for New Jersey film-lease production
45 companies;
- 46 (2) in fiscal year 2024, \$250,000,000 for New Jersey studio
47 partners and \$250,000,000 for New Jersey film-lease production
48 companies; and

1 (3) in fiscal year 2025, \$250,000,000 for New Jersey studio
2 partners, \$250,000,000 for New Jersey film-lease production
3 companies, and \$300,000,000 for taxpayers, other than New Jersey
4 studio partners and New Jersey film-lease production companies.

5 If the value of tax credits, including tax credits allowed through
6 the granting of tax credit transfer certificates, approved to New
7 Jersey studio partners and New Jersey film-lease production
8 companies in any fiscal year pursuant to this subsection is less than
9 the cumulative total amount of tax credits permitted to be approved
10 in that fiscal year, the authority shall certify the amount of the
11 remaining tax credits available for approval to each such category
12 in that fiscal year, and shall increase the cumulative total amount of
13 tax credits permitted to be approved for New Jersey studio partners
14 and New Jersey film-lease production companies in the subsequent
15 fiscal year by the certified amount remaining for each such category
16 from the prior fiscal year.

17 (cf: P.L.2024, c.49, s.10)

18
19 12. This act shall take effect immediately.
20
21
22
23

24 Establishes Next New Jersey Manufacturing Program to
25 incentivize in-State manufacturing investments and job creation.

CHAPTER 123

AN ACT establishing the Next New Jersey Manufacturing Program and amending and supplementing P.L.2020, c.156.

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

C.34:1B-403 Short title.

1. P.L.2025, c.123 (C.34:1B-403 et al.) shall be known and may be cited as the “Next New Jersey Manufacturing Program Act.”

C.34:1B-404 Findings, declarations.

2. The Legislature finds and declares that:

a. Manufacturers are vital contributors to the State's economic health and overall prosperity. They serve as engines of growth, driving job creation, stimulating innovation, and fostering a robust and productive workforce. By producing goods and contributing to the supply chain, manufacturing facilities bolster the State's competitiveness in the global market.

b. Projects involving manufacturing and manufacturers are inherently beneficial to the State because they provide vital contributions to the communities in which they are located, enhancing the quality of life for residents and producing immeasurable economic benefits to the State.

c. The Next New Jersey Manufacturing Program is a comprehensive tax credit program designed to drive substantial investment, foster the creation of new jobs, and position New Jersey as a leader in the manufacturing economy. The program will encourage a wide range of manufacturing activities benefitting various industries, including advanced manufacturing; non-retail food and beverage; life sciences; defense; and the production of components for clean energy technologies, such as offshore wind, solar, geothermal, green hydrogen, nuclear energy, fuel cells, battery storage, and other sustainable clean energy solutions.

d. By offering competitive incentives, the Next New Jersey Manufacturing Program encourages companies to allocate their capital investments to New Jersey while demonstrating a long-term commitment to the State's economic growth. The program is designed for manufacturing facilities that establish or expand their physical presence in New Jersey.

C.34:1B-405 Definitions.

3. As used in P.L.2025, c.123 (C.34:1B-403 et al.):

“Affiliate” means an entity that directly or indirectly controls, is under common control with, or is controlled by an eligible business. Control exists in all cases in which the entity is a member of a controlled group of corporations as defined pursuant to section 1563 of the federal Internal Revenue Code (26 U.S.C. s.1563) or the entity is an organization in a group of organizations under common control that is subject to the regulations applicable to organizations pursuant to subsection (b) or (c) of section 414 of the federal Internal Revenue Code (26 U.S.C. s.414). A taxpayer may establish by clear and convincing evidence, as determined by the Director of the Division of Taxation in the Department of the Treasury, that control exists in situations involving lesser percentages of ownership than required by sections 1563 and 414 of the Internal Revenue Code of 1986 (26 U.S.C. ss.1563 and 414). An affiliate of a business may contribute to meeting either the capital investment or full-time employee requirements of a business and new full-time job requirements and may satisfy the requirement for site control during construction and the eligibility period, but in no event shall the tax credit certificate be issued to any affiliate.

“Authority” means the New Jersey Economic Development Authority established by section 4 of P.L.1974, c.80 (C.34:1B-4).

“Board” means the Board of the New Jersey Economic Development Authority, established by section 4 of P.L.1974, c.80 (C.34:1B-4).

“Building services” means any cleaning or routine building maintenance work, including, but not limited to, sweeping, vacuuming, floor cleaning, cleaning of rest rooms, collecting refuse or trash, window cleaning, securing, patrolling, or other work in connection with the care or securing of an existing building, including services typically provided by a door-attendant or concierge. "Building services" shall not include any skilled maintenance work, professional services, or other public work for which a contractor is required to pay the "prevailing wage," as defined in section 2 of P.L.1963, c.150 (C.34:11-56.26).

“Business” means an applicant proposing to own or lease premises in a qualified business facility that is: a corporation subject to the tax imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5; or is a partnership, S corporation, limited liability company, or non-profit corporation. A business shall include an affiliate of the business if that business applies for a tax credit based upon any capital investment made by an affiliate or full-time employees of an affiliate.

“Capital investment” means expenses that a business or an affiliate of the business incurred on behalf of the business or affiliate by its landlord, at the qualified business facility following its submission of a completed application to the authority pursuant to section 5 of P.L.2025, c.123 (C.34:1B-407), but prior to the project completion date, as shall be defined in the project agreement pursuant to section 7 of P.L.2025, c.123 (C.34:1B-409), or until such other time specified by the authority, and which expenses are incurred for:

- site preparation and construction, repair, renovation, improvement, equipping, or furnishing on real property or of a building, structure, facility, or improvement to real property;

- obtaining and installing furnishings and machinery, apparatus, or equipment, or obtaining and installing of parts in an existing facility for the operation of a business on real property or in a building, structure, facility, or improvement to real property; or any combination of the foregoing;

- improvement to a site-related utility of the real property, including, but not limited to, water, electric, sewer, and stormwater, and transportation infrastructure improvements, plantings, solar panels and components, energy storage components, installation costs of solar energy systems, or other environmental components required to attain the level of silver rating and gold rating standards or above in the LEED building rating system, but only to the extent that such capital investments have not received any grant financial assistance from any other State funding source;

- the value of a capital lease, as defined by generally accepted accounting practices (GAAP), of furnishings and machinery, apparatus, or equipment, based on the shorter of the useful life of the leased property or the commitment period; and

- associated soft costs, which shall not exceed 20 percent of all capital investment.

“Capital investment” shall not include site acquisition vehicles and heavy equipment not permanently located in the building, structure, facility, or improvement. Landlord contributions for the purpose of eligibility of the program, are allowed.

“Clean energy product manufacturer” means a business engaged in the production or assembly of goods by transforming raw materials or sub-components into components for renewable energy, such as offshore wind, solar, geothermal, green hydrogen, nuclear energy, fuel cells, battery storage, or other clean energy manufacturing. “Clean energy product manufacturer” does not include businesses engaged in retail, wholesale, packaging, software development, resource extraction, or waste incineration.

“Commitment period” means a period that is no less than two times the eligibility period, as specified in the project agreement entered into pursuant to section 7 of P.L.2025, c.123 (C.34:1B-409).

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

“Eligibility period” means the period in which an eligible business may claim a tax credit under the program, beginning with the tax period in which the authority accepts certification of the eligible business that it has met the capital investment and employment requirements of the program and extending thereafter for a term of five years.

“Eligible business” means any business that is a clean energy product manufacturer or manufacturer and that satisfies the criteria set forth in section 5 of P.L.2025, c.123 (C.34:1B-407) at the time of application for tax credits under the program.

“Eligible position” or “full-time job” means a position in a business in this State which the business has filled with a full-time employee who spends at least 80 percent of the employee’s work time in the State and at the qualified business facility, or spends any other period of work time generally accepted by custom or practice, as determined by the authority in its sole discretion based on the characteristics of the employee’s job and work time in the State and at the qualified business facility, and is offered employee health benefits under a group health plan as defined under section 14 of P.L.1997, c.146 (C.17B:27-54), a health benefits plan as defined under section 1 of P.L.1992, c.162 (C.17B:27A-17), or a policy or contract of health insurance covering more than one person issued pursuant to Article 2 of Chapter 27 of Title 17B of the New Jersey Statutes, provided, however, that the requirement to offer employee health benefits shall be deemed to be satisfied if the benefits are provided by the business or pursuant to a collective bargaining agreement, no later than 90 days after the employee’s start date, under a health benefits plan authorized pursuant to State or federal law. An eligible position shall not include an independent contractor or a consultant.

“Full-time employee” means a person who is:

employed by a business for consideration for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, and whose wages are subject to withholding as provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq.;

employed by a professional employer organization pursuant to an employee leasing agreement between the business and the professional employer organization, pursuant to P.L.2001, c.260 (C.34:8-67 et seq.), for at least 35 hours a week or who renders any other standard of service generally accepted by custom or practice as full-time employment and whose wages are subject to withholding as provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq.; or

a resident of another state whose income is not subject to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., due to a reciprocity agreement with the other state, or who is a partner of a business who works for the partnership for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, and whose distributive share of income, gain, loss, or deduction, or whose guaranteed payments, or any combination thereof, is subject to the payment of estimated taxes, as provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., due to a reciprocity agreement with the other state.

A “full-time employee” includes, but shall not be limited to, an employee who has been hired by way of a labor union hiring hall or its equivalent. Thirty-five hours of employment per week in the State shall constitute one "full-time employee," regardless of whether or not the hours of work were performed by one or more persons.

“Full-time employee” shall not include any person who works as an independent contractor or on a consulting basis for the business or a contract worker.

“Manufacturer” means a business engaged in the production or assembly of goods by transforming raw materials or sub-components into components or finished products through various industrial processes, including, but not limited to, fabrication, assembly, or chemical processes. “Manufacturer” does not include businesses engaged in retail, wholesale, packaging, software development, resource extraction, or waste incineration.

“Minimum environmental and sustainability standards” means standards established by the authority in accordance with the green building manual prepared by the Commissioner of Community Affairs pursuant to section 1 of P.L.2007, c.132 (C.52:27D-130.6), regarding the use of renewable energy, energy-efficient technology, and non-renewable resources to reduce environmental degradation and encourage long-term cost reduction.

“New full-time job” means an eligible position created by a business, following approval of the business’s application by the board, that did not previously exist in this State. For the purposes of determining the number of new full-time jobs, the eligible positions of an affiliate shall be considered eligible positions of the business. For the purpose of calculating the number of new full-time jobs, a position shall not be considered a new full-time job unless it is in addition to the number of full-time jobs in the business's Statewide workforce in the last tax accounting or privilege period prior to the tax credit amount approval.

“Partnership” means an entity classified as a partnership for federal income tax purposes.

“Professional employer organization” means an employee leasing company registered with the Department of Labor and Workforce Development pursuant to P.L.2001, c.260 (C.34:8-67 et seq.).

“Program” means the Next New Jersey Manufacturing Program established by section 4 of P.L.2025, c.123 (C.34:1B-406).

“Project” means the capital investment at a qualified business facility and the employment commitment required pursuant to the project agreement.

“Project agreement” means the contract executed between an eligible business and the authority pursuant to section 7 of P.L.2025, c.123 (C.34:1B-409), which sets forth the terms and conditions under which the eligible business may receive the tax credits authorized pursuant to the program.

“Qualified business facility” means any building, complex of buildings, or structural components of buildings, and all machinery and equipment located therein, used in connection with the operation of an eligible business primarily for: (1) the production or assembly of goods by transforming raw materials into components for renewable energy, such as offshore wind, solar, geothermal, green hydrogen, fuel cells, or other clean energy; (2) producing or assembling of goods by transforming raw materials or components into finished products through various industrial processes; or (3) investigating, experimenting, and innovating to create new products or improve existing products. Ancillary activities related to packaging and distribution at the qualified business facility are permitted.

“Soft costs” means all costs associated with financing, design, engineering, legal services, or real estate commissions, including, but not limited to, architect fees, permit fees, loan origination and closing costs, construction management, and freight and shipping delivery, but not including early lease termination costs, air fare, mileage, tolls, gas, meals, packing material, marketing, temporary signage, incentive consultant fees, authority fees, loan interest payments, escrows, or other similar costs.

“Statewide workforce” means the total number of full-time employees in the Statewide workforce of the business and any affiliate of the business, if the affiliate contributes any capital investment or full-time employees. "Statewide workforce" shall not include full-time

employees at any final point-of-sale retail facilities unless the project, as approved by the board, includes full-time employees engaged in final point-of-sale retail.

“Targeted industry” means any industry identified from time to time by the authority which shall initially include advanced transportation and logistics, advanced manufacturing, aviation, autonomous vehicle and zero-emission vehicle research or development, clean energy, life sciences, hemp processing, information and high technology, finance and insurance, professional services, film and digital media, non-retail food and beverage businesses, including food innovation, and other innovative industries that disrupt current technologies or business models.

C.34:1B-406 Next New Jersey Manufacturing Program under the New Jersey Economic Development Authority.

4. a. The Next New Jersey Manufacturing Program is hereby established as a program under the jurisdiction of the New Jersey Economic Development Authority. The authority shall administer the program to attract new investment to New Jersey in key industries, create new jobs and economic opportunities, and position New Jersey as a leader in the manufacturing economy. Subject to the limitations set forth in subsection b. of this section, the board may approve the award of tax credits to an eligible business upon application of the chief executive officer, or equivalent officer, of the eligible business and following the payment of fees.

b. The value of all tax credits approved by the authority for eligible businesses shall be subject to the limitations set forth in section 98 of P.L.2020, c.156 (C.34:1B-362).

C.34:1B-407 Tax credit eligibility, Next New Jersey Manufacturing Program.

5. a. To be eligible for tax credits under the program, a business’s chief executive officer, or equivalent officer, shall demonstrate to the authority at the time of application that:

(1) the business shall make, acquire, or lease a capital investment at the qualified business facility not less than the applicable amount set forth in subsection b. of this section;

(2) the business shall create new full-time jobs in the State in an amount not less than the applicable number set forth in subsection c. of this section;

(3) the median salary of the full-time jobs at the qualified business facility by the business shall be not less than 120 percent of the median salary for manufacturing employees in the county in which the project is located;

(4) the business shall be primarily engaged in the activities of a manufacturer or a clean energy manufacturer at the qualified business facility;

(5) the business shall enter into a collaborative relationship, evidenced by the provision of opportunities for workforce hiring, training, apprenticeship, or other measures determined appropriate by the authority, with New Jersey public or private colleges or universities, public or private high schools, or workforce development organizations, or any combination thereof;

(6) the qualified business facility shall be in compliance with minimum environmental and sustainability standards;

(7) the project shall comply with the authority's affirmative action requirements, adopted pursuant to section 4 of P.L.1979, c.303 (C.34:1B-5.4); and

(8) each worker employed to perform construction work or building services work at the qualified business facility shall be paid not less than the prevailing wage rate for the worker's craft or trade, as determined by the Commissioner of Labor and Workforce Development pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.).

b. To be eligible under the program, the minimum capital investment at the qualified business facility shall be \$10,000,000.

c. To be eligible under the program, the minimum number of new full-time jobs in the State shall be 20 new full-time jobs.

d. The chief executive officer of the business, or an equivalent officer, shall certify that all factual representations made by the business to the authority pursuant to subsection a. of this section are true under the penalty of perjury.

e. A business shall not be awarded a tax credit under the program if the business has received a tax credit under the “Business Retention and Relocation Assistance Act,” P.L.1996, c.25 (C.34:1B-112 et seq.), “Business Employment Incentive Program Act,” P.L.1996, c.26 (C.34:1B-124 et al.), section 6 of P.L.2010, c.57 (C.34:1B-209.4), “Grow New Jersey Assistance Act,” P.L.2011, c.149 (C.34:1B-242 et al.), “Emerge Program Act,” sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), section 4 of P.L.2023, c.125 (C.34:1B-139.4), or the “Next New Jersey Program Act,” P.L.2024, c.49 (C.34:1B-394 et seq.), relating to the same capital investment and employees that qualify the business for a tax credit under the program.

f. An eligible business may submit an application to the authority in accordance with the provisions of section 6 of P.L.2025, c.123 (C.34:1B-408) on or after the effective date of P.L.2025, c.123 (C.34:1B-403 et al.) but prior to March 1, 2029.

g. Beginning on the date that the authority begins accepting applications in accordance with section 6 of P.L.2025, c.123 (C.34:1B-408) and continuing for two years thereafter, \$100,000,000 of the tax credits made available to the program pursuant to subparagraph (l) of paragraph (1) of subsection b. of section 98 of P.L.2020, c.156 (C.34:1B-362) shall be reserved exclusively for eligible businesses that are clean energy product manufacturers. If during that period, the authority awards less than \$100,000,000 in tax credits to eligible businesses that are clean energy product manufacturers, the uncommitted portion shall be available to be deployed by the authority to any eligible business beginning in the third year next following the date that the authority begins accepting applications in accordance with section 6 of P.L.2025, c.123 (C.34:1B-408).

C.34:1B-408 Tax credit application form, requirements, Next New Jersey Manufacturing Program.

6. a. A business that meets the eligibility criteria in section 5 of P.L.2025, c.123 (C.34:1B-407) and is seeking tax credits for a project under the program shall submit an application to the authority in a form and manner prescribed by the authority.

b. Before the board may consider an eligible business's application for tax credits, the authority shall confirm with the Department of Labor and Workforce Development, the Department of Environmental Protection, and the Department of the Treasury whether the eligible business is in substantial good standing with the respective department, or, if necessary, has entered into an agreement with the respective department that includes a practical corrective action plan for the eligible business. The eligible business shall certify that the contractors or subcontractors that will perform work at the qualified business facility: are registered as required by "The Public Works Contractor Registration Act," P.L.1999, c.238 (C.34:11-56.48 et seq.); have not been debarred by the Department of Labor and Workforce Development from engaging in or bidding on Public Works Contracts in the State; and possess a tax clearance certificate issued by the Division of Taxation in the Department of the Treasury. The authority may also contract with an independent third party to perform a background check on the eligible business.

c. An eligible business shall pay to the authority the full amount of the direct costs of an analysis of the eligible business's application for a tax credit, which analysis shall be conducted by a third party retained by the authority if the authority deems such retention to be necessary.

d. If, at any time during the eligibility period, the authority determines that the eligible business made a material misrepresentation on the eligible business's application, the eligible business shall forfeit all tax credits awarded under the program, which forfeiture shall be in addition to any other criminal or civil penalties for which the business and the certifying officer may be liable.

e. If circumstances require an eligible business to amend its application to the authority, then the chief executive officer of the eligible business, or an equivalent officer, shall certify to the authority that the information provided in its amended application is true under the penalty of perjury.

f. Nothing shall preclude a business from applying for tax credits under the program for more than one project through one or more applications.

C.34:1B-409 Site plan approval, committed financing, site control requirements, Next New Jersey Manufacturing Program.

7. a. Following board approval of an application submitted pursuant to section 6 of P.L.2025, c.123 (C.34:1B-408), within a time period established by the authority, but before the authority and an eligible business execute a project agreement pursuant to this section, the eligible business shall demonstrate, in a form and manner prescribed by the authority, that it has obtained site plan approval and has committed financing for, and established site control of, the qualified business facility. The chief executive officer of the business, or an equivalent officer, shall certify that all factual representations made by the business to the authority pursuant to this subsection are true under the penalty of perjury.

b. Following approval by the board and compliance with the provisions of subsection a. of this section, but before the issuance of tax credits, the authority shall require an eligible business to enter into a project agreement. The terms of the project agreement shall be consistent with the eligibility requirements set forth in section 5 of P.L.2025, c.123 (C.34:1B-407) and shall include, but not be limited to, the following:

(1) a detailed description of the proposed project that will result in job creation and the number of new full-time jobs that are approved for tax credits;

(2) any personnel information that will enable the authority to administer the program;

(3) a requirement that the eligible business shall maintain the project at a location in New Jersey for the commitment period and a provision that if the eligible business does not maintain the project at a location in New Jersey for the commitment period, the authority may recapture all or part of any tax credits awarded, at its discretion;

(4) a requirement that the eligible business shall maintain the number of new full-time jobs, and the salaries thereof, for which the eligible business certified at the commencement of the eligibility period; a requirement that if, in any tax period, the number of new employees in eligible positions falls below 80 percent of the number of new employees in eligible positions specified in the project agreement or the program minimum, the business shall forfeit any tax credits for which it would otherwise be eligible under the program for that tax period, and in any subsequent period until such time as the applicant restores the threshold minimum; and a provision to permit the authority to proportionally reduce the tax credit award for the business in any tax period in which the number of new full-time jobs, or the salaries thereof, is reduced below the new full-time jobs for which the business certified at the commencement of the eligibility period, as required pursuant to subsection f. of section 8 of P.L.2025, c.123 (C.34:1B-410);

(5) a method for the eligible business to certify that it has met the capital investment and employment requirements of the program, as set forth in subsections b. and c. of section 5 of

P.L.2025, c.123 (C.34:1B-407), and to report annually to the authority the number of new full-time jobs, and the salaries thereof, for which the tax credits are to be allowed;

(6) representations that the eligible business is in substantial good standing with the Department of Environmental Protection, the Department of Labor and Workforce Development, and the Department of the Treasury, or has entered into an agreement with the departments that includes a practical corrective action plan, and that the project complies with all applicable laws and, specifically, that the project does not violate any environmental law;

(7) a provision permitting the authority to require an audit of the payroll records of the eligible business to be conducted from time to time, as the authority deems necessary;

(8) (a) a provision requiring the eligible business to submit an annual report to the chief executive officer of the authority, in a form and manner prescribed by the authority, for the purpose of allowing the authority to confirm that the eligible business is in substantial good standing with the Department of Environmental Protection, the Department of Labor and Workforce Development, and the Department of the Treasury or has entered into an agreement with the respective department that includes a practical corrective action plan;

(b) a requirement that at certification of project completion, the eligible business shall confirm that each contractor or subcontractor performing work at the qualified business facility: is registered as required by "The Public Works Contractor Registration Act," P.L.1999, c.238 (C.34:11-56.48 et seq.); has not been debarred by the Department of Labor and Workforce Development from engaging in or bidding on Public Works Contracts in the State; and possesses a tax clearance certificate issued by the Division of Taxation in the Department of the Treasury.

(c) a provision that if the eligible business fails to submit any report required under this paragraph, if the Department of Environmental Protection, the Department of Labor and Workforce Development, or the Department of the Treasury advises that the eligible business is neither in substantial good standing nor has entered into a practical corrective action plan, or if the eligible business fails to confirm that each contractor or subcontractor is in compliance with this paragraph, then the eligible business shall forfeit the issuance of tax credits, pending resolution of the underlying violations or other issues;

(9) a requirement for the eligible business to submit evidence, as required by the authority, that it has entered into and maintained a collaborative relationship with a New Jersey public or private college or university, public or private high school, or workforce development organization, or any combination thereof;

(10) a provision permitting the authority to amend the project agreement; and

(11) a provision establishing the conditions under which the authority, the eligible business, or both may terminate the agreement.

c. (1) The authority may recapture all or part of a tax credit awarded if an eligible business does not remain in compliance with the requirements of a project agreement for the duration of the commitment period. A recapture of tax credits initiated pursuant to this subsection may include interest on the recapture amount, at a rate equal to the statutory rate for corporate business or insurance premiums tax deficiencies, plus any statutory penalties, and all costs incurred by the authority and the Division of Taxation in the Department of the Treasury in connection with the pursuit of the recapture, including, but not limited to, counsel fees, court costs, and other costs of collection. Failure of the eligible business to meet any program criteria shall constitute a default and shall result in the recapture of all or part of the tax credit awarded.

(2) If all or part of a tax credit sold or assigned pursuant to section 9 of P.L.2025, c.123 (C.34:1B-411) is subject to recapture, then the authority shall pursue recapture from the eligible business and not from the purchaser or assignee of the tax credit transfer certificate.

The purchaser or assignee of a tax credit transfer certificate shall be subject to any limitations and conditions that apply to the use of the tax credits by the eligible business.

(3) Any funds recaptured pursuant to this subsection, including penalties and interest, shall be deposited into the General Fund.

d. A business may include an affiliate for any period, provided that the business provides a valid tax clearance certificate for the affiliate and a verification of the nature of the affiliate relationship during the relevant period and provided further that the affiliate provides acceptable responses to the authority's legal disclosures inquiries, as determined by the authority. A formal modification of the authority's approval of the project agreement shall not be necessary to add or remove an affiliate after approval or execution of the project agreement.

e. A business may change its name filed with the authority by providing a copy of the filed amendment to the certificate of incorporation or formation, as the case may be, of the business and a valid tax clearance certificate with the business's new name. A formal modification of the authority's approval shall not be necessary to change a business's name after approval or execution of the project agreement.

C.34:1B-410 Certifications evidencing capital investment, employment requirements were met, Next New Jersey Manufacturing Program.

8. a. Upon completion of the capital investment and employment requirements of the program, an eligible business shall submit certifications to the authority, in a form and manner prescribed by the authority, evidencing that the eligible business has satisfied the conditions relating to the capital investment and employment requirements of the project agreement, and including such supporting evidence as the authority deems necessary. The chief executive officer of the business, or an equivalent officer, shall certify that all factual representations made by the business to the authority pursuant to this subsection are true under the penalty of perjury.

b. (1) In accordance with the project agreement, beginning upon the receipt of occupancy permits for any portion of the project, or upon any other event evidencing project completion as set forth in the project agreement, an eligible business shall be allowed a tax credit in an amount determined pursuant to this subsection. No more than the amount of tax credits equal to the total credit amount awarded under the program divided by the duration of the eligibility period in years may be taken in any tax period.

(2) Not including any bonus awarded pursuant to paragraph (3) of this subsection, the amount of the tax credit awarded under the program to an eligible business shall be the lesser of:

(a) the product of 0.1 percent of the eligible business's total capital investment, multiplied by the number of new full-time jobs;

(b) 25 percent of the eligible business's total capital investment; or

(c) \$150,000,000.

(3) The authority may in its discretion establish one or more bonuses, not to exceed a total of five percent of the award approved by the authority pursuant to paragraph (2) of this subsection, for which an eligible business may apply in a form and manner prescribed by the authority. Criteria related to the eligibility for, and approval of, such bonuses shall be established in rules and regulations adopted in accordance with section 10 of P.L.2025, c.123 (C.34:1B-412), and may include, but shall not be limited to, the following: the eligible business's qualified business facility is located in an opportunity zone eligible census tract pursuant to 26 U.S.C. s.1400Z-1; the eligible business is certified as part of the Business Certification Program administered by the Division of Revenue and Enterprise Services in the Department of the Treasury; the eligible business has at least one active and executed collective bargaining agreement; the eligible business operates in a targeted industry or part of the supply chain for a targeted industry; and any other criteria as determined by the authority.

c. (1) Commencing in the year in which the grant of tax credits is issued and for the remainder of the commitment period, an eligible business that is awarded tax credits under the program shall submit an annual report, no later than the date indicated in the project agreement, indicating whether the eligible business continues to maintain the number of new full-time jobs, and the salaries thereof, specified in the project agreement. As part of the annual report, an eligible business shall provide to the authority a copy of its applicable New Jersey tax return and the quarterly wage report required under R.S.43:21-14 submitted to the Department of Labor and Workforce Development, together with an annual payroll report showing the new full-time jobs that were created in accordance with the project agreement and the new full-time jobs created during each subsequent year of the commitment period. In the annual report, an eligible business shall explain the reason, if applicable, for any discrepancies between the annual payroll report submitted by the eligible business and the quarterly wage report. The failure of an eligible business to submit the information required pursuant to this paragraph shall result in the forfeiture of the award for that year. The chief executive officer of the eligible business, or an equivalent officer, shall certify that the information provided pursuant to this paragraph is true under the penalty of perjury. Claims, records, or statements submitted by an eligible business to the authority in order to receive tax credits shall not be considered claims, records, or statements made in connection with State tax laws.

(2) Upon receipt and review of each report submitted during the eligibility period, the authority shall provide to the eligible business and the director a certificate of compliance indicating the amount of tax credits that the eligible business may apply against its tax liability. The authority shall pro rate the tax credit for the first and last years of the eligibility period based on the number of full months the project was certified in the year the eligible business first certifies.

d. (1) Upon receipt by the director of the certificate of compliance, the director shall allow the eligible business a tax credit. Notwithstanding the provisions of any law or regulation to the contrary, the credit amount may first be taken by the tax certificate holder for the tax period for which it was issued, for the tax period in which it was issued, or in any tax period during the time the business is required to maintain the project at a location in New Jersey, as set forth in the incentive agreement. The tax certificate holder may transfer the tax credit amount on or after the date of issuance for use by the transferee in the tax period for which it was issued, for the tax period in which it was issued, or in any of the next three successive tax periods. The tax certificate holder or transferee may first use the credit against tax liabilities in the tax period in which it was issued or in a succeeding tax period, as authorized in this subsection, without the need for amending the tax return for the tax period for which the credit was issued, subject to the provisions of this section. The tax certificate holder or transferee may carry forward an unused credit resulting from the limitations of paragraph (3) of this subsection, if necessary, for use in any of the next 10 successive tax periods, which credit shall expire thereafter.

(2) The amount of credit allowed may be applied against the tax liability otherwise due pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5.

(3) The director shall prescribe the order of priority of the application of the credit allowed under this section and any other credits allowed by law against the tax imposed under section 5 of P.L.1945, c.162 (C.54:10A-5). The amount of a credit applied under this section against the tax imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) for a privilege period, together with any other credits allowed by law, shall not reduce the tax liability to an amount less than the statutory minimum provided in subsection (e) of section 5 of P.L.1945, c.162 (C.54:10A-5).

e. An eligible business shall forfeit the credit amount for any tax period for which the eligible business's documentation remains uncertified as of the date for certification indicated in the project agreement, although credit amounts for the remainder of the years of the eligibility period shall remain available to the eligible business.

f. If, in any tax period, the number of new employees in eligible positions, or the salaries thereof, drops below 80 percent of the number of new employees in eligible positions specified in the project agreement or the amount required as a condition of program eligibility pursuant to section 4 of P.L.2025, c.123 (C.34:1B-406), whichever is greater, then the eligible business shall forfeit all tax credits allowed for that tax period and each subsequent tax period, until the first tax period in which the authority has reviewed and approved documentation, submitted by the eligible business, demonstrating that the number of new employees in eligible positions, or the salaries thereof, is not less than 80 percent of the number specified in the project agreement or the amount required as a condition of program eligibility pursuant to section 4 of P.L.2025, c.123 (C.34:1B-406), whichever is greater.

C.34:1B-411 Tax credit transfer certificate application, substitution, limitations.

9. a. Within three years of the tax period in which the director first allows the eligible business a tax credit, an eligible business may apply to the director and the chief executive officer of the authority for a tax credit transfer certificate in lieu of the eligible business being allowed any amount of the tax credit against the State tax liability of the eligible business. The tax credit transfer certificate, upon receipt thereof by the eligible business from the director and the chief executive officer of the authority, may be sold or assigned, in an amount not less than \$25,000, within three years of the tax period in which the eligible business receives the tax credit transfer certificate from the director, to another person that may have a tax liability pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and 54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. The tax credit transfer certificate provided to the eligible business shall include a statement waiving the eligible business's right to claim the tax credit that the eligible business has elected to sell or assign.

b. The eligible business shall not sell or assign a tax credit transfer certificate allowed under this section for consideration received by the eligible business of less than 85 percent of the transferred credit amount before considering any further discounting to present value which shall be permitted. The tax credit transfer certificate issued to the eligible business by the director shall be subject to any limitations and conditions imposed on the application of State tax credits pursuant to P.L.2025, c.123 (C.34:1B-403 et al.) and any other terms and conditions that the director may prescribe.

c. A purchaser or assignee of a tax credit transfer certificate pursuant to this section shall not make any subsequent transfers, assignments, or sales of the tax credit transfer certificate.

d. The authority shall publish on its Internet website the following information concerning each tax credit transfer certificate approved by the authority and the director pursuant to this section:

- (1) the name of the transferor;
- (2) the name of the transferee;
- (3) the value of the tax credit transfer certificate;
- (4) the State tax against which the transferee may apply the tax credit; and
- (5) the consideration received by the transferor.

C.34:1B-412 Rules, regulations.

10. Notwithstanding the provisions of the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the chief executive officer of the authority shall adopt, immediately, upon filing with the Office of Administrative Law, such rules and regulations as the chief executive officer deems necessary to implement the provisions of P.L.2025, c.123 (C.34:1B-403 et al.), which rules and regulations shall be effective for a period not to exceed 365 days after the date of the filing. Before the expiration of the rules and regulations, the chief executive officer shall amend, adopt, or readopt the rules and regulations in accordance with the requirements of the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.).

11. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to read as follows:

C.34:1B-362 Combined value, all tax credits.

98. a. The combined value of all tax credits awarded under the "Historic Property Reinvestment Act," sections 2 through 8 of P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the "Brownfields Redevelopment Incentive Program Act," sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287); the "New Jersey Innovation Evergreen Act," sections 20 through 34 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food Desert Relief Act," sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through 34:1B-310); the "New Jersey Community-Anchored Development Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335); the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of P.L.2010, c.57 (C.34:1B-209.4); the "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.); the "Next New Jersey Program Act," P.L.2024, c.49 (C.34:1B-394 et al.); P.L.2025, c.111 (C.55:14K-106 et al.); and the “Next New Jersey Manufacturing Program Act,” P.L.2025, c.123 (C.34:1B-403 et al.) shall not exceed an overall cap of \$11.5 billion over a nine-year period, subject to the conditions and limitations set forth in this section. Of this \$11.5 billion, \$2.5 billion shall be reserved for transformative projects approved under the Aspire Program.

b. (1) The total value of tax credits awarded under any constituent program of the "New Jersey Economic Recovery Act of 2020," P.L.2020, c.156 (C.34:1B-269 et al.); the "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.); the "Next New Jersey Program Act," P.L.2024, c.49 (C.34:1B-394 et al.); P.L.2025, c.111 (C.55:14K-106 et al.); and the “Next New Jersey Manufacturing Program Act,” P.L.2025, c.123 (C.34:1B-403 et al.) shall be subject to the following limitations, except as otherwise provided in subsection c. of this section:

(a) for tax credits awarded under the "Historic Property Reinvestment Act," sections 2 through 8 of P.L.2020, c.156 (C.34:1B-270 through 34:1B-276), the total value of tax credits annually awarded during each of the first six years of the nine-year period shall not exceed \$50 million;

(b) (i) for tax credits awarded under the "Brownfields Redevelopment Incentive Program Act," sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value of tax credits annually awarded during each of the first six years of the nine-year period shall not exceed \$50 million and the total value of tax credits awarded over the entirety of the nine-year period shall not exceed \$100,000,000;

(ii) from the tax credits made available to the "Brownfields Redevelopment Incentive Program Act," sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the sum of \$200,000,000 in tax credits shall be allocated to the New Jersey Housing and Mortgage Finance Agency, established pursuant to P.L.1983, c.530 (C.55:14K-1 et seq.), which tax credits shall be sold through competitive auctions conducted pursuant to sections 3

through 7 of P.L.2025, c.111 (C.55:14K-106 through 55:14K-110). All proceeds of the tax credit auctions shall be used by the New Jersey Housing and Mortgage Finance Agency for the purposes authorized in subsection b. of section 4 of P.L.2025, c.111 (C.55:14K-107). Notwithstanding any provision of law or regulation to the contrary, the tax credits reallocated to the New Jersey Housing and Mortgage Finance Agency shall not be subject to any requirements or conditions of the "New Jersey Economic Recovery Act of 2020," P.L.2020, c.156 (C.34:1B-269 et al.), as amended or supplemented;

(c) for tax credits awarded under the "New Jersey Innovation Evergreen Act," sections 20 through 34 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302), the total value of tax credits annually awarded during each of the first six years of the nine-year period shall not exceed \$60 million and the total value of tax credits awarded over the entirety of the nine-year period shall not exceed \$300,000,000;

(d) for tax credits awarded under the "Food Desert Relief Act," sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through 34:1B-310), the total value of tax credits annually awarded during each of the first six years of the nine-year period shall not exceed \$40 million;

(e) for tax credits awarded under the "New Jersey Community-Anchored Development Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), and the "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), the total value of tax credits awarded during the nine-year period shall not exceed \$1,200,000,000, provided, however, tax credits shall not be available under the "New Jersey Community-Anchored Development Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), until January 1, 2026. Beginning January 1, 2026, the authority shall annually award tax credits under the "New Jersey Community-Anchored Development Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), valuing no greater than \$130 million for projects located in the 13 northern counties of the State, and the authority shall annually award tax credits valuing no greater than \$70 million for projects located in the eight southern counties of the State. If during any year of operation of the "New Jersey Community-Anchored Development Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), the authority awards tax credits pursuant to the program in an amount less than the annual limitation for projects located in northern counties or southern counties, as applicable, the uncommitted portion of the annual limitation shall be available to be deployed by the authority in a subsequent year without consideration to the county in which a project is located;

(f) for tax credits awarded under the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not including tax credits awarded for transformative projects, the total value of tax credits annually awarded during each of the first six years of the nine-year period shall not exceed \$1.1 billion. If the authority awards tax credits in an amount less than the annual limitation, then the uncommitted portion of the annual limitation shall be made available for qualified offshore wind projects awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4), pursuant to subparagraph (h) of this paragraph, projects awarded a tax credit pursuant to the "Next New Jersey Program Act," P.L.2024, c.49 (C.34:1B-394 et al.), pursuant to subparagraph (k) of this paragraph, projects awarded a tax credit pursuant to the "Next New Jersey Manufacturing Program Act," P.L.2025, c.123 (C.34:1B-403 et al.), pursuant to subparagraph (l) of this paragraph, or New Jersey studio partners, New Jersey film-lease production companies, and taxpayers, other than New Jersey studio partners and New Jersey film-lease production companies awarded under sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b), pursuant to subparagraph (i) of this paragraph and subsection d. of this section. During each of the first six years of the nine-year period, the authority shall annually award tax credits valuing no greater than \$715 million for

projects located in the northern counties of the State, and the authority shall annually award tax credits valuing no greater than \$385 million for projects located in the southern counties of the State under the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.). If during any of the first six years of the nine-year period, the authority awards tax credits under the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), in an amount less than the annual limitation for projects located in northern counties or southern counties, as applicable, the uncommitted portion of the annual limitation shall be available to be deployed by the authority in a subsequent year, provided that the uncommitted portion of tax credits shall be awarded for projects located in the applicable geographic area, except that (i) after the completion of the third year of the nine-year period, the authority may deploy 50 percent of the uncommitted portion of tax credits for any previous year without consideration to the county in which a project is located; and (ii) after the completion of the sixth year of the nine-year period, the authority may deploy all available tax credits, including the uncommitted portion of the annual limitation for any previous year, without consideration to the county in which a project is located;

(g) except as provided in subparagraph (j) of this paragraph, for tax credits awarded for transformative projects under the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), the total value of tax credits awarded during the nine-year period shall not exceed \$2.5 billion. The total value of tax credits awarded for transformative projects in a given year shall not be subject to an annual limitation, except that the total value of tax credits awarded to any transformative project shall not exceed \$400 million;

(h) from the tax credits made available, pursuant to subparagraph (f) of this paragraph, to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not including tax credits awarded for transformative projects, an amount not to exceed \$350,000,000 shall be made available for qualified offshore wind projects awarded a credit pursuant to section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three years of the nine-year period;

(i) beginning in fiscal year 2023, from the tax credits made available, pursuant to subparagraph (f) of this paragraph, to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not including tax credits awarded for transformative projects, additional amounts shall be made available for New Jersey studio partners, New Jersey film-lease production companies, and taxpayers, other than New Jersey studio partners and New Jersey film-lease production companies pursuant to sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b);

(j) beginning in fiscal year 2024, from the tax credits made available, pursuant to subparagraph (f) of this paragraph, to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not including tax credits awarded for transformative projects, an amount not to exceed \$500,000,000 may be annually transferred for the award to transformative projects under the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the remaining allocation of tax credits otherwise available for transformative projects, pursuant to subparagraph (g) of this paragraph, is less than \$1,000,000,000; and (ii) the

authority board determines that the transfer of tax credits is warranted based on such criteria as the authority deems appropriate, which may include the criteria set forth in paragraph (2) of this subsection. If a transfer of tax credits is made pursuant to this subparagraph, the authority shall award no greater than 65 percent of the tax credits transferred pursuant to this subparagraph to transformative projects located in the northern counties of the State and no greater than 35 percent of the tax credits transferred pursuant to this subparagraph to transformative projects located in the southern counties of the State;

(k) beginning in fiscal year 2025, from the tax credits made available, pursuant to subparagraph (f) of this paragraph, to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), but not including tax credits awarded for transformative projects, an amount not to exceed \$500,000,000 shall be made available for projects awarded a tax credit pursuant to the "Next New Jersey Program Act," P.L.2024, c.49 (C.34:1B-394 et al.);

(l) once the tax credits allocated for competitive auctions conducted pursuant to sections 3 through 7 of P.L.2025, c.111 (C.55:14K-106 through 55:14K-110) pursuant to subsubparagraph (ii) of subparagraph (b) of this paragraph are exhausted, from the tax credits made available, pursuant to subparagraph (f) of this paragraph, to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), but not including tax credits awarded for transformative projects, the sum of \$300,000,000 shall be made available to the New Jersey Housing and Mortgage Finance Agency, established pursuant to P.L.1983, c.530 (C.55:14K-1 et seq.), which tax credits shall be sold through competitive auctions conducted pursuant to sections 3 through 7 of P.L.2025, c.111 (C.55:14K-106 through 55:14K-110). The amount made available pursuant to this subparagraph shall be allocated in annual installments, each of which is not to exceed the cap set forth in paragraph (3) of subsection a. of section 4 of P.L.2025, c.111 (C.55:14K-107), as needed to conduct auctions pursuant to that section. All proceeds of the tax credit auctions shall be used by the New Jersey Housing and Mortgage Finance Agency for the purposes authorized in subsection b. of section 4 of P.L.2025, c.111 (C.55:14K-107). Notwithstanding any provision of law or regulation to the contrary, the tax credits reallocated to the New Jersey Housing and Mortgage Finance Agency shall not be subject to any requirements or conditions of the "New Jersey Economic Recovery Act of 2020," P.L.2020, c.156 (C.34:1B-269 et al.), as amended or supplemented; and

(m) beginning in fiscal year 2026, from the tax credits made available, pursuant to subparagraph (f) of this paragraph, to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), but not including tax credits awarded for transformative projects, an amount not to exceed \$500,000,000 shall be made available for projects awarded a tax credit pursuant to the "Next New Jersey Manufacturing Program Act," P.L.2025, c.123 (C.34:1B-403 et al.). In accordance with the provisions of subsection g. of section 5 of P.L.2025, c.123 (C.34:1B-407), \$100,000,000 of the tax credits made available to the "Next New Jersey Manufacturing Program Act," P.L.2025, c.123 (C.34:1B-403 et al.) pursuant to this subparagraph shall be reserved exclusively for eligible businesses that are clean energy product manufacturers.

(2) The authority may in any given year determine that it is in the State's interest to approve an amount of tax credits in excess of the annual limitations set forth in paragraph (1) of this subsection, but in no event more than \$200,000,000 in excess of the annual limitation, upon a determination by the authority board that such increase is warranted based on specific criteria that may include:

(i) the increased demand for opportunities to create or retain employment and investment in the State as indicated by the volume of project applications and the amount of tax credits being sought by those applications;

(ii) the need to protect the State's economic position in the event of an economic downturn;

(iii) the quality of project applications and the net economic benefit to the State and municipalities associated with those applications;

(iv) opportunities for project applications to strengthen or protect the competitiveness of the State under the prevailing market conditions;

(v) enhanced access to employment and investment for underserved populations in distressed municipalities and qualified incentives tracts;

(vi) increased investment and employment in high-growth technology sectors and in projects that entail collaboration with education institutions in the State;

(vii) increased development proximate to mass transit facilities;

(viii) any other factor deemed relevant by the authority.

c. In the event that the authority in any year approves projects for tax credits in an amount less than the annual limitations set forth in paragraph (1) of subsection b. of this section, then the uncommitted portion of the annual limitation shall be available to be deployed by the authority in future years for projects under the same program, provided however, that in no event shall the aggregate amount of tax credits approved be in excess of the overall cap of \$11.5 billion, and in no event shall the uncommitted portion of the annual limitation for any previous year be deployed after the conclusion of the nine-year period.

d. Notwithstanding the provisions of any other law to the contrary, the uncommitted balance of the total value of tax credits authorized for award by the authority pursuant to subparagraph (f) of paragraph (1) of subsection b. of this section to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made available for tax credits allowed to New Jersey studio partners, New Jersey film-lease production companies, and taxpayers, other than New Jersey studio partners and New Jersey film-lease production companies pursuant to sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b). The value of tax credits, including tax credits allowed through the granting of tax credit transfer certificates, made available to New Jersey studio partners, New Jersey film-lease production companies, and taxpayers, other than New Jersey studio partners and New Jersey film-lease production companies pursuant to this subsection shall be as follows:

(1) in fiscal year 2023, \$250,000,000 for New Jersey studio partners and \$250,000,000 for New Jersey film-lease production companies;

(2) in fiscal year 2024, \$250,000,000 for New Jersey studio partners and \$250,000,000 for New Jersey film-lease production companies; and

(3) in fiscal year 2025, \$250,000,000 for New Jersey studio partners, \$250,000,000 for New Jersey film-lease production companies, and \$300,000,000 for taxpayers, other than New Jersey studio partners and New Jersey film-lease production companies.

If the value of tax credits, including tax credits allowed through the granting of tax credit transfer certificates, approved to New Jersey studio partners and New Jersey film-lease production companies in any fiscal year pursuant to this subsection is less than the cumulative total amount of tax credits permitted to be approved in that fiscal year, the authority shall certify the amount of the remaining tax credits available for approval to each such category in that fiscal year and shall increase the cumulative total amount of tax credits permitted to be approved for New Jersey studio partners and New Jersey film-lease production companies in the subsequent fiscal year by the certified amount remaining for each such category from the prior fiscal year.

12. This act shall take effect immediately.

Approved August 13, 2025.

ASSEMBLY, No. 5687

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED MAY 15, 2025

Sponsored by:

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

Assemblyman ANTWAN L. MCCLELLAN

District 1 (Atlantic, Cape May and Cumberland)

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

SYNOPSIS

Establishes Next New Jersey Manufacturing Program to incentivize in-State manufacturing investments and job creation.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/12/2025)

1 AN ACT establishing the Next New Jersey Manufacturing Program
2 and amending and supplementing P.L.2020, c.156.

3

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

6

7 1. (New section) P.L. , c. (C.) (pending before the
8 Legislature as this bill) shall be known and may be cited as the
9 “Next New Jersey Manufacturing Program Act.”

10

11 2. (New section) The Legislature finds and declares that:

12 a. Manufacturers are vital contributors to the State's economic
13 health and overall prosperity. They serve as engines of growth,
14 driving job creation, stimulating innovation, and fostering a robust
15 and productive workforce. By producing goods and contributing to
16 the supply chain, manufacturing facilities bolster the State's
17 competitiveness in the global market.

18 b. Projects involving manufacturing and manufacturers are
19 inherently beneficial to the State because they provide vital
20 contributions to the communities in which they are located,
21 enhancing the quality of life for residents, and producing
22 immeasurable economic benefits to the State.

23 c. The Next New Jersey Manufacturing Program is a
24 comprehensive tax credit program designed to drive substantial
25 investment, foster the creation of new jobs, and position New Jersey
26 as a leader in the manufacturing economy. The program will
27 encourage a wide range of manufacturing activities benefitting
28 various industries, including advanced manufacturing; non-retail
29 food and beverage; life sciences; defense; and the production of
30 components for clean energy technologies, such as offshore wind,
31 solar, geothermal, green hydrogen, nuclear energy, fuel cells,
32 battery storage, and other sustainable clean energy solutions.

33 d. By offering competitive incentives, the Next New Jersey
34 Manufacturing Program encourages companies to allocate their
35 capital investments to New Jersey while demonstrating a long-term
36 commitment to the State's economic growth. The program is
37 designed for manufacturing facilities that establish or expand their
38 physical presence in New Jersey.

39

40 3. (New section) As used in P.L. , c. (C.) (pending
41 before the Legislature as this bill):

42 “Affiliate” means an entity that directly or indirectly controls, is
43 under common control with, or is controlled by an eligible business.
44 Control exists in all cases in which the entity is a member of a
45 controlled group of corporations as defined pursuant to section 1563

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 of the federal Internal Revenue Code (26 U.S.C. s.1563) or the
2 entity is an organization in a group of organizations under common
3 control that is subject to the regulations applicable to organizations
4 pursuant to subsection (b) or (c) of section 414 of the federal
5 Internal Revenue Code (26 U.S.C. s.414). A taxpayer may establish
6 by clear and convincing evidence, as determined by the Director of
7 the Division of Taxation in the Department of the Treasury, that
8 control exists in situations involving lesser percentages of
9 ownership than required by sections 1563 and 414 of the Internal
10 Revenue Code of 1986 (26 U.S.C. ss.1563 and 414). An affiliate of
11 a business may contribute to meeting either the capital investment
12 or full-time employee requirements of a business and new full-time
13 job requirements and may satisfy the requirement for site control
14 during construction and the eligibility period, but in no event shall
15 the tax credit certificate be issued to any affiliate.

16 “Authority” means the New Jersey Economic Development
17 Authority established by section 4 of P.L.1974, c.80 (C.34:1B-4).

18 “Board” means the Board of the New Jersey Economic
19 Development Authority, established by section 4 of P.L.1974, c.80
20 (C.34:1B-4).

21 “Building services” means any cleaning or routine building
22 maintenance work, including but not limited to sweeping,
23 vacuuming, floor cleaning, cleaning of rest rooms, collecting refuse
24 or trash, window cleaning, securing, patrolling, or other work in
25 connection with the care or securing of an existing building,
26 including services typically provided by a door-attendant or
27 concierge. “Building services” shall not include any skilled
28 maintenance work, professional services, or other public work for
29 which a contractor is required to pay the “prevailing wage,” as
30 defined in section 2 of P.L.1963, c.150 (C.34:11-56.26).

31 “Business” means an applicant proposing to own or lease
32 premises in a qualified business facility that is: a corporation
33 subject to the tax imposed pursuant to section 5 of P.L.1945, c.162
34 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and
35 C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or
36 N.J.S.17B:23-5; or is a partnership, S corporation, limited liability
37 company, or non-profit corporation. A business shall include an
38 affiliate of the business if that business applies for a tax credit based
39 upon any capital investment made by or full-time employees of an
40 affiliate.

41 “Capital investment” means expenses that a business or an
42 affiliate of the business incurred on behalf of the business or
43 affiliate by its landlord, at the qualified business facility following
44 its submission of a completed application to the authority pursuant
45 to section 5 of P.L. , c. (C.) (pending before the Legislature as
46 this bill), but prior to the project completion date, as shall be
47 defined in the project agreement pursuant to section 7 of P.L. , c.
48 (C.) (pending before the Legislature as this bill), or until such

1 other time specified by the authority, and which expenses are
2 incurred for:

3 (1) site preparation and construction, repair, renovation,
4 improvement, equipping, or furnishing on real property or of a
5 building, structure, facility, or improvement to real property;

6 (2) obtaining and installing furnishings and machinery,
7 apparatus, or equipment, or obtaining and installing of parts in an
8 existing facility for the operation of a business on real property or
9 in a building, structure, facility, or improvement to real property; or
10 any combination of the foregoing;

11 (3) improvement to a site-related utility of the real property,
12 including, but not limited to, water, electric, sewer, and stormwater,
13 and transportation infrastructure improvements, plantings, solar
14 panels and components, energy storage components, installation
15 costs of solar energy systems or other environmental components
16 required to attain the level of silver rating and gold rating standards
17 or above in the LEED building rating system, but only to the extent
18 that such capital investments have not received any grant financial
19 assistance from any other State funding source;

20 (4) the value of a capital lease, as defined by generally accepted
21 accounting practices (GAAP), of furnishings and machinery,
22 apparatus, or equipment, based on the shorter of the useful life of
23 the leased property or the commitment period; and

24 (5) associated soft costs, which shall not exceed 20 percent of
25 all capital investment.

26 "Capital investment" shall not include site acquisition vehicles
27 and heavy equipment not permanently located in the building,
28 structure, facility, or improvement. Landlord contributions for the
29 purpose of eligibility of the program, are allowed.

30 "Clean energy product manufacturer" means a business engaged
31 in the production or assembly of goods by transforming raw
32 materials or sub-components into components for renewable
33 energy, such as offshore wind, solar, geothermal, green hydrogen,
34 nuclear energy, fuel cells, battery storage, or other clean energy
35 manufacturing "Clean energy product manufacturer" does not
36 include businesses engaged in retail, wholesale, packaging,
37 software development, resource extraction, or waste incineration.

38 "Commitment period" means a period that is no less than two
39 times the eligibility period, as specified in the project agreement
40 entered into pursuant to section 7 of P.L. , c. (C.) (pending
41 before the Legislature as this bill).

42 "Director" means the Director of the Division of Taxation in the
43 Department of the Treasury.

44 "Eligibility period" means the period in which an eligible
45 business may claim a tax credit under the program, beginning with
46 the tax period in which the authority accepts certification of the
47 eligible business that it has met the capital investment and

1 employment requirements of the program and extending thereafter
2 for a term of five years.

3 “Eligible business” means any business that is a clean energy
4 product manufacturer or manufacturer, and that satisfies the criteria
5 set forth in section 5 of P.L. , c. (C.) (pending before the
6 Legislature as this bill) at the time of application for tax credits
7 under the program.

8 “Eligible position” or “full-time job” means a position in a
9 business in this State which the business has filled with a full-time
10 employee who spends at least 80 percent of the employee’s work
11 time in the State or at the qualified business facility, or spends any
12 other period of work time generally accepted by custom or practice,
13 as determined by the authority in its sole discretion based on the
14 characteristics of the employee’s job and work time in the State or
15 at the qualified business facility, and is offered employee health
16 benefits under a group health plan as defined under section 14 of
17 P.L.1997, c.146 (C.17B:27-54), a health benefits plan as defined
18 under section 1 of P.L.1992, c.162 (C.17B:27A-17), or a policy or
19 contract of health insurance covering more than one person issued
20 pursuant to Article 2 of Chapter 27 of Title 17B of the New Jersey
21 Statutes; provided, however, that the requirement to offer employee
22 health benefits shall be deemed to be satisfied if the benefits are
23 provided by the business or pursuant to a collective bargaining
24 agreement, no later than 90 days after the employee’s start date,
25 under a health benefits plan authorized pursuant to State or federal
26 law. An eligible position shall not include an independent
27 contractor or a consultant.

28 “Full-time employee” means a person who is:

29 (1) employed by a business for consideration for at least 35
30 hours a week, or who renders any other standard of service
31 generally accepted by custom or practice as full-time employment,
32 and whose wages are subject to withholding as provided in the
33 "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq.;

34 (2) employed by a professional employer organization pursuant
35 to an employee leasing agreement between the business and the
36 professional employer organization, pursuant to P.L.2001, c.260
37 (C.34:8-67 et seq.) for at least 35 hours a week, or who renders any
38 other standard of service generally accepted by custom or practice
39 as full-time employment, and whose wages are subject to
40 withholding as provided in the "New Jersey Gross Income Tax
41 Act," N.J.S.54A:1-1 et seq.; or

42 (3) a resident of another State, whose income is not subject to
43 the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., due
44 to a reciprocity agreement with the other state, or who is a partner
45 of a business who works for the partnership for at least 35 hours a
46 week, or who renders any other standard of service generally
47 accepted by custom or practice as full-time employment, and whose
48 distributive share of income, gain, loss, or deduction, or whose

1 guaranteed payments, or any combination thereof, is subject to the
2 payment of estimated taxes, as provided in the "New Jersey Gross
3 Income Tax Act," N.J.S.54A:1-1 et seq., due to a reciprocity
4 agreement with the other state.

5 A "full-time employee" includes, but shall not be limited to, an
6 employee that has been hired by way of a labor union hiring hall or
7 its equivalent. 35 hours of employment per week in the State shall
8 constitute one "full-time employee," regardless of whether or not
9 the hours of work were performed by one or more persons.

10 "Full-time employee" shall not include any person who works as
11 an independent contractor or on a consulting basis for the business
12 or a contract worker.

13 "Manufacturer" means a business engaged in the production or
14 assembly of goods by transforming raw materials or sub-
15 components into components or finished products through various
16 industrial processes, including but not limited to fabrication,
17 assembly, or chemical processes. "Manufacturer" does not include
18 businesses engaged in retail, wholesale, packaging, software
19 development, resource extraction, or waste incineration.

20 "Minimum environmental and sustainability standards" means
21 standards established by the authority in accordance with the green
22 building manual prepared by the Commissioner of Community
23 Affairs pursuant to section 1 of P.L.2007, c.132 (C.52:27D-130.6),
24 regarding the use of renewable energy, energy-efficient technology,
25 and non-renewable resources to reduce environmental degradation
26 and encourage long-term cost reduction.

27 "New full-time job" means an eligible position created by a
28 business, following approval of the business's application by the
29 board, that did not previously exist in this State. For the purposes
30 of determining the number of new full-time jobs, the eligible
31 positions of an affiliate shall be considered eligible positions of the
32 business. For the purpose of calculating the number of new full-
33 time jobs, a position shall not be considered a new full-time job
34 unless it is in addition to the number of full-time jobs in the
35 business's Statewide workforce in the last tax accounting or
36 privilege period prior to the tax credit amount approval.

37 "Partnership" means an entity classified as a partnership for
38 federal income tax purposes.

39 "Professional employer organization" means an employee
40 leasing company registered with the Department of Labor and
41 Workforce Development pursuant to P.L.2001, c.260 (C.34:8-67 et
42 seq.).

43 "Program" means the Next New Jersey Manufacturing Program
44 established by section 4 of P.L. , c. (C.) (pending before the
45 Legislature as this bill).

46 "Project" means the capital investment at a qualified business
47 facility and the employment commitment required pursuant to the
48 project agreement.

1 “Project agreement” means the contract executed between an
2 eligible business and the authority pursuant to section 7 of P.L. ,
3 c. (C.) (pending before the Legislature as this bill), which
4 sets forth the terms and conditions under which the eligible business
5 may receive the tax credits authorized pursuant to the program.

6 “Qualified business facility” means any building, complex of
7 buildings, or structural components of buildings, and all machinery
8 and equipment located therein, used in connection with the
9 operation of an eligible business primarily for: (1) the production or
10 assembly of goods by transforming raw materials into components
11 for renewable energy, such as offshore wind, solar, geothermal,
12 green hydrogen, fuel cells, or other clean energy; (2) producing or
13 assembling of goods transforming raw materials or components into
14 finished products through various industrial processes; or (3)
15 investigating, experimenting, and innovating to create new products
16 or improve existing products. Ancillary activities related to
17 packaging and distribution at the qualified business facility are
18 permitted.

19 “Soft costs” means all costs associated with financing, design,
20 engineering, legal services, or real estate commissions, including,
21 but not limited to, architect fees, permit fees, loan origination and
22 closing costs, construction management, and freight and shipping
23 delivery, but not including early lease termination costs, air fare,
24 mileage, tolls, gas, meals, packing material, marketing, temporary
25 signage, incentive consultant fees, authority fees, loan interest
26 payments, escrows, or other similar costs.

27 “Statewide workforce” means the total number of full-time
28 employees in the Statewide workforce of the business and any
29 affiliate of the business, if the affiliate contributes any capital
30 investment or full-time employees. "Statewide workforce" shall not
31 include full-time employees at any final point-of-sale retail
32 facilities unless the project, as approved by the board, includes full-
33 time employees engaged in final point-of-sale retail.

34 “Targeted industry” means any industry identified from time to
35 time by the authority which shall initially include advanced
36 transportation and logistics, advanced manufacturing, aviation,
37 autonomous vehicle and zero-emission vehicle research or
38 development, clean energy, life sciences, hemp processing,
39 information and high technology, finance and insurance,
40 professional services, film and digital media, non-retail food and
41 beverage businesses including food innovation, and other
42 innovative industries that disrupt current technologies or business
43 models.

44
45 4. (New section) a. The Next New Jersey Manufacturing
46 Program is hereby established as a program under the jurisdiction of
47 the New Jersey Economic Development Authority. The authority
48 shall administer the program to attract new investment to New

1 Jersey in key industries, create new jobs and economic
2 opportunities, and position New Jersey as a leader in the
3 manufacturing economy. Subject to the limitations set forth in
4 subsection b. of this section, the board may approve the award of
5 tax credits to an eligible business upon application of the chief
6 executive officer, or equivalent officer, of the eligible business and
7 following the payment of fees.

8 b. The value of all tax credits approved by the authority for
9 eligible businesses shall be subject to the limitations set forth in
10 section 98 of P.L.2020, c.156 (C.34:1B-362).

11
12 5. (New section) a. To be eligible for tax credits under the
13 program, a business's chief executive officer, or equivalent officer,
14 shall demonstrate to the authority at the time of application that:

15 (1) the business shall make, acquire, or lease a capital
16 investment at the qualified business facility not less than the
17 applicable amount set forth in subsection b. of this section;

18 (2) the business shall create new full-time jobs in the State in an
19 amount not less than the applicable number set forth in subsection
20 c. of this section;

21 (3) the median salary of the full-time jobs at the qualified
22 business facility by the business shall be not less than 120 percent
23 of the median salary for manufacturing employees in the county in
24 which the project is located;

25 (4) the business shall be primarily engaged in the activities of a
26 manufacturer or a clean energy manufacturer at the qualified
27 business facility;

28 (5) the business shall enter into a collaborative relationship,
29 evidenced by the provision of opportunities for workforce hiring,
30 training, apprenticeship, or other measures determined appropriate
31 by the authority, with New Jersey public or private colleges or
32 universities, public or private high schools, or workforce
33 development organizations, or any combination thereof;

34 (6) the qualified business facility shall be in compliance with
35 minimum environmental and sustainability standards;

36 (7) the project shall comply with the authority's affirmative
37 action requirements, adopted pursuant to section 4 of P.L.1979,
38 c.303 (C.34:1B-5.4); and

39 (8) each worker employed to perform construction work or
40 building services work at the qualified business facility shall be
41 paid not less than the prevailing wage rate for the worker's craft or
42 trade, as determined by the Commissioner of Labor and Workforce
43 Development pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.).

44 b. To be eligible under the program, the minimum capital
45 investment at the qualified business facility shall be \$10,000,000.

46 c. To be eligible under the program, the minimum number of
47 new full-time jobs in the State shall be 20 new full-time jobs.

1 d. The chief executive officer of the business, or an equivalent
2 officer, shall certify that all factual representations made by the
3 business to the authority pursuant to subsection a. of this section are
4 true under the penalty of perjury.

5 e. A business shall not be awarded a tax credit under the
6 program if the business has received a tax credit under the
7 “Business Retention and Relocation Assistance Act,” P.L.1996,
8 c.25 (C.34:1B-112 et seq.), “Business Employment Incentive
9 Program Act,” P.L.1996, c.26 (C.34:1B-124 et al.), section 6 of
10 P.L.2010, c.57 (C.34:1B-209.4), “Grow New Jersey Assistance
11 Act,” P.L.2011, c.149 (C.34:1B-242 et al.), “Emerge Program Act,”
12 sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.),
13 section 4 of P.L.2023, c.125 (C.34:1B-139.4), or the “Next New
14 Jersey Program Act,” P.L.2024, c.49 (C.34:1B-394 et seq.), relating
15 to the same capital investment and employees that qualify the
16 business for a tax credit under the program.

17 f. An eligible business may submit an application to the
18 authority in accordance with the provisions of section 6 of P.L. ,
19 c. (C.) (pending before the Legislature as this bill) on or
20 after the effective date of P.L. , c. (C.) (pending before the
21 Legislature as this bill) but prior to March 1, 2029.

22 g. Beginning on the date that the authority begins accepting
23 applications in accordance with section 6 of P.L. , c. (C.)
24 (pending before the Legislature as this bill) and continuing for two
25 years thereafter, \$100,000,000 of the tax credits made available to
26 the program pursuant to subparagraph (l) of paragraph (1) of
27 subsection b. of section 98 of P.L.2020, c.156 (C.34:1B-362) shall
28 be reserved exclusively for eligible businesses that are clean energy
29 product manufacturers. If during that period, the authority awards
30 less than \$100,000,000 in tax credits to eligible businesses that are
31 clean energy product manufacturers, the uncommitted portion shall
32 be available to be deployed by the authority to any eligible business
33 beginning in the third year next following the date that the authority
34 begins accepting applications in accordance with section 6 of P.L. ,
35 c. (C.) (pending before the Legislature as this bill).

36
37 6. (New section) a. A business that meets the eligibility
38 criteria in section 5 of P.L. , c. (C.) (pending before the
39 Legislature as this bill) and is seeking tax credits for a project under
40 the program shall submit an application to the authority in a form
41 and manner prescribed by the authority.

42 b. Before the board may consider an eligible business's
43 application for tax credits, the authority shall confirm with the
44 Department of Labor and Workforce Development, the Department
45 of Environmental Protection, and the Department of the Treasury
46 whether the eligible business is in substantial good standing with
47 the respective department, or, if necessary, has entered into an
48 agreement with the respective department that includes a practical

1 corrective action plan for the eligible business. The eligible
2 business shall certify that the contractors or subcontractors that will
3 perform work at the qualified business facility: are registered as
4 required by "The Public Works Contractor Registration Act,"
5 P.L.1999, c.238 (C.34:11-56.48 et seq.); have not been debarred by
6 the Department of Labor and Workforce Development from
7 engaging in or bidding on Public Works Contracts in the State; and
8 possess a tax clearance certificate issued by the Division of
9 Taxation in the Department of the Treasury. The authority may also
10 contract with an independent third party to perform a background
11 check on the eligible business.

12 c. An eligible business shall pay to the authority the full
13 amount of the direct costs of an analysis of the eligible business's
14 application for a tax credit, which analysis shall be conducted by a
15 third party retained by the authority if the authority deems such
16 retention to be necessary.

17 d. If, at any time during the eligibility period, the authority
18 determines that the eligible business made a material
19 misrepresentation on the eligible business's application, the eligible
20 business shall forfeit all tax credits awarded under the program,
21 which forfeiture shall be in addition to any other criminal or civil
22 penalties for which the business and the certifying officer may be
23 liable.

24 e. If circumstances require an eligible business to amend its
25 application to the authority, then the chief executive officer of the
26 eligible business, or an equivalent officer, shall certify to the
27 authority that the information provided in its amended application is
28 true under the penalty of perjury.

29 f. Nothing shall preclude a business from applying for tax
30 credits under the program for more than one project through one or
31 more applications.

32

33 7. (New section) a. Following board approval of an
34 application submitted pursuant to section 6 of P.L. , c. (C.)
35 (pending before the Legislature as this bill), within a time period
36 established by the authority but before the authority and an eligible
37 business execute a project agreement pursuant to this section, the
38 eligible business shall demonstrate, in a form and manner
39 prescribed by the authority, that it has obtained site plan approval
40 and has committed financing for, and established site control of, the
41 qualified business facility. The chief executive officer of the
42 business, or an equivalent officer, shall certify that all factual
43 representations made by the business to the authority pursuant to
44 this subsection are true under the penalty of perjury.

45 b. Following approval by the board and compliance with the
46 provisions of subsection a. of this section, but before the issuance of
47 tax credits, the authority shall require an eligible business to enter
48 into a project agreement. The terms of the project agreement shall

- 1 be consistent with the eligibility requirements set forth in section 5
2 of P.L. , c. (C.) (pending before the Legislature as this bill)
3 and shall include, but not be limited to, the following:
- 4 (1) a detailed description of the proposed project that will result
5 in job creation, and the number of new full-time jobs that are
6 approved for tax credits;
- 7 (2) any personnel information that will enable the authority to
8 administer the program;
- 9 (3) a requirement that: the eligible business shall maintain the
10 project at a location in New Jersey for the commitment period; and
11 a provision that if the eligible business does not maintain the project
12 at a location in New Jersey for the commitment period, the
13 authority may recapture all or part of any tax credits awarded, at its
14 discretion;
- 15 (4) a requirement that the eligible business shall maintain the
16 number of new full-time jobs, and the salaries thereof, for which the
17 eligible business certified at the commencement of the eligibility
18 period; a requirement that if, in any tax period, the number of new
19 employees in eligible positions falls below 80 percent of the
20 number of new employees in eligible positions specified in the
21 project agreement or the program minimum, the business shall
22 forfeit any tax credits for which it would otherwise be eligible
23 under the program for that tax period, and in any subsequent period
24 until such time as the applicant restores the threshold minimum; and
25 a provision to permit the authority to proportionally reduce the tax
26 credit award for the business in any tax period in which the number
27 of new full-time jobs, or the salaries thereof, is reduced below the
28 new full-time jobs for which the business certified at the
29 commencement of the eligibility period, as required pursuant to
30 subsection f. of section 8 of P.L. , c. (C.) (pending before
31 the Legislature as this bill);
- 32 (5) a method for the eligible business to certify that it has met
33 the capital investment and employment requirements of the
34 program, as set forth in subsections b. and c. of section 5 of P.L. ,
35 c. (C.) (pending before the Legislature as this bill), and to
36 report annually to the authority the number of new full-time jobs,
37 and the salaries thereof, for which the tax credits are to be allowed;
- 38 (6) representations that the eligible business is in substantial
39 good standing with the Department of Environmental Protection,
40 the Department of Labor and Workforce Development, and the
41 Department of the Treasury, or has entered into an agreement with
42 the departments that includes a practical corrective action plan, and
43 that the project complies with all applicable laws, and specifically,
44 that the project does not violate any environmental law;
- 45 (7) a provision permitting the authority to require an audit of the
46 payroll records of the eligible business to be conducted from time to
47 time, as the authority deems necessary;

1 (8) (a) a provision requiring the eligible business to submit an
2 annual report to the chief executive officer of the authority, in a
3 form and manner prescribed by the authority, for the purpose of
4 allowing the authority to confirm that the eligible business is in
5 substantial good standing with the Department of Environmental
6 Protection, the Department of Labor and Workforce Development,
7 and the Department of the Treasury, or has entered into an
8 agreement with the respective department that includes a practical
9 corrective action plan;

10 (b) a requirement that at certification of project completion, the
11 eligible business shall confirm that each contractor or subcontractor
12 performing work at the qualified business facility: is registered as
13 required by "The Public Works Contractor Registration Act,"
14 P.L.1999, c.238 (C.34:11-56.48 et seq.); has not been debarred by
15 the Department of Labor and Workforce Development from
16 engaging in or bidding on Public Works Contracts in the State; and
17 possesses a tax clearance certificate issued by the Division of
18 Taxation in the Department of the Treasury.

19 (c) a provision that if the eligible business fails to submit any
20 report required under this paragraph, if the Department of
21 Environmental Protection, the Department of Labor and Workforce
22 Development, or the Department of the Treasury advises that the
23 eligible business is neither in substantial good standing nor has
24 entered into a practical corrective action plan, or if the eligible
25 business fails to confirm that each contractor or subcontractor is in
26 compliance with this paragraph, then the eligible business shall
27 forfeit the issuance of tax credits, pending resolution of the
28 underlying violations or other issues;

29 (9) a requirement for the eligible business to submit evidence, as
30 required by the authority, that it has entered into and maintained a
31 collaborative relationship with a New Jersey public or private
32 college or university, public or private high school, or workforce
33 development organization, or any combination thereof;

34 (10) a provision permitting the authority to amend the project
35 agreement; and

36 (11) a provision establishing the conditions under which the
37 authority, the eligible business, or both, may terminate the
38 agreement.

39 c. (1) The authority may recapture all or part of a tax credit
40 awarded if an eligible business does not remain in compliance with
41 the requirements of a project agreement for the duration of the
42 commitment period. A recapture of tax credits initiated pursuant to
43 this subsection may include interest on the recapture amount, at a
44 rate equal to the statutory rate for corporate business or insurance
45 premiums tax deficiencies, plus any statutory penalties, and all
46 costs incurred by the authority and the Division of Taxation in the
47 Department of the Treasury in connection with the pursuit of the
48 recapture, including, but not limited to, counsel fees, court costs,

1 and other costs of collection. Failure of the eligible business to
2 meet any program criteria shall constitute a default and shall result
3 in the recapture of all or part of the tax credit awarded.

4 (2) If all or part of a tax credit sold or assigned pursuant to
5 section 9 of P.L. , c. (C.) (pending before the Legislature
6 as this bill) is subject to recapture, then the authority shall pursue
7 recapture from the eligible business and not from the purchaser or
8 assignee of the tax credit transfer certificate. The purchaser or
9 assignee of a tax credit transfer certificate shall be subject to any
10 limitations and conditions that apply to the use of the tax credits by
11 the eligible business.

12 (3) Any funds recaptured pursuant to this subsection, including
13 penalties and interest, shall be deposited into the General Fund.

14 d. A business may include an affiliate for any period, provided
15 that the business provides a valid tax clearance certificate for the
16 affiliate and a verification of the nature of the affiliate relationship
17 during the relevant period, and provided further that the affiliate
18 provides acceptable responses to the authority's legal disclosures
19 inquiries, as determined by the authority. A formal modification of
20 the authority's approval of the project agreement shall not be
21 necessary to add or remove an affiliate after approval or execution
22 of the project agreement.

23 e. A business may change its name filed with the authority by
24 providing a copy of the filed amendment to the certificate of
25 incorporation or formation, as the case may be, of the business and
26 a valid tax clearance certificate with the business's new name. A
27 formal modification of the authority's approval shall not be
28 necessary to change a business's name after approval or execution
29 of the project agreement.

30

31 8. (New section) a. Upon completion of the capital investment
32 and employment requirements of the program, an eligible business
33 shall submit certifications to the authority, in a form and manner
34 prescribed by the authority, evidencing that the eligible business has
35 satisfied the conditions relating to the capital investment and
36 employment requirements of the project agreement, and including
37 such supporting evidence as the authority deems necessary. The
38 chief executive officer of the business, or an equivalent officer,
39 shall certify that all factual representations made by the business to
40 the authority pursuant to this subsection are true under the penalty
41 of perjury.

42 b. (1) In accordance with the project agreement, beginning
43 upon the receipt of occupancy permits for any portion of the
44 project, or upon any other event evidencing project completion as
45 set forth in the project agreement, an eligible business shall be
46 allowed a tax credit in an amount determined pursuant to this
47 subsection. No more than the amount of tax credits equal to the
48 total credit amount awarded under the program divided by the

1 duration of the eligibility period in years may be taken in any tax
2 period.

3 (2) Not including any bonus awarded pursuant to paragraph (3)
4 of this subsection, the amount of the tax credit awarded under the
5 program to an eligible business shall be the lesser of:

6 (a) the product of 0.1 percent of the eligible business's total
7 capital investment, multiplied by the number of new full-time jobs;

8 (b) 25 percent of the eligible business's total capital investment;
9 or

10 (c) \$150,000,000.

11 (3) The authority may in its discretion establish one or more
12 bonuses, not to exceed a total of five percent of the award approved
13 by the authority pursuant to paragraph (2) of this subsection, for
14 which an eligible business may apply in a form and manner
15 prescribed by the authority. Criteria related to the eligibility for,
16 and approval of, such bonuses shall be established in rules and
17 regulations adopted in accordance with section 10 of P.L. , c.
18 (C.) (pending before the Legislature as this bill), and may
19 include, but shall not limited to, the following: the eligible
20 business's qualified business facility is located in an opportunity
21 zone eligible census tract pursuant to 26 U.S.C. s.1400Z-1; the
22 eligible business is certified as part of the Business Certification
23 Program administered by the Division of Revenue and Enterprise
24 Services in the Department of the Treasury; the eligible business
25 has at least one active and executed collective bargaining
26 agreement; the eligible business operates in a targeted industry or
27 part of the supply chain for a targeted industry; and any other
28 criteria as determined by the authority.

29 c. (1) Commencing in the year in which the grant of tax
30 credits is issued and for the remainder of the commitment period, an
31 eligible business that is awarded tax credits under the program shall
32 submit an annual report, no later than the date indicated in the
33 project agreement, indicating whether the eligible business
34 continues to maintain the number of new full-time jobs, and the
35 salaries thereof, specified in the project agreement. As part of the
36 annual report, an eligible business shall provide to the authority a
37 copy of its applicable New Jersey tax return and the quarterly wage
38 report required under R.S.43:21-14 submitted to the Department of
39 Labor and Workforce Development, together with an annual payroll
40 report showing: the new full-time jobs that were created in
41 accordance with the project agreement; and the new full-time jobs
42 created during each subsequent year of the commitment period. In
43 the annual report, an eligible business shall explain the reason, if
44 applicable, for any discrepancies between the annual payroll report
45 submitted by the eligible business and the quarterly wage report.
46 The failure of an eligible business to submit the information
47 required pursuant to this paragraph shall result in the forfeiture of
48 the award for that year. The chief executive officer of the eligible

1 business, or an equivalent officer, shall certify that the information
2 provided pursuant to this paragraph is true under the penalty of
3 perjury. Claims, records, or statements submitted by an eligible
4 business to the authority in order to receive tax credits shall not be
5 considered claims, records, or statements made in connection with
6 State tax laws.

7 (2) Upon receipt and review of each report submitted during the
8 eligibility period, the authority shall provide to the eligible business
9 and the director a certificate of compliance indicating the amount of
10 tax credits that the eligible business may apply against its tax
11 liability. The authority shall pro rate the tax credit for the first and
12 last years of the eligibility period based on the number of full
13 months the project was certified in the year the eligible business
14 first certifies.

15 d. (1) Upon receipt by the director of the certificate of
16 compliance, the director shall allow the eligible business a tax
17 credit. The eligible business may apply the credit allowed by the
18 director against the eligible business's tax liability for the tax period
19 in which the director allowed the tax credit, or may carry forward
20 the credit for use by the eligible business in any of the next 10
21 successive tax periods, which credit shall expire thereafter.

22 (2) The amount of credit allowed may be applied against the tax
23 liability otherwise due pursuant to section 5 of P.L.1945, c.162
24 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and
25 C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or
26 N.J.S.17B:23-5.

27 (3) The director shall prescribe the order of priority of the
28 application of the credit allowed under this section and any other
29 credits allowed by law against the tax imposed under section 5 of
30 P.L.1945, c.162 (C.54:10A-5). The amount of a credit applied
31 under this section against the tax imposed pursuant to section 5 of
32 P.L.1945, c.162 (C.54:10A-5) for a privilege period, together with
33 any other credits allowed by law, shall not reduce the tax liability to
34 an amount less than the statutory minimum provided in subsection
35 (e) of section 5 of P.L.1945, c.162 (C.54:10A-5).

36 e. An eligible business shall forfeit the credit amount for any
37 tax period for which the eligible business's documentation remains
38 uncertified as of the date for certification indicated in the project
39 agreement, although credit amounts for the remainder of the years
40 of the eligibility period shall remain available to the eligible
41 business.

42 f. If, in any tax period, the number of new employees in
43 eligible positions, or the salaries thereof, drops below 80 percent of
44 the number of new employees in eligible positions specified in the
45 project agreement or the amount required as a condition of program
46 eligibility pursuant to section 4 of P.L. , c. (C.) (pending
47 before the Legislature as this bill), whichever is greater, then the
48 eligible business shall forfeit all tax credits allowed for that tax

1 period and each subsequent tax period, until the first tax period in
2 which the authority has reviewed and approved documentation,
3 submitted by the eligible business, demonstrating that the number
4 of new employees in eligible positions, or the salaries thereof, is not
5 less than 80 percent of the number specified in the project
6 agreement or the amount required as a condition of program
7 eligibility pursuant to section 4 of P.L. , c. (C.) (pending
8 before the Legislature as this bill), whichever is greater.

9
10 9. (New section) a. Within three years of the tax period in
11 which the director first allows the eligible business a tax credit, an
12 eligible business may apply to the director and the chief executive
13 officer of the authority for a tax credit transfer certificate in lieu of
14 the eligible business being allowed any amount of the tax credit
15 against the State tax liability of the eligible business. The tax credit
16 transfer certificate, upon receipt thereof by the eligible business
17 from the director and the chief executive officer of the authority,
18 may be sold or assigned, in an amount not less than \$25,000, within
19 three years of the tax period in which the eligible business receives
20 the tax credit transfer certificate from the director, to another person
21 that may have a tax liability pursuant to section 5 of P.L.1945,
22 c.162 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-
23 2 and 54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or
24 N.J.S.17B:23-5. A purchaser or assignee of a tax credit transfer
25 certificate pursuant to this section shall apply the transferred credit
26 against the same tax or taxes for which the eligible business was
27 approved a tax credit under the program. The tax credit transfer
28 certificate provided to the eligible business shall include a statement
29 waiving the eligible business's right to claim the tax credit that the
30 eligible business has elected to sell or assign.

31 b. The eligible business shall not sell or assign a tax credit
32 transfer certificate allowed under this section for consideration
33 received by the eligible business of less than 85 percent of the
34 transferred credit amount before considering any further
35 discounting to present value which shall be permitted. The tax
36 credit transfer certificate issued to the eligible business by the
37 director shall be subject to any limitations and conditions imposed
38 on the application of State tax credits pursuant to P.L. , c.
39 (C.) (pending before the Legislature as this bill) and any other
40 terms and conditions that the director may prescribe.

41 c. A purchaser or assignee of a tax credit transfer certificate
42 pursuant to this section shall not make any subsequent transfers,
43 assignments, or sales of the tax credit transfer certificate.

44 d. The authority shall publish on its Internet website the
45 following information concerning each tax credit transfer certificate
46 approved by the authority and the director pursuant to this section:

47 (1) the name of the transferrer;

48 (2) the name of the transferee;

- 1 (3) the value of the tax credit transfer certificate;
- 2 (4) the State tax against which the transferee may apply the tax
- 3 credit; and
- 4 (5) the consideration received by the transferrer.

5
6 10. (New section) Notwithstanding the provisions of the
7 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
8 seq.) to the contrary, the chief executive officer of the authority
9 shall adopt, immediately, upon filing with the Office of
10 Administrative Law, such rules and regulations as the chief
11 executive officer deems necessary to implement the provisions of
12 P.L. , c. (C.) (pending before the Legislature as this bill),
13 which rules and regulations shall be effective for a period not to
14 exceed 365 days after the date of the filing. Before the expiration
15 of the rules and regulations, the chief executive officer shall amend,
16 adopt, or readopt the rules and regulations in accordance with the
17 requirements of the “Administrative Procedure Act,” P.L.1968,
18 c.410 (C.52:14B-1 et seq.).

19
20 11. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to
21 read as follows:

22 98. a. The combined value of all tax credits awarded under the
23 "Historic Property Reinvestment Act," sections 2 through 8 of
24 P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the
25 "Brownfields Redevelopment Incentive Program Act," sections 9
26 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287);
27 the "New Jersey Innovation Evergreen Act," sections 20 through 34
28 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food
29 Desert Relief Act," sections 35 through 42 of P.L.2020, c.156
30 (C.34:1B-303 through 34:1B-310); the "New Jersey Community-
31 Anchored Development Act," sections 43 through 53 of P.L.2020,
32 c.156 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire
33 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
34 322 through 34:1B-335); the "Emerge Program Act," sections 68
35 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of
36 P.L.2010, c.57 (C.34:1B-209.4); the "Cultural Arts Incentives
37 Program Act," P.L.2023, c.197 (C.34:1B-383 et al.); **【and】** the
38 "Next New Jersey Program Act," P.L.2024, c.49 **【(C.34:1B-362 et**
39 **seq.)】** (C.34:1B-394 et al.); and the “Next New Jersey
40 Manufacturing Program Act,” P.L. , c. (C.) (pending
41 before the Legislature as this bill) shall not exceed an overall cap of
42 \$11.5 billion over a nine-year period, subject to the conditions and
43 limitations set forth in this section. Of this \$11.5 billion, \$2.5
44 billion shall be reserved for transformative projects approved under
45 the Aspire Program.

46 b. (1) The total value of tax credits awarded under any
47 constituent program of the "New Jersey Economic Recovery Act of
48 2020," P.L.2020, c.156 (C.34:1B-269 et al.), the "Cultural Arts

1 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.),
2 **【and】** the "Next New Jersey Program Act," P.L.2024, c.49
3 **【(C.34:1B-362 et seq.)】** (C.34:1B-394 et al.), and the "Next New
4 Jersey Manufacturing Program Act," P.L. , c. (C.) (pending
5 before the Legislature as this bill) shall be subject to the following
6 limitations, except as otherwise provided in subsection c. of this
7 section:

8 (a) for tax credits awarded under the "Historic Property
9 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156
10 (C.34:1B-270 through 34:1B-276), the total value of tax credits
11 annually awarded during each of the first six years of the nine-year
12 period shall not exceed \$50 million;

13 (b) for tax credits awarded under the "Brownfields
14 Redevelopment Incentive Program Act," sections 9 through 19 of
15 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value
16 of tax credits annually awarded during each of the first six years of
17 the nine-year period shall not exceed \$50 million;

18 (c) for tax credits awarded under the "New Jersey Innovation
19 Evergreen Act," sections 20 through 34 of P.L.2020, c.156
20 (C.34:1B-288 through 34:1B-302), the total value of tax credits
21 annually awarded during each of the first six years of the nine-year
22 period shall not exceed \$60 million and the total value of tax credits
23 awarded over the entirety of the nine-year period shall not exceed
24 \$300,000,000;

25 (d) for tax credits awarded under the "Food Desert Relief Act,"
26 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
27 34:1B-310), the total value of tax credits annually awarded during
28 each of the first six years of the nine-year period shall not exceed
29 \$40 million;

30 (e) for tax credits awarded under the "New Jersey Community-
31 Anchored Development Act," sections 43 through 53 of P.L.2020,
32 c.156 (C.34:1B-311 through 34:1B-321), and the "Cultural Arts
33 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), the
34 total value of tax credits awarded during the nine-year period shall
35 not exceed \$1,200,000,000; provided, however, tax credits shall not
36 be available under the "New Jersey Community-Anchored
37 Development Act," sections 43 through 53 of P.L.2020, c.156
38 (C.34:1B-311 through 34:1B-321), until January 1, 2026.
39 Beginning January 1, 2026, the authority shall annually award tax
40 credits under the "New Jersey Community-Anchored Development
41 Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311
42 through 34:1B-321), valuing no greater than \$130 million for
43 projects located in the 13 northern counties of the State, and the
44 authority shall annually award tax credits valuing no greater than
45 \$70 million for projects located in the eight southern counties of the
46 State. If during any year of operation of the "New Jersey
47 Community-Anchored Development Act," sections 43 through 53 of
48 P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), the authority

1 awards tax credits pursuant to the program in an amount less than
2 the annual limitation for projects located in northern counties or
3 southern counties, as applicable, the uncommitted portion of the
4 annual limitation shall be available to be deployed by the authority
5 in a subsequent year without consideration to the county in which a
6 project is located;

7 (f) for tax credits awarded under the "New Jersey Aspire
8 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
9 322 through 34:1B-335), and the "Emerge Program Act," sections
10 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
11 including tax credits awarded for transformative projects, the total
12 value of tax credits annually awarded during each of the first six
13 years of the nine-year period shall not exceed \$1.1 billion. If the
14 authority awards tax credits in an amount less than the annual
15 limitation, then the uncommitted portion of the annual limitation
16 shall be made available for qualified offshore wind projects
17 awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4),
18 pursuant to subparagraph (h) of this paragraph, projects awarded a
19 tax credit pursuant to the "Next New Jersey Program Act,"
20 P.L.2024, c.49 [(C.34:1B-362 et seq.)] (C.34:1B-394 et al.),
21 pursuant to subparagraph (k) of this paragraph, projects awarded a
22 tax credit pursuant to the "Next New Jersey Manufacturing Program
23 Act," P.L. , c. (C.) (pending before the Legislature as this
24 bill), pursuant to subparagraph (l) of this paragraph, or New Jersey
25 studio partners, New Jersey film-lease production companies, and
26 taxpayers, other than New Jersey studio partners and New Jersey
27 film-lease production companies awarded under sections 1 and 2 of
28 P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b), pursuant to
29 subparagraph (i) of this paragraph and subsection d. of this section.
30 During each of the first six years of the nine-year period, the
31 authority shall annually award tax credits valuing no greater than
32 \$715 million for projects located in the northern counties of the
33 State, and the authority shall annually award tax credits valuing no
34 greater than \$385 million for projects located in the southern
35 counties of the State under the "New Jersey Aspire Program Act,"
36 sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through
37 34:1B-335), and the "Emerge Program Act," sections 68 through 81
38 of P.L.2020, c.156 (C.34:1B-336 et al.). If during any of the first
39 six years of the nine-year period, the authority awards tax credits
40 under the "New Jersey Aspire Program Act," sections 54 through 67
41 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
42 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
43 (C.34:1B-336 et al.), in an amount less than the annual limitation
44 for projects located in northern counties or southern counties, as
45 applicable, the uncommitted portion of the annual limitation shall
46 be available to be deployed by the authority in a subsequent year,
47 provided that the uncommitted portion of tax credits shall be
48 awarded for projects located in the applicable geographic area,

1 except that (i) after the completion of the third year of the nine-year
2 period, the authority may deploy 50 percent of the uncommitted
3 portion of tax credits for any previous year without consideration to
4 the county in which a project is located; and (ii) after the
5 completion of the sixth year of the nine-year period, the authority
6 may deploy all available tax credits, including the uncommitted
7 portion of the annual limitation for any previous year, without
8 consideration to the county in which a project is located;

9 (g) except as provided in subparagraph (j) of this paragraph, for
10 tax credits awarded for transformative projects under the "New
11 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
12 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax
13 credits awarded during the nine-year period shall not exceed \$2.5
14 billion. The total value of tax credits awarded for transformative
15 projects in a given year shall not be subject to an annual limitation,
16 except that the total value of tax credits awarded to any
17 transformative project shall not exceed \$400 million;

18 (h) from the tax credits made available, pursuant to
19 subparagraph (f) of this paragraph, to the "New Jersey Aspire
20 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
21 322 through 34:1B-335), and the "Emerge Program Act," sections
22 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
23 including tax credits awarded for transformative projects, an
24 amount not to exceed \$350,000,000 shall be made available for
25 qualified offshore wind projects awarded a credit pursuant to
26 section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three
27 years of the nine-year period;

28 (i) beginning in fiscal year 2023, from the tax credits made
29 available, pursuant to subparagraph (f) of this paragraph, to the
30 "New Jersey Aspire Program Act," sections 54 through 67 of
31 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
32 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
33 (C.34:1B-336 et al.), not including tax credits awarded for
34 transformative projects, additional amounts shall be made available
35 for New Jersey studio partners, New Jersey film-lease production
36 companies, and taxpayers, other than New Jersey studio partners
37 and New Jersey film-lease production companies pursuant to
38 sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-
39 12b);

40 (j) beginning in fiscal year 2024, from the tax credits made
41 available, pursuant to subparagraph (f) of this paragraph, to the
42 "New Jersey Aspire Program Act," sections 54 through 67 of
43 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
44 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
45 336 et al.), not including tax credits awarded for transformative
46 projects, an amount not to exceed \$500,000,000 may be annually
47 transferred for the award to transformative projects under the "New
48 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,

1 c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the
 2 remaining allocation of tax credits otherwise available for
 3 transformative projects, pursuant to subparagraph (g) of this
 4 paragraph, is less than \$1,000,000,000; and (ii) the authority board
 5 determines that the transfer of tax credits is warranted based on
 6 such criteria as the authority deems appropriate, which may include
 7 the criteria set forth in paragraph (2) of this subsection. If a transfer
 8 of tax credits is made pursuant to this subparagraph, the authority
 9 shall award no greater than 65 percent of the tax credits transferred
 10 pursuant to this subparagraph to transformative projects located in
 11 the northern counties of the State and no greater than 35 percent of
 12 the tax credits transferred pursuant to this subparagraph to
 13 transformative projects located in the southern counties of the State;
 14 **【and】**

15 (k) beginning in fiscal year 2025, from the tax credits made
 16 available, pursuant to subparagraph (f) of this paragraph, to the
 17 "New Jersey Aspire Program Act," sections 54 through 67 of
 18 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
 19 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
 20 336 et al.), but not including tax credits awarded for transformative
 21 projects, an amount not to exceed \$500,000,000 shall be made
 22 available for projects awarded a tax credit pursuant to the "Next
 23 New Jersey Program Act," P.L.2024, c.49 **【(C.34:1B-362 et seq.)】**
 24 **【(C.34:1B-394 et al.); and**

25 (l) beginning in fiscal year 2026, from the tax credits made
 26 available, pursuant to subparagraph (f) of this paragraph, to the
 27 “New Jersey Aspire Program Act,” sections 54 through 67 of
 28 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the “Emerge
 29 Program Act,” sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
 30 336 et al.), but not including tax credits awarded for transformative
 31 projects, an amount not to exceed \$500,000,000 shall be made
 32 available for projects awarded a tax credit pursuant to the “Next
 33 New Jersey Manufacturing Program Act,” P.L. , c. (C.)
 34 (pending before the Legislature as this bill). In accordance with the
 35 provisions of subsection g. of section 5 of P.L. , c. (C.)
 36 (pending before the Legislature as this bill), \$100,000,000 of the tax
 37 credits made available to the “Next New Jersey Manufacturing
 38 Program Act,” P.L. , c. (C.) (pending before the
 39 Legislature as this bill) pursuant to this subparagraph shall be
 40 reserved exclusively for eligible businesses that are clean energy
 41 product manufacturers.

42 (2) The authority may in any given year determine that it is in
 43 the State's interest to approve an amount of tax credits in excess of
 44 the annual limitations set forth in paragraph (1) of this subsection,
 45 but in no event more than \$200,000,000 in excess of the annual
 46 limitation, upon a determination by the authority board that such
 47 increase is warranted based on specific criteria that may include:

- 1 (i) the increased demand for opportunities to create or retain
- 2 employment and investment in the State as indicated by the volume
- 3 of project applications and the amount of tax credits being sought
- 4 by those applications;
- 5 (ii) the need to protect the State's economic position in the event
- 6 of an economic downturn;
- 7 (iii) the quality of project applications and the net economic
- 8 benefit to the State and municipalities associated with those
- 9 applications;
- 10 (iv) opportunities for project applications to strengthen or protect
- 11 the competitiveness of the State under the prevailing market
- 12 conditions;
- 13 (v) enhanced access to employment and investment for
- 14 underserved populations in distressed municipalities and qualified
- 15 incentives tracts;
- 16 (vi) increased investment and employment in high-growth
- 17 technology sectors and in projects that entail collaboration with
- 18 education institutions in the State;
- 19 (vii) increased development proximate to mass transit facilities;
- 20 (viii) any other factor deemed relevant by the authority.
- 21 c. In the event that the authority in any year approves projects
- 22 for tax credits in an amount less than the annual limitations set forth
- 23 in paragraph (1) of subsection b. of this section, then the
- 24 uncommitted portion of the annual limitation shall be available to
- 25 be deployed by the authority in future years for projects under the
- 26 same program; provided however, that in no event shall the
- 27 aggregate amount of tax credits approved be in excess of the overall
- 28 cap of \$11.5 billion, and in no event shall the uncommitted portion
- 29 of the annual limitation for any previous year be deployed after the
- 30 conclusion of the nine-year period.
- 31 d. Notwithstanding the provisions of any other law to the
- 32 contrary, the uncommitted balance of the total value of tax credits
- 33 authorized for award by the authority pursuant to subparagraph (f)
- 34 of paragraph (1) of subsection b. of this section to the "New Jersey
- 35 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
- 36 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68
- 37 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made
- 38 available for tax credits allowed to New Jersey studio partners, New
- 39 Jersey film-lease production companies, and taxpayers, other than
- 40 New Jersey studio partners and New Jersey film-lease production
- 41 companies pursuant to sections 1 and 2 of P.L.2018, c.56
- 42 (C.54:10A-5.39b and C.54A:4-12b). The value of tax credits,
- 43 including tax credits allowed through the granting of tax credit
- 44 transfer certificates, made available to New Jersey studio partners,
- 45 New Jersey film-lease production companies, and taxpayers, other
- 46 than New Jersey studio partners and New Jersey film-lease
- 47 production companies pursuant to this subsection shall be as
- 48 follows:

1 (1) in fiscal year 2023, \$250,000,000 for New Jersey studio
2 partners and \$250,000,000 for New Jersey film-lease production
3 companies;

4 (2) in fiscal year 2024, \$250,000,000 for New Jersey studio
5 partners and \$250,000,000 for New Jersey film-lease production
6 companies; and

7 (3) in fiscal year 2025, \$250,000,000 for New Jersey studio
8 partners, \$250,000,000 for New Jersey film-lease production
9 companies, and \$300,000,000 for taxpayers, other than New Jersey
10 studio partners and New Jersey film-lease production companies.

11 If the value of tax credits, including tax credits allowed through
12 the granting of tax credit transfer certificates, approved to New
13 Jersey studio partners and New Jersey film-lease production
14 companies in any fiscal year pursuant to this subsection is less than
15 the cumulative total amount of tax credits permitted to be approved
16 in that fiscal year, the authority shall certify the amount of the
17 remaining tax credits available for approval to each such category
18 in that fiscal year, and shall increase the cumulative total amount of
19 tax credits permitted to be approved for New Jersey studio partners
20 and New Jersey film-lease production companies in the subsequent
21 fiscal year by the certified amount remaining for each such category
22 from the prior fiscal year.

23 (cf: P.L.2024, c.49, s.10)

24
25 12. This act shall take effect immediately.

26 27 28 STATEMENT

29
30 This bill establishes the "Next New Jersey Manufacturing
31 Program" (program) within the New Jersey Economic Development
32 Authority (EDA) and modifies certain provisions of the "New
33 Jersey Economic Recovery Act of 2020."

34 The purpose of the program would be to encourage substantial
35 investment in the State, create new jobs and economic
36 opportunities, and position New Jersey as a leader in the
37 manufacturing economy.

38 Under the program, the EDA would provide tax credits to
39 eligible businesses, following approval of an application by the
40 EDA, to eligible businesses. Eligible businesses would include a
41 business that qualifies as a manufacturer or clean energy product
42 manufacturer, and which meets the eligibility requirements set forth
43 in the bill. The bill defines a "manufacturer" as a business engaged
44 in the production or assembly of goods by transforming raw
45 materials or sub-components into components or finished products
46 through various industrial processes, including but not limited to
47 fabrication, assembly, or chemical processes. Similarly, a "clean
48 energy product manufacturer" is defined as business engaged in the

1 production or assembly of goods by transforming raw materials or
2 sub-components into components for renewable energy, such as
3 offshore wind, solar, geothermal, green hydrogen, nuclear energy,
4 fuel cells, battery storage, or other clean energy manufacturing.

5 To qualify for tax credits under the program, an eligible business
6 is required to: (1) make, acquire, or lease not less than \$10 million
7 in capital investments at a qualified business facility in the State;
8 (2) create not less than 20 new full-time jobs in the State; (3)
9 provide a median salary for the full-time jobs at the qualified
10 business facility of not less than 120 percent of the median salary
11 for manufacturing employees in the county in which the project is
12 located; and (4) satisfy certain other requirements.

13 Following approval of an application under the program, the
14 eligible business would be required to demonstrate to the EDA that
15 the business has obtained site plan approval and has committed
16 financing for, and established site control of, the qualified business
17 facility. Thereafter, the eligible business would be required to enter
18 into a project agreement with the EDA, which sets forth the terms
19 and conditions under which the business may receive the tax credits
20 authorized pursuant to the program. In the event that the business
21 fails to meet certain requirements of the program, including the
22 creation and retention of a minimum number of new full-time jobs,
23 the project agreement would include provisions permitting the EDA
24 to recapture or requiring the business to forfeit, as applicable, all or
25 part of the authorized tax credits.

26 Under the bill, the amount of the tax credit allowed for a
27 particular project would equal to the lesser of: (1) 0.1 percent of
28 the eligible business's total capital investment, multiplied by the
29 number of new full-time jobs; (2) 25 percent of the eligible
30 business's total capital investment; or (3) \$150 million. However,
31 the bill also authorizes the EDA, in its discretion, to establish one or
32 more bonus credit awards. Under the bill, the EDA is directed to
33 adopt rules and regulations to establish criteria related to the
34 eligibility for, and approval of, these bonus credits.

35 The bill authorizes an eligible business to apply for a tax credit
36 transfer certificate in lieu of the eligible business being allowed any
37 amount of the tax credit against its State tax liability. Upon receipt
38 of the tax credit transfer certificate, the eligible business may sell or
39 assign the credit, in an amount not less than \$25,000, within three
40 years of the tax period in which the eligible business receives the
41 tax credit transfer certificate. An eligible business may not sell or
42 assign the credit for consideration of less than 85 percent of the
43 transferred credit amount before considering any further
44 discounting to present value.

45 The bill provides that up to \$500 million in tax credits, originally
46 allocated for the New Jersey Aspire Program and the Emerge
47 Program, are to be made available to eligible businesses under the
48 program. Of this total, the bill provides that \$100 million in tax

1 credits would be exclusively reserved, during the first two years of
2 the program, for eligible businesses that are clean energy product
3 manufacturers. However, if the EDA awards less than \$100 million
4 in tax credits to clean energy product manufacturers during this
5 period, the uncommitted portion would be available to be awarded
6 to any eligible business under the program beginning in the third
7 year of the program.

[First Reprint]

ASSEMBLY, No. 5687

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED MAY 15, 2025

Sponsored by:

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

Assemblyman ANTWAN L. MCCLELLAN

District 1 (Atlantic, Cape May and Cumberland)

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

**Assemblyman Miller, Assemblywomen Bagolie, Haider, Assemblyman
Bailey and Assemblywoman Katz**

SYNOPSIS

Establishes Next New Jersey Manufacturing Program to incentivize in-State manufacturing investments and job creation.

CURRENT VERSION OF TEXT

As reported by the Assembly Labor Committee on June 16, 2025, with amendments.



(Sponsorship Updated As Of: 6/19/2025)

1 AN ACT establishing the Next New Jersey Manufacturing Program
2 and amending and supplementing P.L.2020, c.156.

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

6
7 1. (New section) P.L. , c. (C.) (pending before the
8 Legislature as this bill) shall be known and may be cited as the
9 “Next New Jersey Manufacturing Program Act.”

10
11 2. (New section) The Legislature finds and declares that:

12 a. Manufacturers are vital contributors to the State's economic
13 health and overall prosperity. They serve as engines of growth,
14 driving job creation, stimulating innovation, and fostering a robust
15 and productive workforce. By producing goods and contributing to
16 the supply chain, manufacturing facilities bolster the State's
17 competitiveness in the global market.

18 b. Projects involving manufacturing and manufacturers are
19 inherently beneficial to the State because they provide vital
20 contributions to the communities in which they are located,
21 enhancing the quality of life for residents, and producing
22 immeasurable economic benefits to the State.

23 c. The Next New Jersey Manufacturing Program is a
24 comprehensive tax credit program designed to drive substantial
25 investment, foster the creation of new jobs, and position New Jersey
26 as a leader in the manufacturing economy. The program will
27 encourage a wide range of manufacturing activities benefitting
28 various industries, including advanced manufacturing; non-retail
29 food and beverage; life sciences; defense; and the production of
30 components for clean energy technologies, such as offshore wind,
31 solar, geothermal, green hydrogen, nuclear energy, fuel cells,
32 battery storage, and other sustainable clean energy solutions.

33 d. By offering competitive incentives, the Next New Jersey
34 Manufacturing Program encourages companies to allocate their
35 capital investments to New Jersey while demonstrating a long-term
36 commitment to the State's economic growth. The program is
37 designed for manufacturing facilities that establish or expand their
38 physical presence in New Jersey.

39
40 3. (New section) As used in P.L. , c. (C.) (pending
41 before the Legislature as this bill):

42 “Affiliate” means an entity that directly or indirectly controls, is
43 under common control with, or is controlled by an eligible business.
44 Control exists in all cases in which the entity is a member of a
45 controlled group of corporations as defined pursuant to section 1563
46 of the federal Internal Revenue Code (26 U.S.C. s.1563) or the

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:

¹Assembly ALA committee amendments adopted June 16, 2025.

1 entity is an organization in a group of organizations under common
2 control that is subject to the regulations applicable to organizations
3 pursuant to subsection (b) or (c) of section 414 of the federal
4 Internal Revenue Code (26 U.S.C. s.414). A taxpayer may establish
5 by clear and convincing evidence, as determined by the Director of
6 the Division of Taxation in the Department of the Treasury, that
7 control exists in situations involving lesser percentages of
8 ownership than required by sections 1563 and 414 of the Internal
9 Revenue Code of 1986 (26 U.S.C. ss.1563 and 414). An affiliate of
10 a business may contribute to meeting either the capital investment
11 or full-time employee requirements of a business and new full-time
12 job requirements and may satisfy the requirement for site control
13 during construction and the eligibility period, but in no event shall
14 the tax credit certificate be issued to any affiliate.

15 “Authority” means the New Jersey Economic Development
16 Authority established by section 4 of P.L.1974, c.80 (C.34:1B-4).

17 “Board” means the Board of the New Jersey Economic
18 Development Authority, established by section 4 of P.L.1974, c.80
19 (C.34:1B-4).

20 “Building services” means any cleaning or routine building
21 maintenance work, including but not limited to sweeping,
22 vacuuming, floor cleaning, cleaning of rest rooms, collecting refuse
23 or trash, window cleaning, securing, patrolling, or other work in
24 connection with the care or securing of an existing building,
25 including services typically provided by a door-attendant or
26 concierge. “Building services” shall not include any skilled
27 maintenance work, professional services, or other public work for
28 which a contractor is required to pay the “prevailing wage,” as
29 defined in section 2 of P.L.1963, c.150 (C.34:11-56.26).

30 “Business” means an applicant proposing to own or lease
31 premises in a qualified business facility that is: a corporation
32 subject to the tax imposed pursuant to section 5 of P.L.1945, c.162
33 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and
34 C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or
35 N.J.S.17B:23-5; or is a partnership, S corporation, limited liability
36 company, or non-profit corporation. A business shall include an
37 affiliate of the business if that business applies for a tax credit based
38 upon any capital investment made by ‘an affiliate’¹ or full-time
39 employees of an affiliate.

40 “Capital investment” means expenses that a business or an
41 affiliate of the business incurred on behalf of the business or
42 affiliate by its landlord, at the qualified business facility following
43 its submission of a completed application to the authority pursuant
44 to section 5 of P.L. , c. (C.) (pending before the Legislature as
45 this bill), but prior to the project completion date, as shall be
46 defined in the project agreement pursuant to section 7 of P.L. , c.
47 (C.) (pending before the Legislature as this bill), or until such

1 other time specified by the authority, and which expenses are
2 incurred for:

3 (1) site preparation and construction, repair, renovation,
4 improvement, equipping, or furnishing on real property or of a
5 building, structure, facility, or improvement to real property;

6 (2) obtaining and installing furnishings and machinery,
7 apparatus, or equipment, or obtaining and installing of parts in an
8 existing facility for the operation of a business on real property or
9 in a building, structure, facility, or improvement to real property; or
10 any combination of the foregoing;

11 (3) improvement to a site-related utility of the real property,
12 including, but not limited to, water, electric, sewer, and stormwater,
13 and transportation infrastructure improvements, plantings, solar
14 panels and components, energy storage components, installation
15 costs of solar energy systems or other environmental components
16 required to attain the level of silver rating and gold rating standards
17 or above in the LEED building rating system, but only to the extent
18 that such capital investments have not received any grant financial
19 assistance from any other State funding source;

20 (4) the value of a capital lease, as defined by generally accepted
21 accounting practices (GAAP), of furnishings and machinery,
22 apparatus, or equipment, based on the shorter of the useful life of
23 the leased property or the commitment period; and

24 (5) associated soft costs, which shall not exceed 20 percent of
25 all capital investment.

26 "Capital investment" shall not include site acquisition vehicles
27 and heavy equipment not permanently located in the building,
28 structure, facility, or improvement. Landlord contributions for the
29 purpose of eligibility of the program, are allowed.

30 "Clean energy product manufacturer" means a business engaged
31 in the production or assembly of goods by transforming raw
32 materials or sub-components into components for renewable
33 energy, such as offshore wind, solar, geothermal, green hydrogen,
34 nuclear energy, fuel cells, battery storage, or other clean energy
35 manufacturing. "Clean energy product manufacturer" does not
36 include businesses engaged in retail, wholesale, packaging,
37 software development, resource extraction, or waste incineration.

38 "Commitment period" means a period that is no less than two
39 times the eligibility period, as specified in the project agreement
40 entered into pursuant to section 7 of P.L. , c. (C.) (pending
41 before the Legislature as this bill).

42 "Director" means the Director of the Division of Taxation in the
43 Department of the Treasury.

44 "Eligibility period" means the period in which an eligible
45 business may claim a tax credit under the program, beginning with
46 the tax period in which the authority accepts certification of the
47 eligible business that it has met the capital investment and

1 employment requirements of the program and extending thereafter
2 for a term of five years.

3 “Eligible business” means any business that is a clean energy
4 product manufacturer or manufacturer, and that satisfies the criteria
5 set forth in section 5 of P.L. , c. (C.) (pending before the
6 Legislature as this bill) at the time of application for tax credits
7 under the program.

8 “Eligible position” or “full-time job” means a position in a
9 business in this State which the business has filled with a full-time
10 employee who spends at least 80 percent of the employee’s work
11 time in the State or at the qualified business facility, or spends any
12 other period of work time generally accepted by custom or practice,
13 as determined by the authority in its sole discretion based on the
14 characteristics of the employee’s job and work time in the State or
15 at the qualified business facility, and is offered employee health
16 benefits under a group health plan as defined under section 14 of
17 P.L.1997, c.146 (C.17B:27-54), a health benefits plan as defined
18 under section 1 of P.L.1992, c.162 (C.17B:27A-17), or a policy or
19 contract of health insurance covering more than one person issued
20 pursuant to Article 2 of Chapter 27 of Title 17B of the New Jersey
21 Statutes; provided, however, that the requirement to offer employee
22 health benefits shall be deemed to be satisfied if the benefits are
23 provided by the business or pursuant to a collective bargaining
24 agreement, no later than 90 days after the employee’s start date,
25 under a health benefits plan authorized pursuant to State or federal
26 law. An eligible position shall not include an independent
27 contractor or a consultant.

28 “Full-time employee” means a person who is:

29 (1) employed by a business for consideration for at least 35
30 hours a week, or who renders any other standard of service
31 generally accepted by custom or practice as full-time employment,
32 and whose wages are subject to withholding as provided in the
33 "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq.;

34 (2) employed by a professional employer organization pursuant
35 to an employee leasing agreement between the business and the
36 professional employer organization, pursuant to P.L.2001, c.260
37 (C.34:8-67 et seq.) for at least 35 hours a week, or who renders any
38 other standard of service generally accepted by custom or practice
39 as full-time employment, and whose wages are subject to
40 withholding as provided in the "New Jersey Gross Income Tax
41 Act," N.J.S.54A:1-1 et seq.; or

42 (3) a resident of another ¹**【State】** state¹, whose income is not
43 subject to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
44 et seq., due to a reciprocity agreement with the other state, or who
45 is a partner of a business who works for the partnership for at least
46 35 hours a week, or who renders any other standard of service
47 generally accepted by custom or practice as full-time employment,
48 and whose distributive share of income, gain, loss, or deduction, or

1 whose guaranteed payments, or any combination thereof, is subject
2 to the payment of estimated taxes, as provided in the "New Jersey
3 Gross Income Tax Act," N.J.S.54A:1-1 et seq., due to a reciprocity
4 agreement with the other state.

5 A "full-time employee" includes, but shall not be limited to, an
6 employee that has been hired by way of a labor union hiring hall or
7 its equivalent. ¹**[35]** Thirty-five¹ hours of employment per week in
8 the State shall constitute one "full-time employee," regardless of
9 whether or not the hours of work were performed by one or more
10 persons.

11 "Full-time employee" shall not include any person who works as
12 an independent contractor or on a consulting basis for the business
13 or a contract worker.

14 "Manufacturer" means a business engaged in the production or
15 assembly of goods by transforming raw materials or sub-
16 components into components or finished products through various
17 industrial processes, including but not limited to fabrication,
18 assembly, or chemical processes. "Manufacturer" does not include
19 businesses engaged in retail, wholesale, packaging, software
20 development, resource extraction, or waste incineration.

21 "Minimum environmental and sustainability standards" means
22 standards established by the authority in accordance with the green
23 building manual prepared by the Commissioner of Community
24 Affairs pursuant to section 1 of P.L.2007, c.132 (C.52:27D-130.6),
25 regarding the use of renewable energy, energy-efficient technology,
26 and non-renewable resources to reduce environmental degradation
27 and encourage long-term cost reduction.

28 "New full-time job" means an eligible position created by a
29 business, following approval of the business's application by the
30 board, that did not previously exist in this State. For the purposes
31 of determining the number of new full-time jobs, the eligible
32 positions of an affiliate shall be considered eligible positions of the
33 business. For the purpose of calculating the number of new full-
34 time jobs, a position shall not be considered a new full-time job
35 unless it is in addition to the number of full-time jobs in the
36 business's Statewide workforce in the last tax accounting or
37 privilege period prior to the tax credit amount approval.

38 "Partnership" means an entity classified as a partnership for
39 federal income tax purposes.

40 "Professional employer organization" means an employee
41 leasing company registered with the Department of Labor and
42 Workforce Development pursuant to P.L.2001, c.260 (C.34:8-67 et
43 seq.).

44 "Program" means the Next New Jersey Manufacturing Program
45 established by section 4 of P.L. , c. (C.) (pending before the
46 Legislature as this bill).

1 “Project” means the capital investment at a qualified business
2 facility and the employment commitment required pursuant to the
3 project agreement.

4 “Project agreement” means the contract executed between an
5 eligible business and the authority pursuant to section 7 of P.L. ,
6 c. (C.) (pending before the Legislature as this bill), which
7 sets forth the terms and conditions under which the eligible business
8 may receive the tax credits authorized pursuant to the program.

9 “Qualified business facility” means any building, complex of
10 buildings, or structural components of buildings, and all machinery
11 and equipment located therein, used in connection with the
12 operation of an eligible business primarily for: (1) the production or
13 assembly of goods by transforming raw materials into components
14 for renewable energy, such as offshore wind, solar, geothermal,
15 green hydrogen, fuel cells, or other clean energy; (2) producing or
16 assembling of goods ‘by’ transforming raw materials or
17 components into finished products through various industrial
18 processes; or (3) investigating, experimenting, and innovating to
19 create new products or improve existing products. Ancillary
20 activities related to packaging and distribution at the qualified
21 business facility are permitted.

22 “Soft costs” means all costs associated with financing, design,
23 engineering, legal services, or real estate commissions, including,
24 but not limited to, architect fees, permit fees, loan origination and
25 closing costs, construction management, and freight and shipping
26 delivery, but not including early lease termination costs, air fare,
27 mileage, tolls, gas, meals, packing material, marketing, temporary
28 signage, incentive consultant fees, authority fees, loan interest
29 payments, escrows, or other similar costs.

30 “Statewide workforce” means the total number of full-time
31 employees in the Statewide workforce of the business and any
32 affiliate of the business, if the affiliate contributes any capital
33 investment or full-time employees. "Statewide workforce" shall not
34 include full-time employees at any final point-of-sale retail
35 facilities unless the project, as approved by the board, includes full-
36 time employees engaged in final point-of-sale retail.

37 “Targeted industry” means any industry identified from time to
38 time by the authority which shall initially include advanced
39 transportation and logistics, advanced manufacturing, aviation,
40 autonomous vehicle and zero-emission vehicle research or
41 development, clean energy, life sciences, hemp processing,
42 information and high technology, finance and insurance,
43 professional services, film and digital media, non-retail food and
44 beverage businesses including food innovation, and other
45 innovative industries that disrupt current technologies or business
46 models.

1 4. (New section) a. The Next New Jersey Manufacturing
2 Program is hereby established as a program under the jurisdiction of
3 the New Jersey Economic Development Authority. The authority
4 shall administer the program to attract new investment to New
5 Jersey in key industries, create new jobs and economic
6 opportunities, and position New Jersey as a leader in the
7 manufacturing economy. Subject to the limitations set forth in
8 subsection b. of this section, the board may approve the award of
9 tax credits to an eligible business upon application of the chief
10 executive officer, or equivalent officer, of the eligible business and
11 following the payment of fees.

12 b. The value of all tax credits approved by the authority for
13 eligible businesses shall be subject to the limitations set forth in
14 section 98 of P.L.2020, c.156 (C.34:1B-362).

15

16 5. (New section) a. To be eligible for tax credits under the
17 program, a business's chief executive officer, or equivalent officer,
18 shall demonstrate to the authority at the time of application that:

19 (1) the business shall make, acquire, or lease a capital
20 investment at the qualified business facility not less than the
21 applicable amount set forth in subsection b. of this section;

22 (2) the business shall create new full-time jobs in the State in an
23 amount not less than the applicable number set forth in subsection
24 c. of this section;

25 (3) the median salary of the full-time jobs at the qualified
26 business facility by the business shall be not less than 120 percent
27 of the median salary for manufacturing employees in the county in
28 which the project is located;

29 (4) the business shall be primarily engaged in the activities of a
30 manufacturer or a clean energy manufacturer at the qualified
31 business facility;

32 (5) the business shall enter into a collaborative relationship,
33 evidenced by the provision of opportunities for workforce hiring,
34 training, apprenticeship, or other measures determined appropriate
35 by the authority, with New Jersey public or private colleges or
36 universities, public or private high schools, or workforce
37 development organizations, or any combination thereof;

38 (6) the qualified business facility shall be in compliance with
39 minimum environmental and sustainability standards;

40 (7) the project shall comply with the authority's affirmative
41 action requirements, adopted pursuant to section 4 of P.L.1979,
42 c.303 (C.34:1B-5.4); and

43 (8) each worker employed to perform construction work or
44 building services work at the qualified business facility shall be
45 paid not less than the prevailing wage rate for the worker's craft or
46 trade, as determined by the Commissioner of Labor and Workforce
47 Development pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.).

1 b. To be eligible under the program, the minimum capital
2 investment at the qualified business facility shall be \$10,000,000.

3 c. To be eligible under the program, the minimum number of
4 new full-time jobs in the State shall be 20 new full-time jobs.

5 d. The chief executive officer of the business, or an equivalent
6 officer, shall certify that all factual representations made by the
7 business to the authority pursuant to subsection a. of this section are
8 true under the penalty of perjury.

9 e. A business shall not be awarded a tax credit under the
10 program if the business has received a tax credit under the
11 “Business Retention and Relocation Assistance Act,” P.L.1996,
12 c.25 (C.34:1B-112 et seq.), “Business Employment Incentive
13 Program Act,” P.L.1996, c.26 (C.34:1B-124 et al.), section 6 of
14 P.L.2010, c.57 (C.34:1B-209.4), “Grow New Jersey Assistance
15 Act,” P.L.2011, c.149 (C.34:1B-242 et al.), “Emerge Program Act,”
16 sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.),
17 section 4 of P.L.2023, c.125 (C.34:1B-139.4), or the “Next New
18 Jersey Program Act,” P.L.2024, c.49 (C.34:1B-394 et seq.), relating
19 to the same capital investment and employees that qualify the
20 business for a tax credit under the program.

21 f. An eligible business may submit an application to the
22 authority in accordance with the provisions of section 6 of P.L. ,
23 c. (C.) (pending before the Legislature as this bill) on or
24 after the effective date of P.L. , c. (C.) (pending before the
25 Legislature as this bill) but prior to March 1, 2029.

26 g. Beginning on the date that the authority begins accepting
27 applications in accordance with section 6 of P.L. , c. (C.)
28 (pending before the Legislature as this bill) and continuing for two
29 years thereafter, \$100,000,000 of the tax credits made available to
30 the program pursuant to subparagraph (l) of paragraph (1) of
31 subsection b. of section 98 of P.L.2020, c.156 (C.34:1B-362) shall
32 be reserved exclusively for eligible businesses that are clean energy
33 product manufacturers. If during that period, the authority awards
34 less than \$100,000,000 in tax credits to eligible businesses that are
35 clean energy product manufacturers, the uncommitted portion shall
36 be available to be deployed by the authority to any eligible business
37 beginning in the third year next following the date that the authority
38 begins accepting applications in accordance with section 6 of P.L. ,
39 c. (C.) (pending before the Legislature as this bill).

40
41 6. (New section) a. A business that meets the eligibility
42 criteria in section 5 of P.L. , c. (C.) (pending before the
43 Legislature as this bill) and is seeking tax credits for a project under
44 the program shall submit an application to the authority in a form
45 and manner prescribed by the authority.

46 b. Before the board may consider an eligible business's
47 application for tax credits, the authority shall confirm with the
48 Department of Labor and Workforce Development, the Department

1 of Environmental Protection, and the Department of the Treasury
2 whether the eligible business is in substantial good standing with
3 the respective department, or, if necessary, has entered into an
4 agreement with the respective department that includes a practical
5 corrective action plan for the eligible business. The eligible
6 business shall certify that the contractors or subcontractors that will
7 perform work at the qualified business facility: are registered as
8 required by "The Public Works Contractor Registration Act,"
9 P.L.1999, c.238 (C.34:11-56.48 et seq.); have not been debarred by
10 the Department of Labor and Workforce Development from
11 engaging in or bidding on Public Works Contracts in the State; and
12 possess a tax clearance certificate issued by the Division of
13 Taxation in the Department of the Treasury. The authority may also
14 contract with an independent third party to perform a background
15 check on the eligible business.

16 c. An eligible business shall pay to the authority the full
17 amount of the direct costs of an analysis of the eligible business's
18 application for a tax credit, which analysis shall be conducted by a
19 third party retained by the authority if the authority deems such
20 retention to be necessary.

21 d. If, at any time during the eligibility period, the authority
22 determines that the eligible business made a material
23 misrepresentation on the eligible business's application, the eligible
24 business shall forfeit all tax credits awarded under the program,
25 which forfeiture shall be in addition to any other criminal or civil
26 penalties for which the business and the certifying officer may be
27 liable.

28 e. If circumstances require an eligible business to amend its
29 application to the authority, then the chief executive officer of the
30 eligible business, or an equivalent officer, shall certify to the
31 authority that the information provided in its amended application is
32 true under the penalty of perjury.

33 f. Nothing shall preclude a business from applying for tax
34 credits under the program for more than one project through one or
35 more applications.

36
37 7. (New section) a. Following board approval of an
38 application submitted pursuant to section 6 of P.L. , c. (C.)
39 (pending before the Legislature as this bill), within a time period
40 established by the authority but before the authority and an eligible
41 business execute a project agreement pursuant to this section, the
42 eligible business shall demonstrate, in a form and manner
43 prescribed by the authority, that it has obtained site plan approval
44 and has committed financing for, and established site control of, the
45 qualified business facility. The chief executive officer of the
46 business, or an equivalent officer, shall certify that all factual
47 representations made by the business to the authority pursuant to
48 this subsection are true under the penalty of perjury.

1 b. Following approval by the board and compliance with the
2 provisions of subsection a. of this section, but before the issuance of
3 tax credits, the authority shall require an eligible business to enter
4 into a project agreement. The terms of the project agreement shall
5 be consistent with the eligibility requirements set forth in section 5
6 of P.L. , c. (C.) (pending before the Legislature as this bill)
7 and shall include, but not be limited to, the following:

8 (1) a detailed description of the proposed project that will result
9 in job creation, and the number of new full-time jobs that are
10 approved for tax credits;

11 (2) any personnel information that will enable the authority to
12 administer the program;

13 (3) a requirement that: the eligible business shall maintain the
14 project at a location in New Jersey for the commitment period; and
15 a provision that if the eligible business does not maintain the project
16 at a location in New Jersey for the commitment period, the
17 authority may recapture all or part of any tax credits awarded, at its
18 discretion;

19 (4) a requirement that the eligible business shall maintain the
20 number of new full-time jobs, and the salaries thereof, for which the
21 eligible business certified at the commencement of the eligibility
22 period; a requirement that if, in any tax period, the number of new
23 employees in eligible positions falls below 80 percent of the
24 number of new employees in eligible positions specified in the
25 project agreement or the program minimum, the business shall
26 forfeit any tax credits for which it would otherwise be eligible
27 under the program for that tax period, and in any subsequent period
28 until such time as the applicant restores the threshold minimum; and
29 a provision to permit the authority to proportionally reduce the tax
30 credit award for the business in any tax period in which the number
31 of new full-time jobs, or the salaries thereof, is reduced below the
32 new full-time jobs for which the business certified at the
33 commencement of the eligibility period, as required pursuant to
34 subsection f. of section 8 of P.L. , c. (C.) (pending before
35 the Legislature as this bill);

36 (5) a method for the eligible business to certify that it has met
37 the capital investment and employment requirements of the
38 program, as set forth in subsections b. and c. of section 5 of P.L. ,
39 c. (C.) (pending before the Legislature as this bill), and to
40 report annually to the authority the number of new full-time jobs,
41 and the salaries thereof, for which the tax credits are to be allowed;

42 (6) representations that the eligible business is in substantial
43 good standing with the Department of Environmental Protection,
44 the Department of Labor and Workforce Development, and the
45 Department of the Treasury, or has entered into an agreement with
46 the departments that includes a practical corrective action plan, and
47 that the project complies with all applicable laws, and specifically,
48 that the project does not violate any environmental law;

1 (7) a provision permitting the authority to require an audit of the
2 payroll records of the eligible business to be conducted from time to
3 time, as the authority deems necessary;

4 (8) (a) a provision requiring the eligible business to submit an
5 annual report to the chief executive officer of the authority, in a
6 form and manner prescribed by the authority, for the purpose of
7 allowing the authority to confirm that the eligible business is in
8 substantial good standing with the Department of Environmental
9 Protection, the Department of Labor and Workforce Development,
10 and the Department of the Treasury, or has entered into an
11 agreement with the respective department that includes a practical
12 corrective action plan;

13 (b) a requirement that at certification of project completion, the
14 eligible business shall confirm that each contractor or subcontractor
15 performing work at the qualified business facility: is registered as
16 required by "The Public Works Contractor Registration Act,"
17 P.L.1999, c.238 (C.34:11-56.48 et seq.); has not been debarred by
18 the Department of Labor and Workforce Development from
19 engaging in or bidding on Public Works Contracts in the State; and
20 possesses a tax clearance certificate issued by the Division of
21 Taxation in the Department of the Treasury.

22 (c) a provision that if the eligible business fails to submit any
23 report required under this paragraph, if the Department of
24 Environmental Protection, the Department of Labor and Workforce
25 Development, or the Department of the Treasury advises that the
26 eligible business is neither in substantial good standing nor has
27 entered into a practical corrective action plan, or if the eligible
28 business fails to confirm that each contractor or subcontractor is in
29 compliance with this paragraph, then the eligible business shall
30 forfeit the issuance of tax credits, pending resolution of the
31 underlying violations or other issues;

32 (9) a requirement for the eligible business to submit evidence, as
33 required by the authority, that it has entered into and maintained a
34 collaborative relationship with a New Jersey public or private
35 college or university, public or private high school, or workforce
36 development organization, or any combination thereof;

37 (10) a provision permitting the authority to amend the project
38 agreement; and

39 (11) a provision establishing the conditions under which the
40 authority, the eligible business, or both, may terminate the
41 agreement.

42 c. (1) The authority may recapture all or part of a tax credit
43 awarded if an eligible business does not remain in compliance with
44 the requirements of a project agreement for the duration of the
45 commitment period. A recapture of tax credits initiated pursuant to
46 this subsection may include interest on the recapture amount, at a
47 rate equal to the statutory rate for corporate business or insurance
48 premiums tax deficiencies, plus any statutory penalties, and all

1 costs incurred by the authority and the Division of Taxation in the
2 Department of the Treasury in connection with the pursuit of the
3 recapture, including, but not limited to, counsel fees, court costs,
4 and other costs of collection. Failure of the eligible business to
5 meet any program criteria shall constitute a default and shall result
6 in the recapture of all or part of the tax credit awarded.

7 (2) If all or part of a tax credit sold or assigned pursuant to
8 section 9 of P.L. , c. (C.) (pending before the Legislature
9 as this bill) is subject to recapture, then the authority shall pursue
10 recapture from the eligible business and not from the purchaser or
11 assignee of the tax credit transfer certificate. The purchaser or
12 assignee of a tax credit transfer certificate shall be subject to any
13 limitations and conditions that apply to the use of the tax credits by
14 the eligible business.

15 (3) Any funds recaptured pursuant to this subsection, including
16 penalties and interest, shall be deposited into the General Fund.

17 d. A business may include an affiliate for any period, provided
18 that the business provides a valid tax clearance certificate for the
19 affiliate and a verification of the nature of the affiliate relationship
20 during the relevant period, and provided further that the affiliate
21 provides acceptable responses to the authority's legal disclosures
22 inquiries, as determined by the authority. A formal modification of
23 the authority's approval of the project agreement shall not be
24 necessary to add or remove an affiliate after approval or execution
25 of the project agreement.

26 e. A business may change its name filed with the authority by
27 providing a copy of the filed amendment to the certificate of
28 incorporation or formation, as the case may be, of the business and
29 a valid tax clearance certificate with the business's new name. A
30 formal modification of the authority's approval shall not be
31 necessary to change a business's name after approval or execution
32 of the project agreement.

33
34 8. (New section) a. Upon completion of the capital investment
35 and employment requirements of the program, an eligible business
36 shall submit certifications to the authority, in a form and manner
37 prescribed by the authority, evidencing that the eligible business has
38 satisfied the conditions relating to the capital investment and
39 employment requirements of the project agreement, and including
40 such supporting evidence as the authority deems necessary. The
41 chief executive officer of the business, or an equivalent officer,
42 shall certify that all factual representations made by the business to
43 the authority pursuant to this subsection are true under the penalty
44 of perjury.

45 b. (1) In accordance with the project agreement, beginning
46 upon the receipt of occupancy permits for any portion of the
47 project, or upon any other event evidencing project completion as
48 set forth in the project agreement, an eligible business shall be

1 allowed a tax credit in an amount determined pursuant to this
2 subsection. No more than the amount of tax credits equal to the
3 total credit amount awarded under the program divided by the
4 duration of the eligibility period in years may be taken in any tax
5 period.

6 (2) Not including any bonus awarded pursuant to paragraph (3)
7 of this subsection, the amount of the tax credit awarded under the
8 program to an eligible business shall be the lesser of:

9 (a) the product of 0.1 percent of the eligible business's total
10 capital investment, multiplied by the number of new full-time jobs;

11 (b) 25 percent of the eligible business's total capital investment;
12 or

13 (c) \$150,000,000.

14 (3) The authority may in its discretion establish one or more
15 bonuses, not to exceed a total of five percent of the award approved
16 by the authority pursuant to paragraph (2) of this subsection, for
17 which an eligible business may apply in a form and manner
18 prescribed by the authority. Criteria related to the eligibility for,
19 and approval of, such bonuses shall be established in rules and
20 regulations adopted in accordance with section 10 of P.L. , c.
21 (C.) (pending before the Legislature as this bill), and may
22 include, but shall not limited to, the following: the eligible
23 business's qualified business facility is located in an opportunity
24 zone eligible census tract pursuant to 26 U.S.C. s.1400Z-1; the
25 eligible business is certified as part of the Business Certification
26 Program administered by the Division of Revenue and Enterprise
27 Services in the Department of the Treasury; the eligible business
28 has at least one active and executed collective bargaining
29 agreement; the eligible business operates in a targeted industry or
30 part of the supply chain for a targeted industry; and any other
31 criteria as determined by the authority.

32 c. (1) Commencing in the year in which the grant of tax
33 credits is issued and for the remainder of the commitment period, an
34 eligible business that is awarded tax credits under the program shall
35 submit an annual report, no later than the date indicated in the
36 project agreement, indicating whether the eligible business
37 continues to maintain the number of new full-time jobs, and the
38 salaries thereof, specified in the project agreement. As part of the
39 annual report, an eligible business shall provide to the authority a
40 copy of its applicable New Jersey tax return and the quarterly wage
41 report required under R.S.43:21-14 submitted to the Department of
42 Labor and Workforce Development, together with an annual payroll
43 report showing: the new full-time jobs that were created in
44 accordance with the project agreement; and the new full-time jobs
45 created during each subsequent year of the commitment period. In
46 the annual report, an eligible business shall explain the reason, if
47 applicable, for any discrepancies between the annual payroll report
48 submitted by the eligible business and the quarterly wage report.

1 The failure of an eligible business to submit the information
2 required pursuant to this paragraph shall result in the forfeiture of
3 the award for that year. The chief executive officer of the eligible
4 business, or an equivalent officer, shall certify that the information
5 provided pursuant to this paragraph is true under the penalty of
6 perjury. Claims, records, or statements submitted by an eligible
7 business to the authority in order to receive tax credits shall not be
8 considered claims, records, or statements made in connection with
9 State tax laws.

10 (2) Upon receipt and review of each report submitted during the
11 eligibility period, the authority shall provide to the eligible business
12 and the director a certificate of compliance indicating the amount of
13 tax credits that the eligible business may apply against its tax
14 liability. The authority shall pro rate the tax credit for the first and
15 last years of the eligibility period based on the number of full
16 months the project was certified in the year the eligible business
17 first certifies.

18 d. (1) Upon receipt by the director of the certificate of
19 compliance, the director shall allow the eligible business a tax
20 credit. The eligible business may apply the credit allowed by the
21 director against the eligible business's tax liability for the tax period
22 in which the director allowed the tax credit, or may carry forward
23 the credit for use by the eligible business in any of the next 10
24 successive tax periods, which credit shall expire thereafter.

25 (2) The amount of credit allowed may be applied against the tax
26 liability otherwise due pursuant to section 5 of P.L.1945, c.162
27 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and
28 C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or
29 N.J.S.17B:23-5.

30 (3) The director shall prescribe the order of priority of the
31 application of the credit allowed under this section and any other
32 credits allowed by law against the tax imposed under section 5 of
33 P.L.1945, c.162 (C.54:10A-5). The amount of a credit applied
34 under this section against the tax imposed pursuant to section 5 of
35 P.L.1945, c.162 (C.54:10A-5) for a privilege period, together with
36 any other credits allowed by law, shall not reduce the tax liability to
37 an amount less than the statutory minimum provided in subsection
38 (e) of section 5 of P.L.1945, c.162 (C.54:10A-5).

39 e. An eligible business shall forfeit the credit amount for any
40 tax period for which the eligible business's documentation remains
41 uncertified as of the date for certification indicated in the project
42 agreement, although credit amounts for the remainder of the years
43 of the eligibility period shall remain available to the eligible
44 business.

45 f. If, in any tax period, the number of new employees in
46 eligible positions, or the salaries thereof, drops below 80 percent of
47 the number of new employees in eligible positions specified in the
48 project agreement or the amount required as a condition of program

1 eligibility pursuant to section 4 of P.L. , c. (C.) (pending
2 before the Legislature as this bill), whichever is greater, then the
3 eligible business shall forfeit all tax credits allowed for that tax
4 period and each subsequent tax period, until the first tax period in
5 which the authority has reviewed and approved documentation,
6 submitted by the eligible business, demonstrating that the number
7 of new employees in eligible positions, or the salaries thereof, is not
8 less than 80 percent of the number specified in the project
9 agreement or the amount required as a condition of program
10 eligibility pursuant to section 4 of P.L. , c. (C.) (pending
11 before the Legislature as this bill), whichever is greater.
12

13 9. (New section) a. Within three years of the tax period in
14 which the director first allows the eligible business a tax credit, an
15 eligible business may apply to the director and the chief executive
16 officer of the authority for a tax credit transfer certificate in lieu of
17 the eligible business being allowed any amount of the tax credit
18 against the State tax liability of the eligible business. The tax credit
19 transfer certificate, upon receipt thereof by the eligible business
20 from the director and the chief executive officer of the authority,
21 may be sold or assigned, in an amount not less than ~~'[\$25,000]~~ \$25
22 million¹, within three years of the tax period in which the eligible
23 business receives the tax credit transfer certificate from the director,
24 to another person that may have a tax liability pursuant to section 5
25 of P.L.1945, c.162 (C.54:10A-5), sections 2 and 3 of P.L.1945,
26 c.132 (C.54:18A-2 and 54:18A-3), section 1 of P.L.1950, c.231
27 (C.17:32-15), or N.J.S.17B:23-5. A purchaser or assignee of a tax
28 credit transfer certificate pursuant to this section shall apply the
29 transferred credit against the same tax or taxes for which the
30 eligible business was approved a tax credit under the program. The
31 tax credit transfer certificate provided to the eligible business shall
32 include a statement waiving the eligible business's right to claim
33 the tax credit that the eligible business has elected to sell or assign.

34 b. The eligible business shall not sell or assign a tax credit
35 transfer certificate allowed under this section for consideration
36 received by the eligible business of less than 85 percent of the
37 transferred credit amount before considering any further
38 discounting to present value which shall be permitted. The tax
39 credit transfer certificate issued to the eligible business by the
40 director shall be subject to any limitations and conditions imposed
41 on the application of State tax credits pursuant to P.L. , c.
42 (C.) (pending before the Legislature as this bill) and any other
43 terms and conditions that the director may prescribe.

44 c. A purchaser or assignee of a tax credit transfer certificate
45 pursuant to this section shall not make any subsequent transfers,
46 assignments, or sales of the tax credit transfer certificate.

1 d. The authority shall publish on its Internet website the
2 following information concerning each tax credit transfer certificate
3 approved by the authority and the director pursuant to this section:

- 4 (1) the name of the transferrer;
5 (2) the name of the transferee;
6 (3) the value of the tax credit transfer certificate;
7 (4) the State tax against which the transferee may apply the tax
8 credit; and
9 (5) the consideration received by the transferrer.

10
11 10. (New section) Notwithstanding the provisions of the
12 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
13 seq.) to the contrary, the chief executive officer of the authority
14 shall adopt, immediately, upon filing with the Office of
15 Administrative Law, such rules and regulations as the chief
16 executive officer deems necessary to implement the provisions of
17 P.L. , c. (C.) (pending before the Legislature as this bill),
18 which rules and regulations shall be effective for a period not to
19 exceed 365 days after the date of the filing. Before the expiration
20 of the rules and regulations, the chief executive officer shall amend,
21 adopt, or readopt the rules and regulations in accordance with the
22 requirements of the “Administrative Procedure Act,” P.L.1968,
23 c.410 (C.52:14B-1 et seq.).
24

25 11. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to
26 read as follows:

27 98. a. The combined value of all tax credits awarded under the
28 "Historic Property Reinvestment Act," sections 2 through 8 of
29 P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the
30 "Brownfields Redevelopment Incentive Program Act," sections 9
31 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287);
32 the "New Jersey Innovation Evergreen Act," sections 20 through 34
33 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food
34 Desert Relief Act," sections 35 through 42 of P.L.2020, c.156
35 (C.34:1B-303 through 34:1B-310); the "New Jersey Community-
36 Anchored Development Act," sections 43 through 53 of P.L.2020,
37 c.156 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire
38 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
39 322 through 34:1B-335); the "Emerge Program Act," sections 68
40 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of
41 P.L.2010, c.57 (C.34:1B-209.4); the "Cultural Arts Incentives
42 Program Act," P.L.2023, c.197 (C.34:1B-383 et al.); **[and]** the
43 "Next New Jersey Program Act," P.L.2024, c.49 **[(C.34:1B-362 et**
44 **seq.)]** (C.34:1B-394 et al.); and the “Next New Jersey
45 Manufacturing Program Act,” P.L. , c. (C.) (pending
46 before the Legislature as this bill) shall not exceed an overall cap of
47 \$11.5 billion over a nine-year period, subject to the conditions and
48 limitations set forth in this section. Of this \$11.5 billion, \$2.5

1 billion shall be reserved for transformative projects approved under
2 the Aspire Program.

3 b. (1) The total value of tax credits awarded under any
4 constituent program of the "New Jersey Economic Recovery Act of
5 2020," P.L.2020, c.156 (C.34:1B-269 et al.), the "Cultural Arts
6 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.),
7 **[and]** the "Next New Jersey Program Act," P.L.2024, c.49
8 **[(C.34:1B-362 et seq.)]** (C.34:1B-394 et al.), and the "Next New
9 Jersey Manufacturing Program Act," P.L. , c. (C.) (pending
10 before the Legislature as this bill) shall be subject to the following
11 limitations, except as otherwise provided in subsection c. of this
12 section:

13 (a) for tax credits awarded under the "Historic Property
14 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156
15 (C.34:1B-270 through 34:1B-276), the total value of tax credits
16 annually awarded during each of the first six years of the nine-year
17 period shall not exceed \$50 million;

18 (b) for tax credits awarded under the "Brownfields
19 Redevelopment Incentive Program Act," sections 9 through 19 of
20 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value
21 of tax credits annually awarded during each of the first six years of
22 the nine-year period shall not exceed \$50 million;

23 (c) for tax credits awarded under the "New Jersey Innovation
24 Evergreen Act," sections 20 through 34 of P.L.2020, c.156
25 (C.34:1B-288 through 34:1B-302), the total value of tax credits
26 annually awarded during each of the first six years of the nine-year
27 period shall not exceed \$60 million and the total value of tax credits
28 awarded over the entirety of the nine-year period shall not exceed
29 \$300,000,000;

30 (d) for tax credits awarded under the "Food Desert Relief Act,"
31 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
32 34:1B-310), the total value of tax credits annually awarded during
33 each of the first six years of the nine-year period shall not exceed
34 \$40 million;

35 (e) for tax credits awarded under the "New Jersey Community-
36 Anchored Development Act," sections 43 through 53 of P.L.2020,
37 c.156 (C.34:1B-311 through 34:1B-321), and the "Cultural Arts
38 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), the
39 total value of tax credits awarded during the nine-year period shall
40 not exceed \$1,200,000,000; provided, however, tax credits shall not
41 be available under the "New Jersey Community-Anchored
42 Development Act," sections 43 through 53 of P.L.2020, c.156
43 (C.34:1B-311 through 34:1B-321), until January 1, 2026.
44 Beginning January 1, 2026, the authority shall annually award tax
45 credits under the "New Jersey Community-Anchored Development
46 Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311
47 through 34:1B-321), valuing no greater than \$130 million for
48 projects located in the 13 northern counties of the State, and the

1 authority shall annually award tax credits valuing no greater than
2 \$70 million for projects located in the eight southern counties of the
3 State. If during any year of operation of the "New Jersey
4 Community-Anchored Development Act," sections 43 through 53 of
5 P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), the authority
6 awards tax credits pursuant to the program in an amount less than
7 the annual limitation for projects located in northern counties or
8 southern counties, as applicable, the uncommitted portion of the
9 annual limitation shall be available to be deployed by the authority
10 in a subsequent year without consideration to the county in which a
11 project is located;

12 (f) for tax credits awarded under the "New Jersey Aspire
13 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
14 322 through 34:1B-335), and the "Emerge Program Act," sections
15 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
16 including tax credits awarded for transformative projects, the total
17 value of tax credits annually awarded during each of the first six
18 years of the nine-year period shall not exceed \$1.1 billion. If the
19 authority awards tax credits in an amount less than the annual
20 limitation, then the uncommitted portion of the annual limitation
21 shall be made available for qualified offshore wind projects
22 awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4),
23 pursuant to subparagraph (h) of this paragraph, projects awarded a
24 tax credit pursuant to the "Next New Jersey Program Act,"
25 P.L.2024, c.49 [(C.34:1B-362 et seq.)] (C.34:1B-394 et al.),
26 pursuant to subparagraph (k) of this paragraph, projects awarded a
27 tax credit pursuant to the "Next New Jersey Manufacturing Program
28 Act," P.L. , c. (C.) (pending before the Legislature as this
29 bill), pursuant to subparagraph (l) of this paragraph, or New Jersey
30 studio partners, New Jersey film-lease production companies, and
31 taxpayers, other than New Jersey studio partners and New Jersey
32 film-lease production companies awarded under sections 1 and 2 of
33 P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b), pursuant to
34 subparagraph (i) of this paragraph and subsection d. of this section.
35 During each of the first six years of the nine-year period, the
36 authority shall annually award tax credits valuing no greater than
37 \$715 million for projects located in the northern counties of the
38 State, and the authority shall annually award tax credits valuing no
39 greater than \$385 million for projects located in the southern
40 counties of the State under the "New Jersey Aspire Program Act,"
41 sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through
42 34:1B-335), and the "Emerge Program Act," sections 68 through 81
43 of P.L.2020, c.156 (C.34:1B-336 et al.). If during any of the first
44 six years of the nine-year period, the authority awards tax credits
45 under the "New Jersey Aspire Program Act," sections 54 through 67
46 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
47 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
48 (C.34:1B-336 et al.), in an amount less than the annual limitation

1 for projects located in northern counties or southern counties, as
2 applicable, the uncommitted portion of the annual limitation shall
3 be available to be deployed by the authority in a subsequent year,
4 provided that the uncommitted portion of tax credits shall be
5 awarded for projects located in the applicable geographic area,
6 except that (i) after the completion of the third year of the nine-year
7 period, the authority may deploy 50 percent of the uncommitted
8 portion of tax credits for any previous year without consideration to
9 the county in which a project is located; and (ii) after the
10 completion of the sixth year of the nine-year period, the authority
11 may deploy all available tax credits, including the uncommitted
12 portion of the annual limitation for any previous year, without
13 consideration to the county in which a project is located;

14 (g) except as provided in subparagraph (j) of this paragraph, for
15 tax credits awarded for transformative projects under the "New
16 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
17 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax
18 credits awarded during the nine-year period shall not exceed \$2.5
19 billion. The total value of tax credits awarded for transformative
20 projects in a given year shall not be subject to an annual limitation,
21 except that the total value of tax credits awarded to any
22 transformative project shall not exceed \$400 million;

23 (h) from the tax credits made available, pursuant to
24 subparagraph (f) of this paragraph, to the "New Jersey Aspire
25 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
26 322 through 34:1B-335), and the "Emerge Program Act," sections
27 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
28 including tax credits awarded for transformative projects, an
29 amount not to exceed \$350,000,000 shall be made available for
30 qualified offshore wind projects awarded a credit pursuant to
31 section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three
32 years of the nine-year period;

33 (i) beginning in fiscal year 2023, from the tax credits made
34 available, pursuant to subparagraph (f) of this paragraph, to the
35 "New Jersey Aspire Program Act," sections 54 through 67 of
36 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
37 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
38 (C.34:1B-336 et al.), not including tax credits awarded for
39 transformative projects, additional amounts shall be made available
40 for New Jersey studio partners, New Jersey film-lease production
41 companies, and taxpayers, other than New Jersey studio partners
42 and New Jersey film-lease production companies pursuant to
43 sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-
44 12b);

45 (j) beginning in fiscal year 2024, from the tax credits made
46 available, pursuant to subparagraph (f) of this paragraph, to the
47 "New Jersey Aspire Program Act," sections 54 through 67 of
48 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge

1 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
2 336 et al.), not including tax credits awarded for transformative
3 projects, an amount not to exceed \$500,000,000 may be annually
4 transferred for the award to transformative projects under the "New
5 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
6 c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the
7 remaining allocation of tax credits otherwise available for
8 transformative projects, pursuant to subparagraph (g) of this
9 paragraph, is less than \$1,000,000,000; and (ii) the authority board
10 determines that the transfer of tax credits is warranted based on
11 such criteria as the authority deems appropriate, which may include
12 the criteria set forth in paragraph (2) of this subsection. If a transfer
13 of tax credits is made pursuant to this subparagraph, the authority
14 shall award no greater than 65 percent of the tax credits transferred
15 pursuant to this subparagraph to transformative projects located in
16 the northern counties of the State and no greater than 35 percent of
17 the tax credits transferred pursuant to this subparagraph to
18 transformative projects located in the southern counties of the State;

19 **[and]**

20 (k) beginning in fiscal year 2025, from the tax credits made
21 available, pursuant to subparagraph (f) of this paragraph, to the
22 "New Jersey Aspire Program Act," sections 54 through 67 of
23 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
24 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
25 336 et al.), but not including tax credits awarded for transformative
26 projects, an amount not to exceed \$500,000,000 shall be made
27 available for projects awarded a tax credit pursuant to the "Next
28 New Jersey Program Act," P.L.2024, c.49 **[(C.34:1B-362 et seq.)]**
29 **(C.34:1B-394 et al.); and**

30 (l) beginning in fiscal year 2026, from the tax credits made
31 available, pursuant to subparagraph (f) of this paragraph, to the
32 "New Jersey Aspire Program Act," sections 54 through 67 of
33 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
34 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
35 336 et al.), but not including tax credits awarded for transformative
36 projects, an amount not to exceed \$500,000,000 shall be made
37 available for projects awarded a tax credit pursuant to the "Next
38 New Jersey Manufacturing Program Act," P.L. , c. (C.)
39 (pending before the Legislature as this bill). In accordance with the
40 provisions of subsection g. of section 5 of P.L. , c. (C.)
41 (pending before the Legislature as this bill), \$100,000,000 of the tax
42 credits made available to the "Next New Jersey Manufacturing
43 Program Act," P.L. , c. (C.) (pending before the
44 Legislature as this bill) pursuant to this subparagraph shall be
45 reserved exclusively for eligible businesses that are clean energy
46 product manufacturers.

47 (2) The authority may in any given year determine that it is in
48 the State's interest to approve an amount of tax credits in excess of

1 the annual limitations set forth in paragraph (1) of this subsection,
2 but in no event more than \$200,000,000 in excess of the annual
3 limitation, upon a determination by the authority board that such
4 increase is warranted based on specific criteria that may include:

5 (i) the increased demand for opportunities to create or retain
6 employment and investment in the State as indicated by the volume
7 of project applications and the amount of tax credits being sought
8 by those applications;

9 (ii) the need to protect the State's economic position in the event
10 of an economic downturn;

11 (iii) the quality of project applications and the net economic
12 benefit to the State and municipalities associated with those
13 applications;

14 (iv) opportunities for project applications to strengthen or protect
15 the competitiveness of the State under the prevailing market
16 conditions;

17 (v) enhanced access to employment and investment for
18 underserved populations in distressed municipalities and qualified
19 incentives tracts;

20 (vi) increased investment and employment in high-growth
21 technology sectors and in projects that entail collaboration with
22 education institutions in the State;

23 (vii) increased development proximate to mass transit facilities;

24 (viii) any other factor deemed relevant by the authority.

25 c. In the event that the authority in any year approves projects
26 for tax credits in an amount less than the annual limitations set forth
27 in paragraph (1) of subsection b. of this section, then the
28 uncommitted portion of the annual limitation shall be available to
29 be deployed by the authority in future years for projects under the
30 same program; provided however, that in no event shall the
31 aggregate amount of tax credits approved be in excess of the overall
32 cap of \$11.5 billion, and in no event shall the uncommitted portion
33 of the annual limitation for any previous year be deployed after the
34 conclusion of the nine-year period.

35 d. Notwithstanding the provisions of any other law to the
36 contrary, the uncommitted balance of the total value of tax credits
37 authorized for award by the authority pursuant to subparagraph (f)
38 of paragraph (1) of subsection b. of this section to the "New Jersey
39 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
40 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68
41 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made
42 available for tax credits allowed to New Jersey studio partners, New
43 Jersey film-lease production companies, and taxpayers, other than
44 New Jersey studio partners and New Jersey film-lease production
45 companies pursuant to sections 1 and 2 of P.L.2018, c.56
46 (C.54:10A-5.39b and C.54A:4-12b). The value of tax credits,
47 including tax credits allowed through the granting of tax credit
48 transfer certificates, made available to New Jersey studio partners,

1 New Jersey film-lease production companies, and taxpayers, other
2 than New Jersey studio partners and New Jersey film-lease
3 production companies pursuant to this subsection shall be as
4 follows:

5 (1) in fiscal year 2023, \$250,000,000 for New Jersey studio
6 partners and \$250,000,000 for New Jersey film-lease production
7 companies;

8 (2) in fiscal year 2024, \$250,000,000 for New Jersey studio
9 partners and \$250,000,000 for New Jersey film-lease production
10 companies; and

11 (3) in fiscal year 2025, \$250,000,000 for New Jersey studio
12 partners, \$250,000,000 for New Jersey film-lease production
13 companies, and \$300,000,000 for taxpayers, other than New Jersey
14 studio partners and New Jersey film-lease production companies.

15 If the value of tax credits, including tax credits allowed through
16 the granting of tax credit transfer certificates, approved to New
17 Jersey studio partners and New Jersey film-lease production
18 companies in any fiscal year pursuant to this subsection is less than
19 the cumulative total amount of tax credits permitted to be approved
20 in that fiscal year, the authority shall certify the amount of the
21 remaining tax credits available for approval to each such category
22 in that fiscal year, and shall increase the cumulative total amount of
23 tax credits permitted to be approved for New Jersey studio partners
24 and New Jersey film-lease production companies in the subsequent
25 fiscal year by the certified amount remaining for each such category
26 from the prior fiscal year.

27 (cf: P.L.2024, c.49, s.10)

28

29 12. This act shall take effect immediately.

[Second Reprint]

ASSEMBLY, No. 5687

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED MAY 15, 2025

Sponsored by:

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

Assemblyman ANTWAN L. MCCLELLAN

District 1 (Atlantic, Cape May and Cumberland)

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

**Assemblyman Miller, Assemblywomen Bagolie, Haider, Assemblyman
Bailey, Assemblywoman Katz and Assemblyman Singh**

SYNOPSIS

Establishes Next New Jersey Manufacturing Program to incentivize in-State manufacturing investments and job creation.

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on June 19, 2025, with amendments.



(Sponsorship Updated As Of: 6/25/2025)

1 AN ACT establishing the Next New Jersey Manufacturing Program
2 and amending and supplementing P.L.2020, c.156.

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

6
7 1. (New section) P.L. , c. (C.) (pending before the
8 Legislature as this bill) shall be known and may be cited as the
9 “Next New Jersey Manufacturing Program Act.”

10
11 2. (New section) The Legislature finds and declares that:

12 a. Manufacturers are vital contributors to the State's economic
13 health and overall prosperity. They serve as engines of growth,
14 driving job creation, stimulating innovation, and fostering a robust
15 and productive workforce. By producing goods and contributing to
16 the supply chain, manufacturing facilities bolster the State's
17 competitiveness in the global market.

18 b. Projects involving manufacturing and manufacturers are
19 inherently beneficial to the State because they provide vital
20 contributions to the communities in which they are located,
21 enhancing the quality of life for residents, and producing
22 immeasurable economic benefits to the State.

23 c. The Next New Jersey Manufacturing Program is a
24 comprehensive tax credit program designed to drive substantial
25 investment, foster the creation of new jobs, and position New Jersey
26 as a leader in the manufacturing economy. The program will
27 encourage a wide range of manufacturing activities benefitting
28 various industries, including advanced manufacturing; non-retail
29 food and beverage; life sciences; defense; and the production of
30 components for clean energy technologies, such as offshore wind,
31 solar, geothermal, green hydrogen, nuclear energy, fuel cells,
32 battery storage, and other sustainable clean energy solutions.

33 d. By offering competitive incentives, the Next New Jersey
34 Manufacturing Program encourages companies to allocate their
35 capital investments to New Jersey while demonstrating a long-term
36 commitment to the State's economic growth. The program is
37 designed for manufacturing facilities that establish or expand their
38 physical presence in New Jersey.

39
40 3. (New section) As used in P.L. , c. (C.) (pending
41 before the Legislature as this bill):

42 “Affiliate” means an entity that directly or indirectly controls, is
43 under common control with, or is controlled by an eligible business.
44 Control exists in all cases in which the entity is a member of a
45 controlled group of corporations as defined pursuant to section 1563

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:

¹Assembly ALA committee amendments adopted June 16, 2025.

²Assembly AAP committee amendments adopted June 19, 2025.

1 of the federal Internal Revenue Code (26 U.S.C. s.1563) or the
2 entity is an organization in a group of organizations under common
3 control that is subject to the regulations applicable to organizations
4 pursuant to subsection (b) or (c) of section 414 of the federal
5 Internal Revenue Code (26 U.S.C. s.414). A taxpayer may establish
6 by clear and convincing evidence, as determined by the Director of
7 the Division of Taxation in the Department of the Treasury, that
8 control exists in situations involving lesser percentages of
9 ownership than required by sections 1563 and 414 of the Internal
10 Revenue Code of 1986 (26 U.S.C. ss.1563 and 414). An affiliate of
11 a business may contribute to meeting either the capital investment
12 or full-time employee requirements of a business and new full-time
13 job requirements and may satisfy the requirement for site control
14 during construction and the eligibility period, but in no event shall
15 the tax credit certificate be issued to any affiliate.

16 “Authority” means the New Jersey Economic Development
17 Authority established by section 4 of P.L.1974, c.80 (C.34:1B-4).

18 “Board” means the Board of the New Jersey Economic
19 Development Authority, established by section 4 of P.L.1974, c.80
20 (C.34:1B-4).

21 “Building services” means any cleaning or routine building
22 maintenance work, including but not limited to sweeping,
23 vacuuming, floor cleaning, cleaning of rest rooms, collecting refuse
24 or trash, window cleaning, securing, patrolling, or other work in
25 connection with the care or securing of an existing building,
26 including services typically provided by a door-attendant or
27 concierge. “Building services” shall not include any skilled
28 maintenance work, professional services, or other public work for
29 which a contractor is required to pay the “prevailing wage,” as
30 defined in section 2 of P.L.1963, c.150 (C.34:11-56.26).

31 “Business” means an applicant proposing to own or lease
32 premises in a qualified business facility that is: a corporation
33 subject to the tax imposed pursuant to section 5 of P.L.1945, c.162
34 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and
35 C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or
36 N.J.S.17B:23-5; or is a partnership, S corporation, limited liability
37 company, or non-profit corporation. A business shall include an
38 affiliate of the business if that business applies for a tax credit based
39 upon any capital investment made by ‘an affiliate’¹ or full-time
40 employees of an affiliate.

41 “Capital investment” means expenses that a business or an
42 affiliate of the business incurred on behalf of the business or
43 affiliate by its landlord, at the qualified business facility following
44 its submission of a completed application to the authority pursuant
45 to section 5 of P.L. , c. (C.) (pending before the Legislature as
46 this bill), but prior to the project completion date, as shall be
47 defined in the project agreement pursuant to section 7 of P.L. , c.
48 (C.) (pending before the Legislature as this bill), or until such

1 other time specified by the authority, and which expenses are
2 incurred for:

3 (1) site preparation and construction, repair, renovation,
4 improvement, equipping, or furnishing on real property or of a
5 building, structure, facility, or improvement to real property;

6 (2) obtaining and installing furnishings and machinery,
7 apparatus, or equipment, or obtaining and installing of parts in an
8 existing facility for the operation of a business on real property or
9 in a building, structure, facility, or improvement to real property; or
10 any combination of the foregoing;

11 (3) improvement to a site-related utility of the real property,
12 including, but not limited to, water, electric, sewer, and stormwater,
13 and transportation infrastructure improvements, plantings, solar
14 panels and components, energy storage components, installation
15 costs of solar energy systems or other environmental components
16 required to attain the level of silver rating and gold rating standards
17 or above in the LEED building rating system, but only to the extent
18 that such capital investments have not received any grant financial
19 assistance from any other State funding source;

20 (4) the value of a capital lease, as defined by generally accepted
21 accounting practices (GAAP), of furnishings and machinery,
22 apparatus, or equipment, based on the shorter of the useful life of
23 the leased property or the commitment period; and

24 (5) associated soft costs, which shall not exceed 20 percent of
25 all capital investment.

26 "Capital investment" shall not include site acquisition vehicles
27 and heavy equipment not permanently located in the building,
28 structure, facility, or improvement. Landlord contributions for the
29 purpose of eligibility of the program, are allowed.

30 "Clean energy product manufacturer" means a business engaged
31 in the production or assembly of goods by transforming raw
32 materials or sub-components into components for renewable
33 energy, such as offshore wind, solar, geothermal, green hydrogen,
34 nuclear energy, fuel cells, battery storage, or other clean energy
35 manufacturing "Clean energy product manufacturer" does not
36 include businesses engaged in retail, wholesale, packaging,
37 software development, resource extraction, or waste incineration.

38 "Commitment period" means a period that is no less than two
39 times the eligibility period, as specified in the project agreement
40 entered into pursuant to section 7 of P.L. , c. (C.) (pending
41 before the Legislature as this bill).

42 "Director" means the Director of the Division of Taxation in the
43 Department of the Treasury.

44 "Eligibility period" means the period in which an eligible
45 business may claim a tax credit under the program, beginning with
46 the tax period in which the authority accepts certification of the
47 eligible business that it has met the capital investment and

1 employment requirements of the program and extending thereafter
2 for a term of five years.

3 “Eligible business” means any business that is a clean energy
4 product manufacturer or manufacturer, and that satisfies the criteria
5 set forth in section 5 of P.L. , c. (C.) (pending before the
6 Legislature as this bill) at the time of application for tax credits
7 under the program.

8 “Eligible position” or “full-time job” means a position in a
9 business in this State which the business has filled with a full-time
10 employee who spends at least 80 percent of the employee’s work
11 time in the State ²~~or~~ ²and² at the qualified business facility, or
12 spends any other period of work time generally accepted by custom
13 or practice, as determined by the authority in its sole discretion
14 based on the characteristics of the employee’s job and work time in
15 the State ²~~or~~ ²and² at the qualified business facility, and is offered
16 employee health benefits under a group health plan as defined under
17 section 14 of P.L.1997, c.146 (C.17B:27-54), a health benefits plan
18 as defined under section 1 of P.L.1992, c.162 (C.17B:27A-17), or a
19 policy or contract of health insurance covering more than one
20 person issued pursuant to Article 2 of Chapter 27 of Title 17B of
21 the New Jersey Statutes; provided, however, that the requirement to
22 offer employee health benefits shall be deemed to be satisfied if the
23 benefits are provided by the business or pursuant to a collective
24 bargaining agreement, no later than 90 days after the employee’s
25 start date, under a health benefits plan authorized pursuant to State
26 or federal law. An eligible position shall not include an
27 independent contractor or a consultant.

28 “Full-time employee” means a person who is:

29 (1) employed by a business for consideration for at least 35
30 hours a week, or who renders any other standard of service
31 generally accepted by custom or practice as full-time employment,
32 and whose wages are subject to withholding as provided in the
33 "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq.;

34 (2) employed by a professional employer organization pursuant
35 to an employee leasing agreement between the business and the
36 professional employer organization, pursuant to P.L.2001, c.260
37 (C.34:8-67 et seq.) for at least 35 hours a week, or who renders any
38 other standard of service generally accepted by custom or practice
39 as full-time employment, and whose wages are subject to
40 withholding as provided in the "New Jersey Gross Income Tax
41 Act," N.J.S.54A:1-1 et seq.; or

42 (3) a resident of another ¹~~State~~ ¹state¹, whose income is not
43 subject to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
44 et seq., due to a reciprocity agreement with the other state, or who
45 is a partner of a business who works for the partnership for at least
46 35 hours a week, or who renders any other standard of service
47 generally accepted by custom or practice as full-time employment,
48 and whose distributive share of income, gain, loss, or deduction, or

1 whose guaranteed payments, or any combination thereof, is subject
2 to the payment of estimated taxes, as provided in the "New Jersey
3 Gross Income Tax Act," N.J.S.54A:1-1 et seq., due to a reciprocity
4 agreement with the other state.

5 A "full-time employee" includes, but shall not be limited to, an
6 employee that has been hired by way of a labor union hiring hall or
7 its equivalent. ¹**[35]** Thirty-five¹ hours of employment per week in
8 the State shall constitute one "full-time employee," regardless of
9 whether or not the hours of work were performed by one or more
10 persons.

11 "Full-time employee" shall not include any person who works as
12 an independent contractor or on a consulting basis for the business
13 or a contract worker.

14 "Manufacturer" means a business engaged in the production or
15 assembly of goods by transforming raw materials or sub-
16 components into components or finished products through various
17 industrial processes, including but not limited to fabrication,
18 assembly, or chemical processes. "Manufacturer" does not include
19 businesses engaged in retail, wholesale, packaging, software
20 development, resource extraction, or waste incineration.

21 "Minimum environmental and sustainability standards" means
22 standards established by the authority in accordance with the green
23 building manual prepared by the Commissioner of Community
24 Affairs pursuant to section 1 of P.L.2007, c.132 (C.52:27D-130.6),
25 regarding the use of renewable energy, energy-efficient technology,
26 and non-renewable resources to reduce environmental degradation
27 and encourage long-term cost reduction.

28 "New full-time job" means an eligible position created by a
29 business, following approval of the business's application by the
30 board, that did not previously exist in this State. For the purposes
31 of determining the number of new full-time jobs, the eligible
32 positions of an affiliate shall be considered eligible positions of the
33 business. For the purpose of calculating the number of new full-
34 time jobs, a position shall not be considered a new full-time job
35 unless it is in addition to the number of full-time jobs in the
36 business's Statewide workforce in the last tax accounting or
37 privilege period prior to the tax credit amount approval.

38 "Partnership" means an entity classified as a partnership for
39 federal income tax purposes.

40 "Professional employer organization" means an employee
41 leasing company registered with the Department of Labor and
42 Workforce Development pursuant to P.L.2001, c.260 (C.34:8-67 et
43 seq.).

44 "Program" means the Next New Jersey Manufacturing Program
45 established by section 4 of P.L. , c. (C.) (pending before the
46 Legislature as this bill).

1 “Project” means the capital investment at a qualified business
2 facility and the employment commitment required pursuant to the
3 project agreement.

4 “Project agreement” means the contract executed between an
5 eligible business and the authority pursuant to section 7 of P.L. ,
6 c. (C.) (pending before the Legislature as this bill), which
7 sets forth the terms and conditions under which the eligible business
8 may receive the tax credits authorized pursuant to the program.

9 “Qualified business facility” means any building, complex of
10 buildings, or structural components of buildings, and all machinery
11 and equipment located therein, used in connection with the
12 operation of an eligible business primarily for: (1) the production or
13 assembly of goods by transforming raw materials into components
14 for renewable energy, such as offshore wind, solar, geothermal,
15 green hydrogen, fuel cells, or other clean energy; (2) producing or
16 assembling of goods ‘by’ transforming raw materials or
17 components into finished products through various industrial
18 processes; or (3) investigating, experimenting, and innovating to
19 create new products or improve existing products. Ancillary
20 activities related to packaging and distribution at the qualified
21 business facility are permitted.

22 “Soft costs” means all costs associated with financing, design,
23 engineering, legal services, or real estate commissions, including,
24 but not limited to, architect fees, permit fees, loan origination and
25 closing costs, construction management, and freight and shipping
26 delivery, but not including early lease termination costs, air fare,
27 mileage, tolls, gas, meals, packing material, marketing, temporary
28 signage, incentive consultant fees, authority fees, loan interest
29 payments, escrows, or other similar costs.

30 “Statewide workforce” means the total number of full-time
31 employees in the Statewide workforce of the business and any
32 affiliate of the business, if the affiliate contributes any capital
33 investment or full-time employees. "Statewide workforce" shall not
34 include full-time employees at any final point-of-sale retail
35 facilities unless the project, as approved by the board, includes full-
36 time employees engaged in final point-of-sale retail.

37 “Targeted industry” means any industry identified from time to
38 time by the authority which shall initially include advanced
39 transportation and logistics, advanced manufacturing, aviation,
40 autonomous vehicle and zero-emission vehicle research or
41 development, clean energy, life sciences, hemp processing,
42 information and high technology, finance and insurance,
43 professional services, film and digital media, non-retail food and
44 beverage businesses including food innovation, and other
45 innovative industries that disrupt current technologies or business
46 models.

1 4. (New section) a. The Next New Jersey Manufacturing
2 Program is hereby established as a program under the jurisdiction of
3 the New Jersey Economic Development Authority. The authority
4 shall administer the program to attract new investment to New
5 Jersey in key industries, create new jobs and economic
6 opportunities, and position New Jersey as a leader in the
7 manufacturing economy. Subject to the limitations set forth in
8 subsection b. of this section, the board may approve the award of
9 tax credits to an eligible business upon application of the chief
10 executive officer, or equivalent officer, of the eligible business and
11 following the payment of fees.

12 b. The value of all tax credits approved by the authority for
13 eligible businesses shall be subject to the limitations set forth in
14 section 98 of P.L.2020, c.156 (C.34:1B-362).
15

16 5. (New section) a. To be eligible for tax credits under the
17 program, a business's chief executive officer, or equivalent officer,
18 shall demonstrate to the authority at the time of application that:

19 (1) the business shall make, acquire, or lease a capital
20 investment at the qualified business facility not less than the
21 applicable amount set forth in subsection b. of this section;

22 (2) the business shall create new full-time jobs in the State in an
23 amount not less than the applicable number set forth in subsection
24 c. of this section;

25 (3) the median salary of the full-time jobs at the qualified
26 business facility by the business shall be not less than 120 percent
27 of the median salary for manufacturing employees in the county in
28 which the project is located;

29 (4) the business shall be primarily engaged in the activities of a
30 manufacturer or a clean energy manufacturer at the qualified
31 business facility;

32 (5) the business shall enter into a collaborative relationship,
33 evidenced by the provision of opportunities for workforce hiring,
34 training, apprenticeship, or other measures determined appropriate
35 by the authority, with New Jersey public or private colleges or
36 universities, public or private high schools, or workforce
37 development organizations, or any combination thereof;

38 (6) the qualified business facility shall be in compliance with
39 minimum environmental and sustainability standards;

40 (7) the project shall comply with the authority's affirmative
41 action requirements, adopted pursuant to section 4 of P.L.1979,
42 c.303 (C.34:1B-5.4); and

43 (8) each worker employed to perform construction work or
44 building services work at the qualified business facility shall be
45 paid not less than the prevailing wage rate for the worker's craft or
46 trade, as determined by the Commissioner of Labor and Workforce
47 Development pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.).

1 b. To be eligible under the program, the minimum capital
2 investment at the qualified business facility shall be \$10,000,000.

3 c. To be eligible under the program, the minimum number of
4 new full-time jobs in the State shall be 20 new full-time jobs.

5 d. The chief executive officer of the business, or an equivalent
6 officer, shall certify that all factual representations made by the
7 business to the authority pursuant to subsection a. of this section are
8 true under the penalty of perjury.

9 e. A business shall not be awarded a tax credit under the
10 program if the business has received a tax credit under the
11 “Business Retention and Relocation Assistance Act,” P.L.1996,
12 c.25 (C.34:1B-112 et seq.), “Business Employment Incentive
13 Program Act,” P.L.1996, c.26 (C.34:1B-124 et al.), section 6 of
14 P.L.2010, c.57 (C.34:1B-209.4), “Grow New Jersey Assistance
15 Act,” P.L.2011, c.149 (C.34:1B-242 et al.), “Emerge Program Act,”
16 sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.),
17 section 4 of P.L.2023, c.125 (C.34:1B-139.4), or the “Next New
18 Jersey Program Act,” P.L.2024, c.49 (C.34:1B-394 et seq.), relating
19 to the same capital investment and employees that qualify the
20 business for a tax credit under the program.

21 f. An eligible business may submit an application to the
22 authority in accordance with the provisions of section 6 of P.L. ,
23 c. (C.) (pending before the Legislature as this bill) on or
24 after the effective date of P.L. , c. (C.) (pending before the
25 Legislature as this bill) but prior to March 1, 2029.

26 g. Beginning on the date that the authority begins accepting
27 applications in accordance with section 6 of P.L. , c. (C.)
28 (pending before the Legislature as this bill) and continuing for two
29 years thereafter, \$100,000,000 of the tax credits made available to
30 the program pursuant to subparagraph (l) of paragraph (1) of
31 subsection b. of section 98 of P.L.2020, c.156 (C.34:1B-362) shall
32 be reserved exclusively for eligible businesses that are clean energy
33 product manufacturers. If during that period, the authority awards
34 less than \$100,000,000 in tax credits to eligible businesses that are
35 clean energy product manufacturers, the uncommitted portion shall
36 be available to be deployed by the authority to any eligible business
37 beginning in the third year next following the date that the authority
38 begins accepting applications in accordance with section 6 of P.L. ,
39 c. (C.) (pending before the Legislature as this bill).

40

41 6. (New section) a. A business that meets the eligibility
42 criteria in section 5 of P.L. , c. (C.) (pending before the
43 Legislature as this bill) and is seeking tax credits for a project under
44 the program shall submit an application to the authority in a form
45 and manner prescribed by the authority.

46 b. Before the board may consider an eligible business's
47 application for tax credits, the authority shall confirm with the
48 Department of Labor and Workforce Development, the Department

1 of Environmental Protection, and the Department of the Treasury
2 whether the eligible business is in substantial good standing with
3 the respective department, or, if necessary, has entered into an
4 agreement with the respective department that includes a practical
5 corrective action plan for the eligible business. The eligible
6 business shall certify that the contractors or subcontractors that will
7 perform work at the qualified business facility: are registered as
8 required by "The Public Works Contractor Registration Act,"
9 P.L.1999, c.238 (C.34:11-56.48 et seq.); have not been debarred by
10 the Department of Labor and Workforce Development from
11 engaging in or bidding on Public Works Contracts in the State; and
12 possess a tax clearance certificate issued by the Division of
13 Taxation in the Department of the Treasury. The authority may also
14 contract with an independent third party to perform a background
15 check on the eligible business.

16 c. An eligible business shall pay to the authority the full
17 amount of the direct costs of an analysis of the eligible business's
18 application for a tax credit, which analysis shall be conducted by a
19 third party retained by the authority if the authority deems such
20 retention to be necessary.

21 d. If, at any time during the eligibility period, the authority
22 determines that the eligible business made a material
23 misrepresentation on the eligible business's application, the eligible
24 business shall forfeit all tax credits awarded under the program,
25 which forfeiture shall be in addition to any other criminal or civil
26 penalties for which the business and the certifying officer may be
27 liable.

28 e. If circumstances require an eligible business to amend its
29 application to the authority, then the chief executive officer of the
30 eligible business, or an equivalent officer, shall certify to the
31 authority that the information provided in its amended application is
32 true under the penalty of perjury.

33 f. Nothing shall preclude a business from applying for tax
34 credits under the program for more than one project through one or
35 more applications.

36
37 7. (New section) a. Following board approval of an
38 application submitted pursuant to section 6 of P.L. , c. (C.)
39 (pending before the Legislature as this bill), within a time period
40 established by the authority but before the authority and an eligible
41 business execute a project agreement pursuant to this section, the
42 eligible business shall demonstrate, in a form and manner
43 prescribed by the authority, that it has obtained site plan approval
44 and has committed financing for, and established site control of, the
45 qualified business facility. The chief executive officer of the
46 business, or an equivalent officer, shall certify that all factual
47 representations made by the business to the authority pursuant to
48 this subsection are true under the penalty of perjury.

1 b. Following approval by the board and compliance with the
2 provisions of subsection a. of this section, but before the issuance of
3 tax credits, the authority shall require an eligible business to enter
4 into a project agreement. The terms of the project agreement shall
5 be consistent with the eligibility requirements set forth in section 5
6 of P.L. , c. (C.) (pending before the Legislature as this bill)
7 and shall include, but not be limited to, the following:

8 (1) a detailed description of the proposed project that will result
9 in job creation, and the number of new full-time jobs that are
10 approved for tax credits;

11 (2) any personnel information that will enable the authority to
12 administer the program;

13 (3) a requirement that: the eligible business shall maintain the
14 project at a location in New Jersey for the commitment period; and
15 a provision that if the eligible business does not maintain the project
16 at a location in New Jersey for the commitment period, the
17 authority may recapture all or part of any tax credits awarded, at its
18 discretion;

19 (4) a requirement that the eligible business shall maintain the
20 number of new full-time jobs, and the salaries thereof, for which the
21 eligible business certified at the commencement of the eligibility
22 period; a requirement that if, in any tax period, the number of new
23 employees in eligible positions falls below 80 percent of the
24 number of new employees in eligible positions specified in the
25 project agreement or the program minimum, the business shall
26 forfeit any tax credits for which it would otherwise be eligible
27 under the program for that tax period, and in any subsequent period
28 until such time as the applicant restores the threshold minimum; and
29 a provision to permit the authority to proportionally reduce the tax
30 credit award for the business in any tax period in which the number
31 of new full-time jobs, or the salaries thereof, is reduced below the
32 new full-time jobs for which the business certified at the
33 commencement of the eligibility period, as required pursuant to
34 subsection f. of section 8 of P.L. , c. (C.) (pending before
35 the Legislature as this bill);

36 (5) a method for the eligible business to certify that it has met
37 the capital investment and employment requirements of the
38 program, as set forth in subsections b. and c. of section 5 of P.L. ,
39 c. (C.) (pending before the Legislature as this bill), and to
40 report annually to the authority the number of new full-time jobs,
41 and the salaries thereof, for which the tax credits are to be allowed;

42 (6) representations that the eligible business is in substantial
43 good standing with the Department of Environmental Protection,
44 the Department of Labor and Workforce Development, and the
45 Department of the Treasury, or has entered into an agreement with
46 the departments that includes a practical corrective action plan, and
47 that the project complies with all applicable laws, and specifically,
48 that the project does not violate any environmental law;

1 (7) a provision permitting the authority to require an audit of the
2 payroll records of the eligible business to be conducted from time to
3 time, as the authority deems necessary;

4 (8) (a) a provision requiring the eligible business to submit an
5 annual report to the chief executive officer of the authority, in a
6 form and manner prescribed by the authority, for the purpose of
7 allowing the authority to confirm that the eligible business is in
8 substantial good standing with the Department of Environmental
9 Protection, the Department of Labor and Workforce Development,
10 and the Department of the Treasury, or has entered into an
11 agreement with the respective department that includes a practical
12 corrective action plan;

13 (b) a requirement that at certification of project completion, the
14 eligible business shall confirm that each contractor or subcontractor
15 performing work at the qualified business facility: is registered as
16 required by "The Public Works Contractor Registration Act,"
17 P.L.1999, c.238 (C.34:11-56.48 et seq.); has not been debarred by
18 the Department of Labor and Workforce Development from
19 engaging in or bidding on Public Works Contracts in the State; and
20 possesses a tax clearance certificate issued by the Division of
21 Taxation in the Department of the Treasury.

22 (c) a provision that if the eligible business fails to submit any
23 report required under this paragraph, if the Department of
24 Environmental Protection, the Department of Labor and Workforce
25 Development, or the Department of the Treasury advises that the
26 eligible business is neither in substantial good standing nor has
27 entered into a practical corrective action plan, or if the eligible
28 business fails to confirm that each contractor or subcontractor is in
29 compliance with this paragraph, then the eligible business shall
30 forfeit the issuance of tax credits, pending resolution of the
31 underlying violations or other issues;

32 (9) a requirement for the eligible business to submit evidence, as
33 required by the authority, that it has entered into and maintained a
34 collaborative relationship with a New Jersey public or private
35 college or university, public or private high school, or workforce
36 development organization, or any combination thereof;

37 (10) a provision permitting the authority to amend the project
38 agreement; and

39 (11) a provision establishing the conditions under which the
40 authority, the eligible business, or both, may terminate the
41 agreement.

42 c. (1) The authority may recapture all or part of a tax credit
43 awarded if an eligible business does not remain in compliance with
44 the requirements of a project agreement for the duration of the
45 commitment period. A recapture of tax credits initiated pursuant to
46 this subsection may include interest on the recapture amount, at a
47 rate equal to the statutory rate for corporate business or insurance
48 premiums tax deficiencies, plus any statutory penalties, and all

1 costs incurred by the authority and the Division of Taxation in the
2 Department of the Treasury in connection with the pursuit of the
3 recapture, including, but not limited to, counsel fees, court costs,
4 and other costs of collection. Failure of the eligible business to
5 meet any program criteria shall constitute a default and shall result
6 in the recapture of all or part of the tax credit awarded.

7 (2) If all or part of a tax credit sold or assigned pursuant to
8 section 9 of P.L. , c. (C.) (pending before the Legislature
9 as this bill) is subject to recapture, then the authority shall pursue
10 recapture from the eligible business and not from the purchaser or
11 assignee of the tax credit transfer certificate. The purchaser or
12 assignee of a tax credit transfer certificate shall be subject to any
13 limitations and conditions that apply to the use of the tax credits by
14 the eligible business.

15 (3) Any funds recaptured pursuant to this subsection, including
16 penalties and interest, shall be deposited into the General Fund.

17 d. A business may include an affiliate for any period, provided
18 that the business provides a valid tax clearance certificate for the
19 affiliate and a verification of the nature of the affiliate relationship
20 during the relevant period, and provided further that the affiliate
21 provides acceptable responses to the authority's legal disclosures
22 inquiries, as determined by the authority. A formal modification of
23 the authority's approval of the project agreement shall not be
24 necessary to add or remove an affiliate after approval or execution
25 of the project agreement.

26 e. A business may change its name filed with the authority by
27 providing a copy of the filed amendment to the certificate of
28 incorporation or formation, as the case may be, of the business and
29 a valid tax clearance certificate with the business's new name. A
30 formal modification of the authority's approval shall not be
31 necessary to change a business's name after approval or execution
32 of the project agreement.

33
34 8. (New section) a. Upon completion of the capital investment
35 and employment requirements of the program, an eligible business
36 shall submit certifications to the authority, in a form and manner
37 prescribed by the authority, evidencing that the eligible business has
38 satisfied the conditions relating to the capital investment and
39 employment requirements of the project agreement, and including
40 such supporting evidence as the authority deems necessary. The
41 chief executive officer of the business, or an equivalent officer,
42 shall certify that all factual representations made by the business to
43 the authority pursuant to this subsection are true under the penalty
44 of perjury.

45 b. (1) In accordance with the project agreement, beginning
46 upon the receipt of occupancy permits for any portion of the
47 project, or upon any other event evidencing project completion as
48 set forth in the project agreement, an eligible business shall be

1 allowed a tax credit in an amount determined pursuant to this
2 subsection. No more than the amount of tax credits equal to the
3 total credit amount awarded under the program divided by the
4 duration of the eligibility period in years may be taken in any tax
5 period.

6 (2) Not including any bonus awarded pursuant to paragraph (3)
7 of this subsection, the amount of the tax credit awarded under the
8 program to an eligible business shall be the lesser of:

9 (a) the product of 0.1 percent of the eligible business's total
10 capital investment, multiplied by the number of new full-time jobs;

11 (b) 25 percent of the eligible business's total capital investment;
12 or

13 (c) \$150,000,000.

14 (3) The authority may in its discretion establish one or more
15 bonuses, not to exceed a total of five percent of the award approved
16 by the authority pursuant to paragraph (2) of this subsection, for
17 which an eligible business may apply in a form and manner
18 prescribed by the authority. Criteria related to the eligibility for,
19 and approval of, such bonuses shall be established in rules and
20 regulations adopted in accordance with section 10 of P.L. , c.
21 (C.) (pending before the Legislature as this bill), and may
22 include, but shall not limited to, the following: the eligible
23 business's qualified business facility is located in an opportunity
24 zone eligible census tract pursuant to 26 U.S.C. s.1400Z-1; the
25 eligible business is certified as part of the Business Certification
26 Program administered by the Division of Revenue and Enterprise
27 Services in the Department of the Treasury; the eligible business
28 has at least one active and executed collective bargaining
29 agreement; the eligible business operates in a targeted industry or
30 part of the supply chain for a targeted industry; and any other
31 criteria as determined by the authority.

32 c. (1) Commencing in the year in which the grant of tax
33 credits is issued and for the remainder of the commitment period, an
34 eligible business that is awarded tax credits under the program shall
35 submit an annual report, no later than the date indicated in the
36 project agreement, indicating whether the eligible business
37 continues to maintain the number of new full-time jobs, and the
38 salaries thereof, specified in the project agreement. As part of the
39 annual report, an eligible business shall provide to the authority a
40 copy of its applicable New Jersey tax return and the quarterly wage
41 report required under R.S.43:21-14 submitted to the Department of
42 Labor and Workforce Development, together with an annual payroll
43 report showing: the new full-time jobs that were created in
44 accordance with the project agreement; and the new full-time jobs
45 created during each subsequent year of the commitment period. In
46 the annual report, an eligible business shall explain the reason, if
47 applicable, for any discrepancies between the annual payroll report
48 submitted by the eligible business and the quarterly wage report.

1 The failure of an eligible business to submit the information
2 required pursuant to this paragraph shall result in the forfeiture of
3 the award for that year. The chief executive officer of the eligible
4 business, or an equivalent officer, shall certify that the information
5 provided pursuant to this paragraph is true under the penalty of
6 perjury. Claims, records, or statements submitted by an eligible
7 business to the authority in order to receive tax credits shall not be
8 considered claims, records, or statements made in connection with
9 State tax laws.

10 (2) Upon receipt and review of each report submitted during the
11 eligibility period, the authority shall provide to the eligible business
12 and the director a certificate of compliance indicating the amount of
13 tax credits that the eligible business may apply against its tax
14 liability. The authority shall pro rate the tax credit for the first and
15 last years of the eligibility period based on the number of full
16 months the project was certified in the year the eligible business
17 first certifies.

18 d. (1) Upon receipt by the director of the certificate of
19 compliance, the director shall allow the eligible business a tax
20 credit. The eligible business may apply the credit allowed by the
21 director against the eligible business's tax liability for the tax period
22 in which the director allowed the tax credit, or may carry forward
23 the credit for use by the eligible business in any of the next 10
24 successive tax periods, which credit shall expire thereafter.

25 (2) The amount of credit allowed may be applied against the tax
26 liability otherwise due pursuant to section 5 of P.L.1945, c.162
27 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and
28 C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or
29 N.J.S.17B:23-5.

30 (3) The director shall prescribe the order of priority of the
31 application of the credit allowed under this section and any other
32 credits allowed by law against the tax imposed under section 5 of
33 P.L.1945, c.162 (C.54:10A-5). The amount of a credit applied
34 under this section against the tax imposed pursuant to section 5 of
35 P.L.1945, c.162 (C.54:10A-5) for a privilege period, together with
36 any other credits allowed by law, shall not reduce the tax liability to
37 an amount less than the statutory minimum provided in subsection
38 (e) of section 5 of P.L.1945, c.162 (C.54:10A-5).

39 e. An eligible business shall forfeit the credit amount for any
40 tax period for which the eligible business's documentation remains
41 uncertified as of the date for certification indicated in the project
42 agreement, although credit amounts for the remainder of the years
43 of the eligibility period shall remain available to the eligible
44 business.

45 f. If, in any tax period, the number of new employees in
46 eligible positions, or the salaries thereof, drops below 80 percent of
47 the number of new employees in eligible positions specified in the
48 project agreement or the amount required as a condition of program

1 eligibility pursuant to section 4 of P.L. , c. (C.) (pending
2 before the Legislature as this bill), whichever is greater, then the
3 eligible business shall forfeit all tax credits allowed for that tax
4 period and each subsequent tax period, until the first tax period in
5 which the authority has reviewed and approved documentation,
6 submitted by the eligible business, demonstrating that the number
7 of new employees in eligible positions, or the salaries thereof, is not
8 less than 80 percent of the number specified in the project
9 agreement or the amount required as a condition of program
10 eligibility pursuant to section 4 of P.L. , c. (C.) (pending
11 before the Legislature as this bill), whichever is greater.
12

13 9. (New section) a. Within three years of the tax period in
14 which the director first allows the eligible business a tax credit, an
15 eligible business may apply to the director and the chief executive
16 officer of the authority for a tax credit transfer certificate in lieu of
17 the eligible business being allowed any amount of the tax credit
18 against the State tax liability of the eligible business. The tax credit
19 transfer certificate, upon receipt thereof by the eligible business
20 from the director and the chief executive officer of the authority,
21 may be sold or assigned, in an amount not less than '~~[\$25,000]~~ \$25
22 million¹, within three years of the tax period in which the eligible
23 business receives the tax credit transfer certificate from the director,
24 to another person that may have a tax liability pursuant to section 5
25 of P.L.1945, c.162 (C.54:10A-5), sections 2 and 3 of P.L.1945,
26 c.132 (C.54:18A-2 and 54:18A-3), section 1 of P.L.1950, c.231
27 (C.17:32-15), or N.J.S.17B:23-5. A purchaser or assignee of a tax
28 credit transfer certificate pursuant to this section shall apply the
29 transferred credit against the same tax or taxes for which the
30 eligible business was approved a tax credit under the program. The
31 tax credit transfer certificate provided to the eligible business shall
32 include a statement waiving the eligible business's right to claim
33 the tax credit that the eligible business has elected to sell or assign.

34 b. The eligible business shall not sell or assign a tax credit
35 transfer certificate allowed under this section for consideration
36 received by the eligible business of less than 85 percent of the
37 transferred credit amount before considering any further
38 discounting to present value which shall be permitted. The tax
39 credit transfer certificate issued to the eligible business by the
40 director shall be subject to any limitations and conditions imposed
41 on the application of State tax credits pursuant to P.L. , c.
42 (C.) (pending before the Legislature as this bill) and any other
43 terms and conditions that the director may prescribe.

44 c. A purchaser or assignee of a tax credit transfer certificate
45 pursuant to this section shall not make any subsequent transfers,
46 assignments, or sales of the tax credit transfer certificate.

1 d. The authority shall publish on its Internet website the
2 following information concerning each tax credit transfer certificate
3 approved by the authority and the director pursuant to this section:

- 4 (1) the name of the transferrer;
5 (2) the name of the transferee;
6 (3) the value of the tax credit transfer certificate;
7 (4) the State tax against which the transferee may apply the tax
8 credit; and
9 (5) the consideration received by the transferrer.

10
11 10. (New section) Notwithstanding the provisions of the
12 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
13 seq.) to the contrary, the chief executive officer of the authority
14 shall adopt, immediately, upon filing with the Office of
15 Administrative Law, such rules and regulations as the chief
16 executive officer deems necessary to implement the provisions of
17 P.L. , c. (C.) (pending before the Legislature as this bill),
18 which rules and regulations shall be effective for a period not to
19 exceed 365 days after the date of the filing. Before the expiration
20 of the rules and regulations, the chief executive officer shall amend,
21 adopt, or readopt the rules and regulations in accordance with the
22 requirements of the “Administrative Procedure Act,” P.L.1968,
23 c.410 (C.52:14B-1 et seq.).
24

25 11. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to
26 read as follows:

27 98. a. The combined value of all tax credits awarded under the
28 "Historic Property Reinvestment Act," sections 2 through 8 of
29 P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the
30 "Brownfields Redevelopment Incentive Program Act," sections 9
31 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287);
32 the "New Jersey Innovation Evergreen Act," sections 20 through 34
33 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food
34 Desert Relief Act," sections 35 through 42 of P.L.2020, c.156
35 (C.34:1B-303 through 34:1B-310); the "New Jersey Community-
36 Anchored Development Act," sections 43 through 53 of P.L.2020,
37 c.156 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire
38 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
39 322 through 34:1B-335); the "Emerge Program Act," sections 68
40 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of
41 P.L.2010, c.57 (C.34:1B-209.4); the "Cultural Arts Incentives
42 Program Act," P.L.2023, c.197 (C.34:1B-383 et al.); **and** the
43 "Next New Jersey Program Act," P.L.2024, c.49 **[(C.34:1B-362 et**
44 **seq.)]** (C.34:1B-394 et al.); and the “Next New Jersey
45 Manufacturing Program Act,” P.L. , c. (C.) (pending
46 before the Legislature as this bill) shall not exceed an overall cap of
47 \$11.5 billion over a nine-year period, subject to the conditions and
48 limitations set forth in this section. Of this \$11.5 billion, \$2.5

1 billion shall be reserved for transformative projects approved under
2 the Aspire Program.

3 b. (1) The total value of tax credits awarded under any
4 constituent program of the "New Jersey Economic Recovery Act of
5 2020," P.L.2020, c.156 (C.34:1B-269 et al.), the "Cultural Arts
6 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.),
7 **[and]** the "Next New Jersey Program Act," P.L.2024, c.49
8 **[(C.34:1B-362 et seq.)]** (C.34:1B-394 et al.), and the "Next New
9 Jersey Manufacturing Program Act," P.L. , c. (C.) (pending
10 before the Legislature as this bill) shall be subject to the following
11 limitations, except as otherwise provided in subsection c. of this
12 section:

13 (a) for tax credits awarded under the "Historic Property
14 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156
15 (C.34:1B-270 through 34:1B-276), the total value of tax credits
16 annually awarded during each of the first six years of the nine-year
17 period shall not exceed \$50 million;

18 (b) for tax credits awarded under the "Brownfields
19 Redevelopment Incentive Program Act," sections 9 through 19 of
20 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value
21 of tax credits annually awarded during each of the first six years of
22 the nine-year period shall not exceed \$50 million;

23 (c) for tax credits awarded under the "New Jersey Innovation
24 Evergreen Act," sections 20 through 34 of P.L.2020, c.156
25 (C.34:1B-288 through 34:1B-302), the total value of tax credits
26 annually awarded during each of the first six years of the nine-year
27 period shall not exceed \$60 million and the total value of tax credits
28 awarded over the entirety of the nine-year period shall not exceed
29 \$300,000,000;

30 (d) for tax credits awarded under the "Food Desert Relief Act,"
31 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
32 34:1B-310), the total value of tax credits annually awarded during
33 each of the first six years of the nine-year period shall not exceed
34 \$40 million;

35 (e) for tax credits awarded under the "New Jersey Community-
36 Anchored Development Act," sections 43 through 53 of P.L.2020,
37 c.156 (C.34:1B-311 through 34:1B-321), and the "Cultural Arts
38 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), the
39 total value of tax credits awarded during the nine-year period shall
40 not exceed \$1,200,000,000; provided, however, tax credits shall not
41 be available under the "New Jersey Community-Anchored
42 Development Act," sections 43 through 53 of P.L.2020, c.156
43 (C.34:1B-311 through 34:1B-321), until January 1, 2026.
44 Beginning January 1, 2026, the authority shall annually award tax
45 credits under the "New Jersey Community-Anchored Development
46 Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311
47 through 34:1B-321), valuing no greater than \$130 million for
48 projects located in the 13 northern counties of the State, and the

1 authority shall annually award tax credits valuing no greater than
2 \$70 million for projects located in the eight southern counties of the
3 State. If during any year of operation of the "New Jersey
4 Community-Anchored Development Act," sections 43 through 53 of
5 P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), the authority
6 awards tax credits pursuant to the program in an amount less than
7 the annual limitation for projects located in northern counties or
8 southern counties, as applicable, the uncommitted portion of the
9 annual limitation shall be available to be deployed by the authority
10 in a subsequent year without consideration to the county in which a
11 project is located;

12 (f) for tax credits awarded under the "New Jersey Aspire
13 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
14 322 through 34:1B-335), and the "Emerge Program Act," sections
15 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
16 including tax credits awarded for transformative projects, the total
17 value of tax credits annually awarded during each of the first six
18 years of the nine-year period shall not exceed \$1.1 billion. If the
19 authority awards tax credits in an amount less than the annual
20 limitation, then the uncommitted portion of the annual limitation
21 shall be made available for qualified offshore wind projects
22 awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4),
23 pursuant to subparagraph (h) of this paragraph, projects awarded a
24 tax credit pursuant to the "Next New Jersey Program Act,"
25 P.L.2024, c.49 [(C.34:1B-362 et seq.)] (C.34:1B-394 et al.),
26 pursuant to subparagraph (k) of this paragraph, projects awarded a
27 tax credit pursuant to the "Next New Jersey Manufacturing Program
28 Act," P.L. , c. (C.) (pending before the Legislature as this
29 bill), pursuant to subparagraph (l) of this paragraph, or New Jersey
30 studio partners, New Jersey film-lease production companies, and
31 taxpayers, other than New Jersey studio partners and New Jersey
32 film-lease production companies awarded under sections 1 and 2 of
33 P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b), pursuant to
34 subparagraph (i) of this paragraph and subsection d. of this section.
35 During each of the first six years of the nine-year period, the
36 authority shall annually award tax credits valuing no greater than
37 \$715 million for projects located in the northern counties of the
38 State, and the authority shall annually award tax credits valuing no
39 greater than \$385 million for projects located in the southern
40 counties of the State under the "New Jersey Aspire Program Act,"
41 sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through
42 34:1B-335), and the "Emerge Program Act," sections 68 through 81
43 of P.L.2020, c.156 (C.34:1B-336 et al.). If during any of the first
44 six years of the nine-year period, the authority awards tax credits
45 under the "New Jersey Aspire Program Act," sections 54 through 67
46 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
47 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
48 (C.34:1B-336 et al.), in an amount less than the annual limitation

1 for projects located in northern counties or southern counties, as
2 applicable, the uncommitted portion of the annual limitation shall
3 be available to be deployed by the authority in a subsequent year,
4 provided that the uncommitted portion of tax credits shall be
5 awarded for projects located in the applicable geographic area,
6 except that (i) after the completion of the third year of the nine-year
7 period, the authority may deploy 50 percent of the uncommitted
8 portion of tax credits for any previous year without consideration to
9 the county in which a project is located; and (ii) after the
10 completion of the sixth year of the nine-year period, the authority
11 may deploy all available tax credits, including the uncommitted
12 portion of the annual limitation for any previous year, without
13 consideration to the county in which a project is located;

14 (g) except as provided in subparagraph (j) of this paragraph, for
15 tax credits awarded for transformative projects under the "New
16 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
17 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax
18 credits awarded during the nine-year period shall not exceed \$2.5
19 billion. The total value of tax credits awarded for transformative
20 projects in a given year shall not be subject to an annual limitation,
21 except that the total value of tax credits awarded to any
22 transformative project shall not exceed \$400 million;

23 (h) from the tax credits made available, pursuant to
24 subparagraph (f) of this paragraph, to the "New Jersey Aspire
25 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
26 322 through 34:1B-335), and the "Emerge Program Act," sections
27 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
28 including tax credits awarded for transformative projects, an
29 amount not to exceed \$350,000,000 shall be made available for
30 qualified offshore wind projects awarded a credit pursuant to
31 section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three
32 years of the nine-year period;

33 (i) beginning in fiscal year 2023, from the tax credits made
34 available, pursuant to subparagraph (f) of this paragraph, to the
35 "New Jersey Aspire Program Act," sections 54 through 67 of
36 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
37 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
38 (C.34:1B-336 et al.), not including tax credits awarded for
39 transformative projects, additional amounts shall be made available
40 for New Jersey studio partners, New Jersey film-lease production
41 companies, and taxpayers, other than New Jersey studio partners
42 and New Jersey film-lease production companies pursuant to
43 sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-
44 12b);

45 (j) beginning in fiscal year 2024, from the tax credits made
46 available, pursuant to subparagraph (f) of this paragraph, to the
47 "New Jersey Aspire Program Act," sections 54 through 67 of
48 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge

1 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
2 336 et al.), not including tax credits awarded for transformative
3 projects, an amount not to exceed \$500,000,000 may be annually
4 transferred for the award to transformative projects under the "New
5 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
6 c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the
7 remaining allocation of tax credits otherwise available for
8 transformative projects, pursuant to subparagraph (g) of this
9 paragraph, is less than \$1,000,000,000; and (ii) the authority board
10 determines that the transfer of tax credits is warranted based on
11 such criteria as the authority deems appropriate, which may include
12 the criteria set forth in paragraph (2) of this subsection. If a transfer
13 of tax credits is made pursuant to this subparagraph, the authority
14 shall award no greater than 65 percent of the tax credits transferred
15 pursuant to this subparagraph to transformative projects located in
16 the northern counties of the State and no greater than 35 percent of
17 the tax credits transferred pursuant to this subparagraph to
18 transformative projects located in the southern counties of the State;

19 **[and]**

20 (k) beginning in fiscal year 2025, from the tax credits made
21 available, pursuant to subparagraph (f) of this paragraph, to the
22 "New Jersey Aspire Program Act," sections 54 through 67 of
23 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
24 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
25 336 et al.), but not including tax credits awarded for transformative
26 projects, an amount not to exceed \$500,000,000 shall be made
27 available for projects awarded a tax credit pursuant to the "Next
28 New Jersey Program Act," P.L.2024, c.49 **[(C.34:1B-362 et seq.)]**
29 **(C.34:1B-394 et al.); and**

30 (l) beginning in fiscal year 2026, from the tax credits made
31 available, pursuant to subparagraph (f) of this paragraph, to the
32 "New Jersey Aspire Program Act," sections 54 through 67 of
33 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
34 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
35 336 et al.), but not including tax credits awarded for transformative
36 projects, an amount not to exceed \$500,000,000 shall be made
37 available for projects awarded a tax credit pursuant to the "Next
38 New Jersey Manufacturing Program Act," P.L. , c. (C.)
39 (pending before the Legislature as this bill). In accordance with the
40 provisions of subsection g. of section 5 of P.L. , c. (C.)
41 (pending before the Legislature as this bill), \$100,000,000 of the tax
42 credits made available to the "Next New Jersey Manufacturing
43 Program Act," P.L. , c. (C.) (pending before the
44 Legislature as this bill) pursuant to this subparagraph shall be
45 reserved exclusively for eligible businesses that are clean energy
46 product manufacturers.

47 (2) The authority may in any given year determine that it is in
48 the State's interest to approve an amount of tax credits in excess of

1 the annual limitations set forth in paragraph (1) of this subsection,
2 but in no event more than \$200,000,000 in excess of the annual
3 limitation, upon a determination by the authority board that such
4 increase is warranted based on specific criteria that may include:

5 (i) the increased demand for opportunities to create or retain
6 employment and investment in the State as indicated by the volume
7 of project applications and the amount of tax credits being sought
8 by those applications;

9 (ii) the need to protect the State's economic position in the event
10 of an economic downturn;

11 (iii) the quality of project applications and the net economic
12 benefit to the State and municipalities associated with those
13 applications;

14 (iv) opportunities for project applications to strengthen or protect
15 the competitiveness of the State under the prevailing market
16 conditions;

17 (v) enhanced access to employment and investment for
18 underserved populations in distressed municipalities and qualified
19 incentives tracts;

20 (vi) increased investment and employment in high-growth
21 technology sectors and in projects that entail collaboration with
22 education institutions in the State;

23 (vii) increased development proximate to mass transit facilities;

24 (viii) any other factor deemed relevant by the authority.

25 c. In the event that the authority in any year approves projects
26 for tax credits in an amount less than the annual limitations set forth
27 in paragraph (1) of subsection b. of this section, then the
28 uncommitted portion of the annual limitation shall be available to
29 be deployed by the authority in future years for projects under the
30 same program; provided however, that in no event shall the
31 aggregate amount of tax credits approved be in excess of the overall
32 cap of \$11.5 billion, and in no event shall the uncommitted portion
33 of the annual limitation for any previous year be deployed after the
34 conclusion of the nine-year period.

35 d. Notwithstanding the provisions of any other law to the
36 contrary, the uncommitted balance of the total value of tax credits
37 authorized for award by the authority pursuant to subparagraph (f)
38 of paragraph (1) of subsection b. of this section to the "New Jersey
39 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
40 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68
41 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made
42 available for tax credits allowed to New Jersey studio partners, New
43 Jersey film-lease production companies, and taxpayers, other than
44 New Jersey studio partners and New Jersey film-lease production
45 companies pursuant to sections 1 and 2 of P.L.2018, c.56
46 (C.54:10A-5.39b and C.54A:4-12b). The value of tax credits,
47 including tax credits allowed through the granting of tax credit
48 transfer certificates, made available to New Jersey studio partners,

1 New Jersey film-lease production companies, and taxpayers, other
2 than New Jersey studio partners and New Jersey film-lease
3 production companies pursuant to this subsection shall be as
4 follows:

5 (1) in fiscal year 2023, \$250,000,000 for New Jersey studio
6 partners and \$250,000,000 for New Jersey film-lease production
7 companies;

8 (2) in fiscal year 2024, \$250,000,000 for New Jersey studio
9 partners and \$250,000,000 for New Jersey film-lease production
10 companies; and

11 (3) in fiscal year 2025, \$250,000,000 for New Jersey studio
12 partners, \$250,000,000 for New Jersey film-lease production
13 companies, and \$300,000,000 for taxpayers, other than New Jersey
14 studio partners and New Jersey film-lease production companies.

15 If the value of tax credits, including tax credits allowed through
16 the granting of tax credit transfer certificates, approved to New
17 Jersey studio partners and New Jersey film-lease production
18 companies in any fiscal year pursuant to this subsection is less than
19 the cumulative total amount of tax credits permitted to be approved
20 in that fiscal year, the authority shall certify the amount of the
21 remaining tax credits available for approval to each such category
22 in that fiscal year, and shall increase the cumulative total amount of
23 tax credits permitted to be approved for New Jersey studio partners
24 and New Jersey film-lease production companies in the subsequent
25 fiscal year by the certified amount remaining for each such category
26 from the prior fiscal year.

27 (cf: P.L.2024, c.49, s.10)

28

29 12. This act shall take effect immediately.

[Third Reprint]

ASSEMBLY, No. 5687

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED MAY 15, 2025

Sponsored by:

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

Assemblyman ANTWAN L. MCCLELLAN

District 1 (Atlantic, Cape May and Cumberland)

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Senator MICHAEL L. TESTA, JR.

District 1 (Atlantic, Cape May and Cumberland)

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Co-Sponsored by:

Assemblyman Miller, Assemblywomen Bagolie, Haider, Assemblyman Bailey, Assemblywoman Katz, Assemblyman Singh, Assemblywomen Murphy, Donlon, Peterpaul, Morales, Swain, Assemblyman Tully, Senators Space, Schepisi and Singleton

SYNOPSIS

Establishes Next New Jersey Manufacturing Program to incentivize in-State manufacturing investments and job creation.

CURRENT VERSION OF TEXT

As reported by the Assembly Budget Committee on June 26, 2025, with amendments.

(Sponsorship Updated As Of: 6/30/2025)

1 AN ACT establishing the Next New Jersey Manufacturing Program
2 and amending and supplementing P.L.2020, c.156.

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

6
7 1. (New section) P.L. , c. (C.) (pending before the
8 Legislature as this bill) shall be known and may be cited as the
9 “Next New Jersey Manufacturing Program Act.”

10
11 2. (New section) The Legislature finds and declares that:

12 a. Manufacturers are vital contributors to the State's economic
13 health and overall prosperity. They serve as engines of growth,
14 driving job creation, stimulating innovation, and fostering a robust
15 and productive workforce. By producing goods and contributing to
16 the supply chain, manufacturing facilities bolster the State's
17 competitiveness in the global market.

18 b. Projects involving manufacturing and manufacturers are
19 inherently beneficial to the State because they provide vital
20 contributions to the communities in which they are located,
21 enhancing the quality of life for residents, and producing
22 immeasurable economic benefits to the State.

23 c. The Next New Jersey Manufacturing Program is a
24 comprehensive tax credit program designed to drive substantial
25 investment, foster the creation of new jobs, and position New Jersey
26 as a leader in the manufacturing economy. The program will
27 encourage a wide range of manufacturing activities benefitting
28 various industries, including advanced manufacturing; non-retail
29 food and beverage; life sciences; defense; and the production of
30 components for clean energy technologies, such as offshore wind,
31 solar, geothermal, green hydrogen, nuclear energy, fuel cells,
32 battery storage, and other sustainable clean energy solutions.

33 d. By offering competitive incentives, the Next New Jersey
34 Manufacturing Program encourages companies to allocate their
35 capital investments to New Jersey while demonstrating a long-term
36 commitment to the State's economic growth. The program is
37 designed for manufacturing facilities that establish or expand their
38 physical presence in New Jersey.

39
40 3. (New section) As used in P.L. , c. (C.) (pending
41 before the Legislature as this bill):

42 “Affiliate” means an entity that directly or indirectly controls, is
43 under common control with, or is controlled by an eligible business.
44 Control exists in all cases in which the entity is a member of a
45 controlled group of corporations as defined pursuant to section 1563

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:

¹Assembly ALA committee amendments adopted June 16, 2025.

²Assembly AAP committee amendments adopted June 19, 2025.

³Assembly ABU committee amendments adopted June 26, 2025.

1 of the federal Internal Revenue Code (26 U.S.C. s.1563) or the
2 entity is an organization in a group of organizations under common
3 control that is subject to the regulations applicable to organizations
4 pursuant to subsection (b) or (c) of section 414 of the federal
5 Internal Revenue Code (26 U.S.C. s.414). A taxpayer may establish
6 by clear and convincing evidence, as determined by the Director of
7 the Division of Taxation in the Department of the Treasury, that
8 control exists in situations involving lesser percentages of
9 ownership than required by sections 1563 and 414 of the Internal
10 Revenue Code of 1986 (26 U.S.C. ss.1563 and 414). An affiliate of
11 a business may contribute to meeting either the capital investment
12 or full-time employee requirements of a business and new full-time
13 job requirements and may satisfy the requirement for site control
14 during construction and the eligibility period, but in no event shall
15 the tax credit certificate be issued to any affiliate.

16 “Authority” means the New Jersey Economic Development
17 Authority established by section 4 of P.L.1974, c.80 (C.34:1B-4).

18 “Board” means the Board of the New Jersey Economic
19 Development Authority, established by section 4 of P.L.1974, c.80
20 (C.34:1B-4).

21 “Building services” means any cleaning or routine building
22 maintenance work, including but not limited to sweeping,
23 vacuuming, floor cleaning, cleaning of rest rooms, collecting refuse
24 or trash, window cleaning, securing, patrolling, or other work in
25 connection with the care or securing of an existing building,
26 including services typically provided by a door-attendant or
27 concierge. “Building services” shall not include any skilled
28 maintenance work, professional services, or other public work for
29 which a contractor is required to pay the “prevailing wage,” as
30 defined in section 2 of P.L.1963, c.150 (C.34:11-56.26).

31 “Business” means an applicant proposing to own or lease
32 premises in a qualified business facility that is: a corporation
33 subject to the tax imposed pursuant to section 5 of P.L.1945, c.162
34 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and
35 C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or
36 N.J.S.17B:23-5; or is a partnership, S corporation, limited liability
37 company, or non-profit corporation. A business shall include an
38 affiliate of the business if that business applies for a tax credit based
39 upon any capital investment made by ‘an affiliate’¹ or full-time
40 employees of an affiliate.

41 “Capital investment” means expenses that a business or an
42 affiliate of the business incurred on behalf of the business or
43 affiliate by its landlord, at the qualified business facility following
44 its submission of a completed application to the authority pursuant
45 to section 5 of P.L. , c. (C.) (pending before the Legislature as
46 this bill), but prior to the project completion date, as shall be
47 defined in the project agreement pursuant to section 7 of
48 P.L. , c. (C.) (pending before the Legislature as this bill),

1 or until such other time specified by the authority, and which
2 expenses are incurred for:

3 (1) site preparation and construction, repair, renovation,
4 improvement, equipping, or furnishing on real property or of a
5 building, structure, facility, or improvement to real property;

6 (2) obtaining and installing furnishings and machinery,
7 apparatus, or equipment, or obtaining and installing of parts in an
8 existing facility for the operation of a business on real property or
9 in a building, structure, facility, or improvement to real property; or
10 any combination of the foregoing;

11 (3) improvement to a site-related utility of the real property,
12 including, but not limited to, water, electric, sewer, and stormwater,
13 and transportation infrastructure improvements, plantings, solar
14 panels and components, energy storage components, installation
15 costs of solar energy systems or other environmental components
16 required to attain the level of silver rating and gold rating standards
17 or above in the LEED building rating system, but only to the extent
18 that such capital investments have not received any grant financial
19 assistance from any other State funding source;

20 (4) the value of a capital lease, as defined by generally accepted
21 accounting practices (GAAP), of furnishings and machinery,
22 apparatus, or equipment, based on the shorter of the useful life of
23 the leased property or the commitment period; and

24 (5) associated soft costs, which shall not exceed 20 percent of
25 all capital investment.

26 "Capital investment" shall not include site acquisition vehicles
27 and heavy equipment not permanently located in the building,
28 structure, facility, or improvement. Landlord contributions for the
29 purpose of eligibility of the program, are allowed.

30 "Clean energy product manufacturer" means a business engaged
31 in the production or assembly of goods by transforming raw
32 materials or sub-components into components for renewable
33 energy, such as offshore wind, solar, geothermal, green hydrogen,
34 nuclear energy, fuel cells, battery storage, or other clean energy
35 manufacturing "Clean energy product manufacturer" does not
36 include businesses engaged in retail, wholesale, packaging,
37 software development, resource extraction, or waste incineration.

38 "Commitment period" means a period that is no less than two
39 times the eligibility period, as specified in the project agreement
40 entered into pursuant to section 7 of P.L. , c. (C.) (pending
41 before the Legislature as this bill).

42 "Director" means the Director of the Division of Taxation in the
43 Department of the Treasury.

44 "Eligibility period" means the period in which an eligible
45 business may claim a tax credit under the program, beginning with
46 the tax period in which the authority accepts certification of the
47 eligible business that it has met the capital investment and
48 employment requirements of the program and extending thereafter
49 for a term of five years.

1 “Eligible business” means any business that is a clean energy
2 product manufacturer or manufacturer, and that satisfies the criteria
3 set forth in section 5 of P.L. , c. (C.) (pending before the
4 Legislature as this bill) at the time of application for tax credits
5 under the program.

6 “Eligible position” or “full-time job” means a position in a
7 business in this State which the business has filled with a full-time
8 employee who spends at least 80 percent of the employee’s work
9 time in the State ²~~or~~ and² at the qualified business facility, or
10 spends any other period of work time generally accepted by custom
11 or practice, as determined by the authority in its sole discretion
12 based on the characteristics of the employee’s job and work time in
13 the State ²~~or~~ and² at the qualified business facility, and is offered
14 employee health benefits under a group health plan as defined under
15 section 14 of P.L.1997, c.146 (C.17B:27-54), a health benefits plan
16 as defined under section 1 of P.L.1992, c.162 (C.17B:27A-17), or a
17 policy or contract of health insurance covering more than one
18 person issued pursuant to Article 2 of Chapter 27 of Title 17B of
19 the New Jersey Statutes; provided, however, that the requirement to
20 offer employee health benefits shall be deemed to be satisfied if the
21 benefits are provided by the business or pursuant to a collective
22 bargaining agreement, no later than 90 days after the employee’s
23 start date, under a health benefits plan authorized pursuant to State
24 or federal law. An eligible position shall not include an
25 independent contractor or a consultant.

26 “Full-time employee” means a person who is:

27 (1) employed by a business for consideration for at least 35
28 hours a week, or who renders any other standard of service
29 generally accepted by custom or practice as full-time employment,
30 and whose wages are subject to withholding as provided in the
31 "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq.;

32 (2) employed by a professional employer organization pursuant
33 to an employee leasing agreement between the business and the
34 professional employer organization, pursuant to P.L.2001, c.260
35 (C.34:8-67 et seq.) for at least 35 hours a week, or who renders any
36 other standard of service generally accepted by custom or practice
37 as full-time employment, and whose wages are subject to
38 withholding as provided in the "New Jersey Gross Income Tax
39 Act," N.J.S.54A:1-1 et seq.; or

40 (3) a resident of another ¹~~State~~ state¹, whose income is not
41 subject to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
42 et seq., due to a reciprocity agreement with the other state, or who
43 is a partner of a business who works for the partnership for at least
44 35 hours a week, or who renders any other standard of service
45 generally accepted by custom or practice as full-time employment,
46 and whose distributive share of income, gain, loss, or deduction, or
47 whose guaranteed payments, or any combination thereof, is subject
48 to the payment of estimated taxes, as provided in the "New Jersey

1 Gross Income Tax Act," N.J.S.54A:1-1 et seq., due to a reciprocity
2 agreement with the other state.

3 A "full-time employee" includes, but shall not be limited to, an
4 employee that has been hired by way of a labor union hiring hall or
5 its equivalent. ¹**[35]** Thirty-five¹ hours of employment per week in
6 the State shall constitute one "full-time employee," regardless of
7 whether or not the hours of work were performed by one or more
8 persons.

9 "Full-time employee" shall not include any person who works as
10 an independent contractor or on a consulting basis for the business
11 or a contract worker.

12 "Manufacturer" means a business engaged in the production or
13 assembly of goods by transforming raw materials or sub-
14 components into components or finished products through various
15 industrial processes, including but not limited to fabrication,
16 assembly, or chemical processes. "Manufacturer" does not include
17 businesses engaged in retail, wholesale, packaging, software
18 development, resource extraction, or waste incineration.

19 "Minimum environmental and sustainability standards" means
20 standards established by the authority in accordance with the green
21 building manual prepared by the Commissioner of Community
22 Affairs pursuant to section 1 of P.L.2007, c.132 (C.52:27D-130.6),
23 regarding the use of renewable energy, energy-efficient technology,
24 and non-renewable resources to reduce environmental degradation
25 and encourage long-term cost reduction.

26 "New full-time job" means an eligible position created by a
27 business, following approval of the business's application by the
28 board, that did not previously exist in this State. For the purposes
29 of determining the number of new full-time jobs, the eligible
30 positions of an affiliate shall be considered eligible positions of the
31 business. For the purpose of calculating the number of new full-
32 time jobs, a position shall not be considered a new full-time job
33 unless it is in addition to the number of full-time jobs in the
34 business's Statewide workforce in the last tax accounting or
35 privilege period prior to the tax credit amount approval.

36 "Partnership" means an entity classified as a partnership for
37 federal income tax purposes.

38 "Professional employer organization" means an employee
39 leasing company registered with the Department of Labor and
40 Workforce Development pursuant to P.L.2001, c.260 (C.34:8-67 et
41 seq.).

42 "Program" means the Next New Jersey Manufacturing Program
43 established by section 4 of P.L. , c. (C.) (pending before the
44 Legislature as this bill).

45 "Project" means the capital investment at a qualified business
46 facility and the employment commitment required pursuant to the
47 project agreement.

48 "Project agreement" means the contract executed between an
49 eligible business and the authority pursuant to section 7 of

1 P.L. , c. (C.) (pending before the Legislature as this bill),
2 which sets forth the terms and conditions under which the eligible
3 business may receive the tax credits authorized pursuant to the
4 program.

5 “Qualified business facility” means any building, complex of
6 buildings, or structural components of buildings, and all machinery
7 and equipment located therein, used in connection with the
8 operation of an eligible business primarily for: (1) the production or
9 assembly of goods by transforming raw materials into components
10 for renewable energy, such as offshore wind, solar, geothermal,
11 green hydrogen, fuel cells, or other clean energy; (2) producing or
12 assembling of goods ¹by transforming raw materials or
13 components into finished products through various industrial
14 processes; or (3) investigating, experimenting, and innovating to
15 create new products or improve existing products. Ancillary
16 activities related to packaging and distribution at the qualified
17 business facility are permitted.

18 “Soft costs” means all costs associated with financing, design,
19 engineering, legal services, or real estate commissions, including,
20 but not limited to, architect fees, permit fees, loan origination and
21 closing costs, construction management, and freight and shipping
22 delivery, but not including early lease termination costs, air fare,
23 mileage, tolls, gas, meals, packing material, marketing, temporary
24 signage, incentive consultant fees, authority fees, loan interest
25 payments, escrows, or other similar costs.

26 “Statewide workforce” means the total number of full-time
27 employees in the Statewide workforce of the business and any
28 affiliate of the business, if the affiliate contributes any capital
29 investment or full-time employees. "Statewide workforce" shall not
30 include full-time employees at any final point-of-sale retail
31 facilities unless the project, as approved by the board, includes full-
32 time employees engaged in final point-of-sale retail.

33 “Targeted industry” means any industry identified from time to
34 time by the authority which shall initially include advanced
35 transportation and logistics, advanced manufacturing, aviation,
36 autonomous vehicle and zero-emission vehicle research or
37 development, clean energy, life sciences, hemp processing,
38 information and high technology, finance and insurance,
39 professional services, film and digital media, non-retail food and
40 beverage businesses including food innovation, and other
41 innovative industries that disrupt current technologies or business
42 models.

43
44 4. (New section) a. The Next New Jersey Manufacturing
45 Program is hereby established as a program under the jurisdiction of
46 the New Jersey Economic Development Authority. The authority
47 shall administer the program to attract new investment to New
48 Jersey in key industries, create new jobs and economic
49 opportunities, and position New Jersey as a leader in the

1 manufacturing economy. Subject to the limitations set forth in
2 subsection b. of this section, the board may approve the award of
3 tax credits to an eligible business upon application of the chief
4 executive officer, or equivalent officer, of the eligible business and
5 following the payment of fees.

6 b. The value of all tax credits approved by the authority for
7 eligible businesses shall be subject to the limitations set forth in
8 section 98 of P.L.2020, c.156 (C.34:1B-362).

9
10 5. (New section) a. To be eligible for tax credits under the
11 program, a business's chief executive officer, or equivalent officer,
12 shall demonstrate to the authority at the time of application that:

13 (1) the business shall make, acquire, or lease a capital
14 investment at the qualified business facility not less than the
15 applicable amount set forth in subsection b. of this section;

16 (2) the business shall create new full-time jobs in the State in an
17 amount not less than the applicable number set forth in subsection
18 c. of this section;

19 (3) the median salary of the full-time jobs at the qualified
20 business facility by the business shall be not less than 120 percent
21 of the median salary for manufacturing employees in the county in
22 which the project is located;

23 (4) the business shall be primarily engaged in the activities of a
24 manufacturer or a clean energy manufacturer at the qualified
25 business facility;

26 (5) the business shall enter into a collaborative relationship,
27 evidenced by the provision of opportunities for workforce hiring,
28 training, apprenticeship, or other measures determined appropriate
29 by the authority, with New Jersey public or private colleges or
30 universities, public or private high schools, or workforce
31 development organizations, or any combination thereof;

32 (6) the qualified business facility shall be in compliance with
33 minimum environmental and sustainability standards;

34 (7) the project shall comply with the authority's affirmative
35 action requirements, adopted pursuant to section 4 of P.L.1979,
36 c.303 (C.34:1B-5.4); and

37 (8) each worker employed to perform construction work or
38 building services work at the qualified business facility shall be
39 paid not less than the prevailing wage rate for the worker's craft or
40 trade, as determined by the Commissioner of Labor and Workforce
41 Development pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.).

42 b. To be eligible under the program, the minimum capital
43 investment at the qualified business facility shall be \$10,000,000.

44 c. To be eligible under the program, the minimum number of
45 new full-time jobs in the State shall be 20 new full-time jobs.

46 d. The chief executive officer of the business, or an equivalent
47 officer, shall certify that all factual representations made by the
48 business to the authority pursuant to subsection a. of this section are
49 true under the penalty of perjury.

1 e. A business shall not be awarded a tax credit under the
2 program if the business has received a tax credit under the
3 “Business Retention and Relocation Assistance Act,” P.L.1996,
4 c.25 (C.34:1B-112 et seq.), “Business Employment Incentive
5 Program Act,” P.L.1996, c.26 (C.34:1B-124 et al.), section 6 of
6 P.L.2010, c.57 (C.34:1B-209.4), “Grow New Jersey Assistance
7 Act,” P.L.2011, c.149 (C.34:1B-242 et al.), “Emerge Program Act,”
8 sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.),
9 section 4 of P.L.2023, c.125 (C.34:1B-139.4), or the “Next New
10 Jersey Program Act,” P.L.2024, c.49 (C.34:1B-394 et seq.), relating
11 to the same capital investment and employees that qualify the
12 business for a tax credit under the program.

13 f. An eligible business may submit an application to the
14 authority in accordance with the provisions of section 6 of
15 P.L. , c. (C.) (pending before the Legislature as this bill)
16 on or after the effective date of P.L. , c. (C.) (pending
17 before the Legislature as this bill) but prior to March 1, 2029.

18 g. Beginning on the date that the authority begins accepting
19 applications in accordance with section 6 of P.L. , c. (C.)
20 (pending before the Legislature as this bill) and continuing for two
21 years thereafter, \$100,000,000 of the tax credits made available to
22 the program pursuant to subparagraph (l) of paragraph (1) of
23 subsection b. of section 98 of P.L.2020, c.156 (C.34:1B-362) shall
24 be reserved exclusively for eligible businesses that are clean energy
25 product manufacturers. If during that period, the authority awards
26 less than \$100,000,000 in tax credits to eligible businesses that are
27 clean energy product manufacturers, the uncommitted portion shall
28 be available to be deployed by the authority to any eligible business
29 beginning in the third year next following the date that the authority
30 begins accepting applications in accordance with section 6 of
31 P.L. , c. (C.) (pending before the Legislature as this bill).

32

33 6. (New section) a. A business that meets the eligibility
34 criteria in section 5 of P.L. , c. (C.) (pending before the
35 Legislature as this bill) and is seeking tax credits for a project under
36 the program shall submit an application to the authority in a form
37 and manner prescribed by the authority.

38 b. Before the board may consider an eligible business's
39 application for tax credits, the authority shall confirm with the
40 Department of Labor and Workforce Development, the Department
41 of Environmental Protection, and the Department of the Treasury
42 whether the eligible business is in substantial good standing with
43 the respective department, or, if necessary, has entered into an
44 agreement with the respective department that includes a practical
45 corrective action plan for the eligible business. The eligible
46 business shall certify that the contractors or subcontractors that will
47 perform work at the qualified business facility: are registered as
48 required by "The Public Works Contractor Registration Act,"
49 P.L.1999, c.238 (C.34:11-56.48 et seq.); have not been debarred by

1 the Department of Labor and Workforce Development from
2 engaging in or bidding on Public Works Contracts in the State; and
3 possess a tax clearance certificate issued by the Division of
4 Taxation in the Department of the Treasury. The authority may also
5 contract with an independent third party to perform a background
6 check on the eligible business.

7 c. An eligible business shall pay to the authority the full
8 amount of the direct costs of an analysis of the eligible business's
9 application for a tax credit, which analysis shall be conducted by a
10 third party retained by the authority if the authority deems such
11 retention to be necessary.

12 d. If, at any time during the eligibility period, the authority
13 determines that the eligible business made a material
14 misrepresentation on the eligible business's application, the eligible
15 business shall forfeit all tax credits awarded under the program,
16 which forfeiture shall be in addition to any other criminal or civil
17 penalties for which the business and the certifying officer may be
18 liable.

19 e. If circumstances require an eligible business to amend its
20 application to the authority, then the chief executive officer of the
21 eligible business, or an equivalent officer, shall certify to the
22 authority that the information provided in its amended application is
23 true under the penalty of perjury.

24 f. Nothing shall preclude a business from applying for tax
25 credits under the program for more than one project through one or
26 more applications.

27
28 7. (New section) a. Following board approval of an
29 application submitted pursuant to section 6 of P.L. , c. (C.)
30 (pending before the Legislature as this bill), within a time period
31 established by the authority but before the authority and an eligible
32 business execute a project agreement pursuant to this section, the
33 eligible business shall demonstrate, in a form and manner
34 prescribed by the authority, that it has obtained site plan approval
35 and has committed financing for, and established site control of, the
36 qualified business facility. The chief executive officer of the
37 business, or an equivalent officer, shall certify that all factual
38 representations made by the business to the authority pursuant to
39 this subsection are true under the penalty of perjury.

40 b. Following approval by the board and compliance with the
41 provisions of subsection a. of this section, but before the issuance of
42 tax credits, the authority shall require an eligible business to enter
43 into a project agreement. The terms of the project agreement shall
44 be consistent with the eligibility requirements set forth in section 5
45 of P.L. , c. (C.) (pending before the Legislature as this bill)
46 and shall include, but not be limited to, the following:

47 (1) a detailed description of the proposed project that will result
48 in job creation, and the number of new full-time jobs that are
49 approved for tax credits;

1 (2) any personnel information that will enable the authority to
2 administer the program;

3 (3) a requirement that: the eligible business shall maintain the
4 project at a location in New Jersey for the commitment period; and
5 a provision that if the eligible business does not maintain the project
6 at a location in New Jersey for the commitment period, the
7 authority may recapture all or part of any tax credits awarded, at its
8 discretion;

9 (4) a requirement that the eligible business shall maintain the
10 number of new full-time jobs, and the salaries thereof, for which the
11 eligible business certified at the commencement of the eligibility
12 period; a requirement that if, in any tax period, the number of new
13 employees in eligible positions falls below 80 percent of the
14 number of new employees in eligible positions specified in the
15 project agreement or the program minimum, the business shall
16 forfeit any tax credits for which it would otherwise be eligible
17 under the program for that tax period, and in any subsequent period
18 until such time as the applicant restores the threshold minimum; and
19 a provision to permit the authority to proportionally reduce the tax
20 credit award for the business in any tax period in which the number
21 of new full-time jobs, or the salaries thereof, is reduced below the
22 new full-time jobs for which the business certified at the
23 commencement of the eligibility period, as required pursuant to
24 subsection f. of section 8 of P.L. , c. (C.) (pending before
25 the Legislature as this bill);

26 (5) a method for the eligible business to certify that it has met
27 the capital investment and employment requirements of the
28 program, as set forth in subsections b. and c. of section 5 of
29 P.L. , c. (C.) (pending before the Legislature as this bill),
30 and to report annually to the authority the number of new full-time
31 jobs, and the salaries thereof, for which the tax credits are to be
32 allowed;

33 (6) representations that the eligible business is in substantial
34 good standing with the Department of Environmental Protection,
35 the Department of Labor and Workforce Development, and the
36 Department of the Treasury, or has entered into an agreement with
37 the departments that includes a practical corrective action plan, and
38 that the project complies with all applicable laws, and specifically,
39 that the project does not violate any environmental law;

40 (7) a provision permitting the authority to require an audit of the
41 payroll records of the eligible business to be conducted from time to
42 time, as the authority deems necessary;

43 (8) (a) a provision requiring the eligible business to submit an
44 annual report to the chief executive officer of the authority, in a
45 form and manner prescribed by the authority, for the purpose of
46 allowing the authority to confirm that the eligible business is in
47 substantial good standing with the Department of Environmental
48 Protection, the Department of Labor and Workforce Development,
49 and the Department of the Treasury, or has entered into an

1 agreement with the respective department that includes a practical
2 corrective action plan;

3 (b) a requirement that at certification of project completion, the
4 eligible business shall confirm that each contractor or subcontractor
5 performing work at the qualified business facility: is registered as
6 required by "The Public Works Contractor Registration Act,"
7 P.L.1999, c.238 (C.34:11-56.48 et seq.); has not been debarred by
8 the Department of Labor and Workforce Development from
9 engaging in or bidding on Public Works Contracts in the State; and
10 possesses a tax clearance certificate issued by the Division of
11 Taxation in the Department of the Treasury.

12 (c) a provision that if the eligible business fails to submit any
13 report required under this paragraph, if the Department of
14 Environmental Protection, the Department of Labor and Workforce
15 Development, or the Department of the Treasury advises that the
16 eligible business is neither in substantial good standing nor has
17 entered into a practical corrective action plan, or if the eligible
18 business fails to confirm that each contractor or subcontractor is in
19 compliance with this paragraph, then the eligible business shall
20 forfeit the issuance of tax credits, pending resolution of the
21 underlying violations or other issues;

22 (9) a requirement for the eligible business to submit evidence, as
23 required by the authority, that it has entered into and maintained a
24 collaborative relationship with a New Jersey public or private
25 college or university, public or private high school, or workforce
26 development organization, or any combination thereof;

27 (10) a provision permitting the authority to amend the project
28 agreement; and

29 (11) a provision establishing the conditions under which the
30 authority, the eligible business, or both, may terminate the
31 agreement.

32 c. (1) The authority may recapture all or part of a tax credit
33 awarded if an eligible business does not remain in compliance with
34 the requirements of a project agreement for the duration of the
35 commitment period. A recapture of tax credits initiated pursuant to
36 this subsection may include interest on the recapture amount, at a
37 rate equal to the statutory rate for corporate business or insurance
38 premiums tax deficiencies, plus any statutory penalties, and all
39 costs incurred by the authority and the Division of Taxation in the
40 Department of the Treasury in connection with the pursuit of the
41 recapture, including, but not limited to, counsel fees, court costs,
42 and other costs of collection. Failure of the eligible business to
43 meet any program criteria shall constitute a default and shall result
44 in the recapture of all or part of the tax credit awarded.

45 (2) If all or part of a tax credit sold or assigned pursuant to
46 section 9 of P.L. , c. (C.) (pending before the Legislature
47 as this bill) is subject to recapture, then the authority shall pursue
48 recapture from the eligible business and not from the purchaser or
49 assignee of the tax credit transfer certificate. The purchaser or

1 assignee of a tax credit transfer certificate shall be subject to any
2 limitations and conditions that apply to the use of the tax credits by
3 the eligible business.

4 (3) Any funds recaptured pursuant to this subsection, including
5 penalties and interest, shall be deposited into the General Fund.

6 d. A business may include an affiliate for any period, provided
7 that the business provides a valid tax clearance certificate for the
8 affiliate and a verification of the nature of the affiliate relationship
9 during the relevant period, and provided further that the affiliate
10 provides acceptable responses to the authority's legal disclosures
11 inquiries, as determined by the authority. A formal modification of
12 the authority's approval of the project agreement shall not be
13 necessary to add or remove an affiliate after approval or execution
14 of the project agreement.

15 e. A business may change its name filed with the authority by
16 providing a copy of the filed amendment to the certificate of
17 incorporation or formation, as the case may be, of the business and
18 a valid tax clearance certificate with the business's new name. A
19 formal modification of the authority's approval shall not be
20 necessary to change a business's name after approval or execution
21 of the project agreement.

22

23 8. (New section) a. Upon completion of the capital investment
24 and employment requirements of the program, an eligible business
25 shall submit certifications to the authority, in a form and manner
26 prescribed by the authority, evidencing that the eligible business has
27 satisfied the conditions relating to the capital investment and
28 employment requirements of the project agreement, and including
29 such supporting evidence as the authority deems necessary. The
30 chief executive officer of the business, or an equivalent officer,
31 shall certify that all factual representations made by the business to
32 the authority pursuant to this subsection are true under the penalty
33 of perjury.

34 b. (1) In accordance with the project agreement, beginning
35 upon the receipt of occupancy permits for any portion of the
36 project, or upon any other event evidencing project completion as
37 set forth in the project agreement, an eligible business shall be
38 allowed a tax credit in an amount determined pursuant to this
39 subsection. No more than the amount of tax credits equal to the
40 total credit amount awarded under the program divided by the
41 duration of the eligibility period in years may be taken in any tax
42 period.

43 (2) Not including any bonus awarded pursuant to paragraph (3)
44 of this subsection, the amount of the tax credit awarded under the
45 program to an eligible business shall be the lesser of:

46 (a) the product of 0.1 percent of the eligible business's total
47 capital investment, multiplied by the number of new full-time jobs;

48 (b) 25 percent of the eligible business's total capital investment;
49 or

1 (c) \$150,000,000.

2 (3) The authority may in its discretion establish one or more
3 bonuses, not to exceed a total of five percent of the award approved
4 by the authority pursuant to paragraph (2) of this subsection, for
5 which an eligible business may apply in a form and manner
6 prescribed by the authority. Criteria related to the eligibility for,
7 and approval of, such bonuses shall be established in rules and
8 regulations adopted in accordance with section 10 of P.L. ,
9 c. (C.) (pending before the Legislature as this bill), and may
10 include, but shall not limited to, the following: the eligible
11 business's qualified business facility is located in an opportunity
12 zone eligible census tract pursuant to 26 U.S.C. s.1400Z-1; the
13 eligible business is certified as part of the Business Certification
14 Program administered by the Division of Revenue and Enterprise
15 Services in the Department of the Treasury; the eligible business
16 has at least one active and executed collective bargaining
17 agreement; the eligible business operates in a targeted industry or
18 part of the supply chain for a targeted industry; and any other
19 criteria as determined by the authority.

20 c. (1) Commencing in the year in which the grant of tax
21 credits is issued and for the remainder of the commitment period, an
22 eligible business that is awarded tax credits under the program shall
23 submit an annual report, no later than the date indicated in the
24 project agreement, indicating whether the eligible business
25 continues to maintain the number of new full-time jobs, and the
26 salaries thereof, specified in the project agreement. As part of the
27 annual report, an eligible business shall provide to the authority a
28 copy of its applicable New Jersey tax return and the quarterly wage
29 report required under R.S.43:21-14 submitted to the Department of
30 Labor and Workforce Development, together with an annual payroll
31 report showing: the new full-time jobs that were created in
32 accordance with the project agreement; and the new full-time jobs
33 created during each subsequent year of the commitment period. In
34 the annual report, an eligible business shall explain the reason, if
35 applicable, for any discrepancies between the annual payroll report
36 submitted by the eligible business and the quarterly wage report.
37 The failure of an eligible business to submit the information
38 required pursuant to this paragraph shall result in the forfeiture of
39 the award for that year. The chief executive officer of the eligible
40 business, or an equivalent officer, shall certify that the information
41 provided pursuant to this paragraph is true under the penalty of
42 perjury. Claims, records, or statements submitted by an eligible
43 business to the authority in order to receive tax credits shall not be
44 considered claims, records, or statements made in connection with
45 State tax laws.

46 (2) Upon receipt and review of each report submitted during the
47 eligibility period, the authority shall provide to the eligible business
48 and the director a certificate of compliance indicating the amount of
49 tax credits that the eligible business may apply against its tax

1 liability. The authority shall pro rate the tax credit for the first and
2 last years of the eligibility period based on the number of full
3 months the project was certified in the year the eligible business
4 first certifies.

5 d. (1) Upon receipt by the director of the certificate of
6 compliance, the director shall allow the eligible business a tax
7 credit. ³【The eligible business may apply the credit allowed by the
8 director against the eligible business's tax liability for the tax period
9 in which the director allowed the tax credit, or may carry forward
10 the credit for use by the eligible business】 Notwithstanding the
11 provisions of any law or regulation to the contrary, the credit amount
12 may first be taken by the tax certificate holder for the tax period for
13 which it was issued, for the tax period in which it was issued, or in any
14 tax period during the time the business is required to maintain the
15 project at a location in New Jersey, as set forth in the incentive
16 agreement. The tax certificate holder may transfer the tax credit
17 amount on or after the date of issuance for use by the transferee in the
18 tax period for which it was issued, for the tax period in which it was
19 issued, or in any of the next three successive tax periods. The tax
20 certificate holder or transferee may first use the credit against tax
21 liabilities in the tax period in which it was issued or in a succeeding
22 tax period, as authorized in this subsection, without the need for
23 amending the tax return for the tax period for which the credit was
24 issued, subject to the provisions of this section. The tax certificate
25 holder or transferee may carry forward an unused credit resulting from
26 the limitations of paragraph (3) of this subsection, if necessary, for
27 use³ in any of the next 10 successive tax periods, which credit shall
28 expire thereafter.

29 (2) The amount of credit allowed may be applied against the tax
30 liability otherwise due pursuant to section 5 of P.L.1945, c.162
31 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and
32 C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or
33 N.J.S.17B:23-5.

34 (3) The director shall prescribe the order of priority of the
35 application of the credit allowed under this section and any other
36 credits allowed by law against the tax imposed under section 5 of
37 P.L.1945, c.162 (C.54:10A-5). The amount of a credit applied
38 under this section against the tax imposed pursuant to section 5 of
39 P.L.1945, c.162 (C.54:10A-5) for a privilege period, together with
40 any other credits allowed by law, shall not reduce the tax liability to
41 an amount less than the statutory minimum provided in subsection
42 (e) of section 5 of P.L.1945, c.162 (C.54:10A-5).

43 e. An eligible business shall forfeit the credit amount for any
44 tax period for which the eligible business's documentation remains
45 uncertified as of the date for certification indicated in the project
46 agreement, although credit amounts for the remainder of the years
47 of the eligibility period shall remain available to the eligible
48 business.

1 f. If, in any tax period, the number of new employees in
2 eligible positions, or the salaries thereof, drops below 80 percent of
3 the number of new employees in eligible positions specified in the
4 project agreement or the amount required as a condition of program
5 eligibility pursuant to section 4 of P.L. , c. (C.) (pending
6 before the Legislature as this bill), whichever is greater, then the
7 eligible business shall forfeit all tax credits allowed for that tax
8 period and each subsequent tax period, until the first tax period in
9 which the authority has reviewed and approved documentation,
10 submitted by the eligible business, demonstrating that the number
11 of new employees in eligible positions, or the salaries thereof, is not
12 less than 80 percent of the number specified in the project
13 agreement or the amount required as a condition of program
14 eligibility pursuant to section 4 of P.L. , c. (C.) (pending
15 before the Legislature as this bill), whichever is greater.
16

17 9. (New section) a. Within three years of the tax period in
18 which the director first allows the eligible business a tax credit, an
19 eligible business may apply to the director and the chief executive
20 officer of the authority for a tax credit transfer certificate in lieu of
21 the eligible business being allowed any amount of the tax credit
22 against the State tax liability of the eligible business. The tax credit
23 transfer certificate, upon receipt thereof by the eligible business
24 from the director and the chief executive officer of the authority,
25 may be sold or assigned, in an amount not less than ¹["\$25,000"]
26 ³["\$25 million¹"] \$25,000³, within three years of the tax period in
27 which the eligible business receives the tax credit transfer
28 certificate from the director, to another person that may have a tax
29 liability pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5),
30 sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and 54:18A-3),
31 section 1 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. ³[A
32 purchaser or assignee of a tax credit transfer certificate pursuant to
33 this section shall apply the transferred credit against the same tax or
34 taxes for which the eligible business was approved a tax credit
35 under the program.]³ The tax credit transfer certificate provided to
36 the eligible business shall include a statement waiving the eligible
37 business's right to claim the tax credit that the eligible business has
38 elected to sell or assign.

39 b. The eligible business shall not sell or assign a tax credit
40 transfer certificate allowed under this section for consideration
41 received by the eligible business of less than 85 percent of the
42 transferred credit amount before considering any further
43 discounting to present value which shall be permitted. The tax
44 credit transfer certificate issued to the eligible business by the
45 director shall be subject to any limitations and conditions imposed
46 on the application of State tax credits pursuant to P.L. , c.
47 (C.) (pending before the Legislature as this bill) and any other
48 terms and conditions that the director may prescribe.

1 c. A purchaser or assignee of a tax credit transfer certificate
2 pursuant to this section shall not make any subsequent transfers,
3 assignments, or sales of the tax credit transfer certificate.

4 d. The authority shall publish on its Internet website the
5 following information concerning each tax credit transfer certificate
6 approved by the authority and the director pursuant to this section:

7 (1) the name of the ³**[transferer]** transferor³;

8 (2) the name of the transferee;

9 (3) the value of the tax credit transfer certificate;

10 (4) the State tax against which the transferee may apply the tax
11 credit; and

12 (5) the consideration received by the ³**[transferer]** transferor³.

13

14 10. (New section) Notwithstanding the provisions of the
15 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
16 seq.) to the contrary, the chief executive officer of the authority
17 shall adopt, immediately, upon filing with the Office of
18 Administrative Law, such rules and regulations as the chief
19 executive officer deems necessary to implement the provisions of
20 P.L. , c. (C.) (pending before the Legislature as this bill),
21 which rules and regulations shall be effective for a period not to
22 exceed 365 days after the date of the filing. Before the expiration
23 of the rules and regulations, the chief executive officer shall amend,
24 adopt, or readopt the rules and regulations in accordance with the
25 requirements of the “Administrative Procedure Act,” P.L.1968,
26 c.410 (C.52:14B-1 et seq.).

27

28 11. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to
29 read as follows:

30 98. a. The combined value of all tax credits awarded under the
31 "Historic Property Reinvestment Act," sections 2 through 8 of
32 P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the
33 "Brownfields Redevelopment Incentive Program Act," sections 9
34 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287);
35 the "New Jersey Innovation Evergreen Act," sections 20 through 34
36 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food
37 Desert Relief Act," sections 35 through 42 of P.L.2020, c.156
38 (C.34:1B-303 through 34:1B-310); the "New Jersey Community-
39 Anchored Development Act," sections 43 through 53 of P.L.2020,
40 c.156 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire
41 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
42 322 through 34:1B-335); the "Emerge Program Act," sections 68
43 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of
44 P.L.2010, c.57 (C.34:1B-209.4); the "Cultural Arts Incentives
45 Program Act," P.L.2023, c.197 (C.34:1B-383 et al.); **[and]** the
46 "Next New Jersey Program Act," P.L.2024, c.49 **[(C.34:1B-362 et**
47 **seq.)]** (C.34:1B-394 et al.); and the “Next New Jersey
48 Manufacturing Program Act,” P.L. , c. (C.) (pending

1 before the Legislature as this bill) shall not exceed an overall cap of
2 \$11.5 billion over a nine-year period, subject to the conditions and
3 limitations set forth in this section. Of this \$11.5 billion, \$2.5
4 billion shall be reserved for transformative projects approved under
5 the Aspire Program.

6 b. (1) The total value of tax credits awarded under any
7 constituent program of the "New Jersey Economic Recovery Act of
8 2020," P.L.2020, c.156 (C.34:1B-269 et al.), the "Cultural Arts
9 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.),
10 **[and]** the "Next New Jersey Program Act," P.L.2024, c.49
11 **[(C.34:1B-362 et seq.)]** (C.34:1B-394 et al.), and the "Next New
12 Jersey Manufacturing Program Act," P.L. , c. (C.) (pending
13 before the Legislature as this bill) shall be subject to the following
14 limitations, except as otherwise provided in subsection c. of this
15 section:

16 (a) for tax credits awarded under the "Historic Property
17 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156
18 (C.34:1B-270 through 34:1B-276), the total value of tax credits
19 annually awarded during each of the first six years of the nine-year
20 period shall not exceed \$50 million;

21 (b) for tax credits awarded under the "Brownfields
22 Redevelopment Incentive Program Act," sections 9 through 19 of
23 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value
24 of tax credits annually awarded during each of the first six years of
25 the nine-year period shall not exceed \$50 million;

26 (c) for tax credits awarded under the "New Jersey Innovation
27 Evergreen Act," sections 20 through 34 of P.L.2020, c.156
28 (C.34:1B-288 through 34:1B-302), the total value of tax credits
29 annually awarded during each of the first six years of the nine-year
30 period shall not exceed \$60 million and the total value of tax credits
31 awarded over the entirety of the nine-year period shall not exceed
32 \$300,000,000;

33 (d) for tax credits awarded under the "Food Desert Relief Act,"
34 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
35 34:1B-310), the total value of tax credits annually awarded during
36 each of the first six years of the nine-year period shall not exceed
37 \$40 million;

38 (e) for tax credits awarded under the "New Jersey Community-
39 Anchored Development Act," sections 43 through 53 of P.L.2020,
40 c.156 (C.34:1B-311 through 34:1B-321), and the "Cultural Arts
41 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), the
42 total value of tax credits awarded during the nine-year period shall
43 not exceed \$1,200,000,000; provided, however, tax credits shall not
44 be available under the "New Jersey Community-Anchored
45 Development Act," sections 43 through 53 of P.L.2020, c.156
46 (C.34:1B-311 through 34:1B-321), until January 1, 2026.
47 Beginning January 1, 2026, the authority shall annually award tax
48 credits under the "New Jersey Community-Anchored Development
49 Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311

1 through 34:1B-321), valuing no greater than \$130 million for
2 projects located in the 13 northern counties of the State, and the
3 authority shall annually award tax credits valuing no greater than
4 \$70 million for projects located in the eight southern counties of the
5 State. If during any year of operation of the "New Jersey
6 Community-Anchored Development Act," sections 43 through 53 of
7 P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), the authority
8 awards tax credits pursuant to the program in an amount less than
9 the annual limitation for projects located in northern counties or
10 southern counties, as applicable, the uncommitted portion of the
11 annual limitation shall be available to be deployed by the authority
12 in a subsequent year without consideration to the county in which a
13 project is located;

14 (f) for tax credits awarded under the "New Jersey Aspire
15 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
16 322 through 34:1B-335), and the "Emerge Program Act," sections
17 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
18 including tax credits awarded for transformative projects, the total
19 value of tax credits annually awarded during each of the first six
20 years of the nine-year period shall not exceed \$1.1 billion. If the
21 authority awards tax credits in an amount less than the annual
22 limitation, then the uncommitted portion of the annual limitation
23 shall be made available for qualified offshore wind projects
24 awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4),
25 pursuant to subparagraph (h) of this paragraph, projects awarded a
26 tax credit pursuant to the "Next New Jersey Program Act,"
27 P.L.2024, c.49 [(C.34:1B-362 et seq.)] (C.34:1B-394 et al.),
28 pursuant to subparagraph (k) of this paragraph, projects awarded a
29 tax credit pursuant to the "Next New Jersey Manufacturing Program
30 Act," P.L. , c. (C.) (pending before the Legislature as this
31 bill), pursuant to subparagraph (l) of this paragraph, or New Jersey
32 studio partners, New Jersey film-lease production companies, and
33 taxpayers, other than New Jersey studio partners and New Jersey
34 film-lease production companies awarded under sections 1 and 2 of
35 P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b), pursuant to
36 subparagraph (i) of this paragraph and subsection d. of this section.
37 During each of the first six years of the nine-year period, the
38 authority shall annually award tax credits valuing no greater than
39 \$715 million for projects located in the northern counties of the
40 State, and the authority shall annually award tax credits valuing no
41 greater than \$385 million for projects located in the southern
42 counties of the State under the "New Jersey Aspire Program Act,"
43 sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through
44 34:1B-335), and the "Emerge Program Act," sections 68 through 81
45 of P.L.2020, c.156 (C.34:1B-336 et al.). If during any of the first
46 six years of the nine-year period, the authority awards tax credits
47 under the "New Jersey Aspire Program Act," sections 54 through 67
48 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
49 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156

1 (C.34:1B-336 et al.), in an amount less than the annual limitation
2 for projects located in northern counties or southern counties, as
3 applicable, the uncommitted portion of the annual limitation shall
4 be available to be deployed by the authority in a subsequent year,
5 provided that the uncommitted portion of tax credits shall be
6 awarded for projects located in the applicable geographic area,
7 except that (i) after the completion of the third year of the nine-year
8 period, the authority may deploy 50 percent of the uncommitted
9 portion of tax credits for any previous year without consideration to
10 the county in which a project is located; and (ii) after the
11 completion of the sixth year of the nine-year period, the authority
12 may deploy all available tax credits, including the uncommitted
13 portion of the annual limitation for any previous year, without
14 consideration to the county in which a project is located;

15 (g) except as provided in subparagraph (j) of this paragraph, for
16 tax credits awarded for transformative projects under the "New
17 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
18 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax
19 credits awarded during the nine-year period shall not exceed \$2.5
20 billion. The total value of tax credits awarded for transformative
21 projects in a given year shall not be subject to an annual limitation,
22 except that the total value of tax credits awarded to any
23 transformative project shall not exceed \$400 million;

24 (h) from the tax credits made available, pursuant to
25 subparagraph (f) of this paragraph, to the "New Jersey Aspire
26 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
27 322 through 34:1B-335), and the "Emerge Program Act," sections
28 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
29 including tax credits awarded for transformative projects, an
30 amount not to exceed \$350,000,000 shall be made available for
31 qualified offshore wind projects awarded a credit pursuant to
32 section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three
33 years of the nine-year period;

34 (i) beginning in fiscal year 2023, from the tax credits made
35 available, pursuant to subparagraph (f) of this paragraph, to the
36 "New Jersey Aspire Program Act," sections 54 through 67 of
37 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
38 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
39 (C.34:1B-336 et al.), not including tax credits awarded for
40 transformative projects, additional amounts shall be made available
41 for New Jersey studio partners, New Jersey film-lease production
42 companies, and taxpayers, other than New Jersey studio partners
43 and New Jersey film-lease production companies pursuant to
44 sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-
45 12b);

46 (j) beginning in fiscal year 2024, from the tax credits made
47 available, pursuant to subparagraph (f) of this paragraph, to the
48 "New Jersey Aspire Program Act," sections 54 through 67 of
49 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge

1 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
2 336 et al.), not including tax credits awarded for transformative
3 projects, an amount not to exceed \$500,000,000 may be annually
4 transferred for the award to transformative projects under the "New
5 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
6 c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the
7 remaining allocation of tax credits otherwise available for
8 transformative projects, pursuant to subparagraph (g) of this
9 paragraph, is less than \$1,000,000,000; and (ii) the authority board
10 determines that the transfer of tax credits is warranted based on
11 such criteria as the authority deems appropriate, which may include
12 the criteria set forth in paragraph (2) of this subsection. If a transfer
13 of tax credits is made pursuant to this subparagraph, the authority
14 shall award no greater than 65 percent of the tax credits transferred
15 pursuant to this subparagraph to transformative projects located in
16 the northern counties of the State and no greater than 35 percent of
17 the tax credits transferred pursuant to this subparagraph to
18 transformative projects located in the southern counties of the State;
19 **[and]**

20 (k) beginning in fiscal year 2025, from the tax credits made
21 available, pursuant to subparagraph (f) of this paragraph, to the
22 "New Jersey Aspire Program Act," sections 54 through 67 of
23 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
24 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
25 336 et al.), but not including tax credits awarded for transformative
26 projects, an amount not to exceed \$500,000,000 shall be made
27 available for projects awarded a tax credit pursuant to the "Next
28 New Jersey Program Act," P.L.2024, c.49 **[(C.34:1B-362 et seq.)]**
29 **(C.34:1B-394 et al.); and**

30 (l) beginning in fiscal year 2026, from the tax credits made
31 available, pursuant to subparagraph (f) of this paragraph, to the
32 "New Jersey Aspire Program Act," sections 54 through 67 of
33 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
34 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
35 336 et al.), but not including tax credits awarded for transformative
36 projects, an amount not to exceed \$500,000,000 shall be made
37 available for projects awarded a tax credit pursuant to the "Next
38 New Jersey Manufacturing Program Act," P.L. , c. (C.)
39 (pending before the Legislature as this bill). In accordance with the
40 provisions of subsection g. of section 5 of P.L. , c. (C.)
41 (pending before the Legislature as this bill), \$100,000,000 of the tax
42 credits made available to the "Next New Jersey Manufacturing
43 Program Act," P.L. , c. (C.) (pending before the
44 Legislature as this bill) pursuant to this subparagraph shall be
45 reserved exclusively for eligible businesses that are clean energy
46 product manufacturers.

47 (2) The authority may in any given year determine that it is in
48 the State's interest to approve an amount of tax credits in excess of
49 the annual limitations set forth in paragraph (1) of this subsection,

1 but in no event more than \$200,000,000 in excess of the annual
2 limitation, upon a determination by the authority board that such
3 increase is warranted based on specific criteria that may include:

- 4 (i) the increased demand for opportunities to create or retain
5 employment and investment in the State as indicated by the volume
6 of project applications and the amount of tax credits being sought
7 by those applications;
- 8 (ii) the need to protect the State's economic position in the event
9 of an economic downturn;
- 10 (iii) the quality of project applications and the net economic
11 benefit to the State and municipalities associated with those
12 applications;
- 13 (iv) opportunities for project applications to strengthen or protect
14 the competitiveness of the State under the prevailing market
15 conditions;
- 16 (v) enhanced access to employment and investment for
17 underserved populations in distressed municipalities and qualified
18 incentives tracts;
- 19 (vi) increased investment and employment in high-growth
20 technology sectors and in projects that entail collaboration with
21 education institutions in the State;
- 22 (vii) increased development proximate to mass transit facilities;
- 23 (viii) any other factor deemed relevant by the authority.

24 c. In the event that the authority in any year approves projects
25 for tax credits in an amount less than the annual limitations set forth
26 in paragraph (1) of subsection b. of this section, then the
27 uncommitted portion of the annual limitation shall be available to
28 be deployed by the authority in future years for projects under the
29 same program; provided however, that in no event shall the
30 aggregate amount of tax credits approved be in excess of the overall
31 cap of \$11.5 billion, and in no event shall the uncommitted portion
32 of the annual limitation for any previous year be deployed after the
33 conclusion of the nine-year period.

34 d. Notwithstanding the provisions of any other law to the
35 contrary, the uncommitted balance of the total value of tax credits
36 authorized for award by the authority pursuant to subparagraph (f)
37 of paragraph (1) of subsection b. of this section to the "New Jersey
38 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
39 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68
40 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made
41 available for tax credits allowed to New Jersey studio partners, New
42 Jersey film-lease production companies, and taxpayers, other than
43 New Jersey studio partners and New Jersey film-lease production
44 companies pursuant to sections 1 and 2 of P.L.2018, c.56
45 (C.54:10A-5.39b and C.54A:4-12b). The value of tax credits,
46 including tax credits allowed through the granting of tax credit
47 transfer certificates, made available to New Jersey studio partners,
48 New Jersey film-lease production companies, and taxpayers, other
49 than New Jersey studio partners and New Jersey film-lease

1 production companies pursuant to this subsection shall be as
2 follows:

3 (1) in fiscal year 2023, \$250,000,000 for New Jersey studio
4 partners and \$250,000,000 for New Jersey film-lease production
5 companies;

6 (2) in fiscal year 2024, \$250,000,000 for New Jersey studio
7 partners and \$250,000,000 for New Jersey film-lease production
8 companies; and

9 (3) in fiscal year 2025, \$250,000,000 for New Jersey studio
10 partners, \$250,000,000 for New Jersey film-lease production
11 companies, and \$300,000,000 for taxpayers, other than New Jersey
12 studio partners and New Jersey film-lease production companies.

13 If the value of tax credits, including tax credits allowed through
14 the granting of tax credit transfer certificates, approved to New
15 Jersey studio partners and New Jersey film-lease production
16 companies in any fiscal year pursuant to this subsection is less than
17 the cumulative total amount of tax credits permitted to be approved
18 in that fiscal year, the authority shall certify the amount of the
19 remaining tax credits available for approval to each such category
20 in that fiscal year, and shall increase the cumulative total amount of
21 tax credits permitted to be approved for New Jersey studio partners
22 and New Jersey film-lease production companies in the subsequent
23 fiscal year by the certified amount remaining for each such category
24 from the prior fiscal year.

25 (cf: P.L.2024, c.49, s.10)

26

27 12. This act shall take effect immediately.

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5687

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 16, 2025

The Assembly Labor Committee reports favorably and with committee amendments Assembly Bill No. 5687.

As amended, this bill establishes the "Next New Jersey Manufacturing Program" (program) within the New Jersey Economic Development Authority (EDA) and modifies certain provisions of the "New Jersey Economic Recovery Act of 2020."

The purpose of the program would be to encourage substantial investment in the State, create new jobs and economic opportunities, and position New Jersey as a leader in the manufacturing economy.

Under the program, the EDA would provide tax credits to eligible businesses, following approval of an application by the EDA, to eligible businesses. Eligible businesses would include a business that qualifies as a manufacturer or clean energy product manufacturer, and which meets the eligibility requirements set forth in the bill. The bill defines a "manufacturer" as a business engaged in the production or assembly of goods by transforming raw materials or sub-components into components or finished products through various industrial processes, including but not limited to fabrication, assembly, or chemical processes. Similarly, a "clean energy product manufacturer" is defined as a business engaged in the production or assembly of goods by transforming raw materials or sub-components into components for renewable energy, such as offshore wind, solar, geothermal, green hydrogen, nuclear energy, fuel cells, battery storage, or other clean energy manufacturing.

To qualify for tax credits under the program, an eligible business is required to: (1) make, acquire, or lease not less than \$10 million in capital investments at a qualified business facility in the State; (2) create not less than 20 new full-time jobs in the State; (3) provide a median salary for the full-time jobs at the qualified business facility of not less than 120 percent of the median salary for manufacturing employees in the county in which the project is located; and (4) satisfy certain other requirements.

Following approval of an application under the program, the eligible business would be required to demonstrate to the EDA that the business has obtained site plan approval and has committed financing for, and established site control of, the qualified business facility.

Thereafter, the eligible business would be required to enter into a project agreement with the EDA, which sets forth the terms and conditions under which the business may receive the tax credits authorized pursuant to the program. In the event that the business fails to meet certain requirements of the program, including the creation and retention of a minimum number of new full-time jobs, the project agreement would include provisions permitting the EDA to recapture or requiring the business to forfeit, as applicable, all or part of the authorized tax credits.

Under the bill, the amount of the tax credit allowed for a particular project would equal to the lesser of: (1) 0.1 percent of the eligible business's total capital investment, multiplied by the number of new full-time jobs; (2) 25 percent of the eligible business's total capital investment; or (3) \$150 million. However, the bill also authorizes the EDA, in its discretion, to establish one or more bonus credit awards. Under the bill, the EDA is directed to adopt rules and regulations to establish criteria related to the eligibility for, and approval of, these bonus credits.

The bill authorizes an eligible business to apply for a tax credit transfer certificate in lieu of the eligible business being allowed any amount of the tax credit against its State tax liability. As amended, upon receipt of the tax credit transfer certificate, the eligible business may sell or assign the credit, in an amount not less than \$25 million, within three years of the tax period in which the eligible business receives the tax credit transfer certificate. An eligible business may not sell or assign the credit for consideration of less than 85 percent of the transferred credit amount before considering any further discounting to present value.

The bill provides that up to \$500 million in tax credits, originally allocated for the New Jersey Aspire Program and the Emerge Program, are to be made available to eligible businesses under the program. Of this total, the bill provides that \$100 million in tax credits would be exclusively reserved, during the first two years of the program, for eligible businesses that are clean energy product manufacturers. However, if the EDA awards less than \$100 million in tax credits to clean energy product manufacturers during this period, the uncommitted portion would be available to be awarded to any eligible business under the program beginning in the third year of the program.

COMMITTEE AMENDMENTS:

The committee amended the bill to change the tax credit transfer certificate from \$25,000 to \$25 million and to make technical corrections.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 5687

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 19, 2025

The Assembly Appropriations Committee reports favorably and with committee amendments Assembly Bill No. 5687 (1R).

As amended, this bill establishes the "Next New Jersey Manufacturing Program" (program) within the New Jersey Economic Development Authority (EDA) and modifies certain provisions of the "New Jersey Economic Recovery Act of 2020."

The purpose of the program would be to encourage substantial investment in the State, create new jobs and economic opportunities, and position New Jersey as a leader in the manufacturing economy.

Under the program, the EDA would provide tax credits to eligible businesses, following approval of an application by the EDA, to eligible businesses. Eligible businesses would include a business that qualifies as a manufacturer or clean energy product manufacturer, and which meets the eligibility requirements set forth in the bill. The bill defines a "manufacturer" as a business engaged in the production or assembly of goods by transforming raw materials or sub-components into components or finished products through various industrial processes, including but not limited to fabrication, assembly, or chemical processes. Similarly, a "clean energy product manufacturer" is defined as a business engaged in the production or assembly of goods by transforming raw materials or sub-components into components for renewable energy, such as offshore wind, solar, geothermal, green hydrogen, nuclear energy, fuel cells, battery storage, or other clean energy manufacturing.

To qualify for tax credits under the program, an eligible business is required to: (1) make, acquire, or lease not less than \$10 million in capital investments at a qualified business facility in the State; (2) create not less than 20 new full-time jobs in the State; (3) provide a median salary for the full-time jobs at the qualified business facility of not less than 120 percent of the median salary for manufacturing employees in the county in which the project is located; and (4) satisfy certain other requirements.

Following approval of an application under the program, the eligible business would be required to demonstrate to the EDA that the business has obtained site plan approval and has committed financing for, and established site control of, the qualified business facility. Thereafter, the eligible business would be required to enter into a project agreement with the EDA, which sets forth the terms and conditions under which the business may receive the tax credits authorized pursuant to the program. In the event that the business fails to meet certain requirements of the program, including the creation and retention of a minimum number of new full-time jobs, the project agreement would include provisions permitting the EDA to recapture or requiring the business to forfeit, as applicable, all or part of the authorized tax credits.

Under the bill, the amount of the tax credit allowed for a particular project would equal to the lesser of: (1) 0.1 percent of the eligible business's total capital investment, multiplied by the number of new full-time jobs; (2) 25 percent of the eligible business's total capital investment; or (3) \$150 million. However, the bill also authorizes the EDA, in its discretion, to establish one or more bonus credit awards. Under the bill, the EDA is directed to adopt rules and regulations to establish criteria related to the eligibility for, and approval of, these bonus credits.

The bill authorizes an eligible business to apply for a tax credit transfer certificate in lieu of the eligible business being allowed any amount of the tax credit against its State tax liability. Upon receipt of the tax credit transfer certificate, the eligible business may sell or assign the credit, in an amount not less than \$25 million, within three years of the tax period in which the eligible business receives the tax credit transfer certificate. An eligible business may not sell or assign the credit for consideration of less than 85 percent of the transferred credit amount before considering any further discounting to present value.

The bill provides that up to \$500 million in tax credits, originally allocated for the New Jersey Aspire Program and the Emerge Program, are to be made available to eligible businesses under the program. Of this total, the bill provides that \$100 million in tax credits would be exclusively reserved, during the first two years of the program, for eligible businesses that are clean energy product manufacturers. However, if the EDA awards less than \$100 million in tax credits to clean energy product manufacturers during this period, the uncommitted portion would be available to be awarded to any eligible business under the program beginning in the third year of the program.

COMMITTEE AMENDMENTS:

The committee amended the bill to revise the definition of "eligible position" or "full-time job" to, among the bill's existing requirements, require a full-time employee to spend at least 80 percent of the

employee's work time in the State and at the qualified business facility, or spend any other period of work time generally accepted by custom or practice, as determined by the authority in its sole discretion based on the characteristics of the employee's job and work time in the State and at the qualified business facility. As introduced, the bill required such work time to be spent either in the State or at the qualified business facility.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

[Second Reprint]

ASSEMBLY, No. 5687

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 26, 2025

The Assembly Budget Committee reports favorably and with committee amendments Assembly Bill No. 5687 (2R).

As amended and reported, this bill establishes the "Next New Jersey Manufacturing Program" (program) within the New Jersey Economic Development Authority (EDA) and modifies certain provisions of the "New Jersey Economic Recovery Act of 2020."

The purpose of the program would be to encourage substantial investment in the State, create new jobs and economic opportunities, and position New Jersey as a leader in the manufacturing economy.

Under the program, the EDA would provide tax credits to eligible businesses, following approval of an application by the EDA, to eligible businesses. Eligible businesses would include a business that qualifies as a manufacturer or clean energy product manufacturer, and which meets the eligibility requirements set forth in the bill. The bill defines a "manufacturer" as a business engaged in the production or assembly of goods by transforming raw materials or sub-components into components or finished products through various industrial processes, including but not limited to fabrication, assembly, or chemical processes. Similarly, a "clean energy product manufacturer" is defined as a business engaged in the production or assembly of goods by transforming raw materials or sub-components into components for renewable energy, such as offshore wind, solar, geothermal, green hydrogen, nuclear energy, fuel cells, battery storage, or other clean energy manufacturing.

To qualify for tax credits under the program, an eligible business is required to: (1) make, acquire, or lease not less than \$10 million in capital investments at a qualified business facility in the State; (2) create not less than 20 new full-time jobs in the State; (3) provide a median salary for the full-time jobs at the qualified business facility of not less than 120 percent of the median salary for manufacturing employees in the county in which the project is located; and (4) satisfy certain other requirements.

Following approval of an application under the program, the eligible business would be required to demonstrate to the EDA that the

business has obtained site plan approval and has committed financing for, and established site control of, the qualified business facility. Thereafter, the eligible business would be required to enter into a project agreement with the EDA, which sets forth the terms and conditions under which the business may receive the tax credits authorized pursuant to the program. In the event that the business fails to meet certain requirements of the program, including the creation and retention of a minimum number of new full-time jobs, the project agreement would include provisions permitting the EDA to recapture or requiring the business to forfeit, as applicable, all or part of the authorized tax credits.

Under the bill, the amount of the tax credit allowed for a particular project would equal to the lesser of: (1) 0.1 percent of the eligible business's total capital investment, multiplied by the number of new full-time jobs; (2) 25 percent of the eligible business's total capital investment; or (3) \$150 million. However, the bill also authorizes the EDA, in its discretion, to establish one or more bonus credit awards. Under the bill, the EDA is directed to adopt rules and regulations to establish criteria related to the eligibility for, and approval of, these bonus credits.

The bill authorizes an eligible business to apply for a tax credit transfer certificate in lieu of the eligible business being allowed any amount of the tax credit against its State tax liability. The eligible business may first take the credit amount for the tax period for which it was issued, for the tax period in which it was issued, or in any tax period during the time the business is required to maintain the project at a location in New Jersey, as set forth in the incentive agreement.

Upon receipt of the tax credit transfer certificate, the eligible business may sell or assign the credit, in an amount not less than \$25,000, within three years of the tax period in which the eligible business receives the tax credit transfer certificate. The eligible business may transfer the tax credit amount on or after the date of issuance for use by the transferee in the tax period for which it was issued, for the tax period in which it was issued, or in any of the next three successive tax periods. An eligible business may not sell or assign the credit for consideration of less than 85 percent of the transferred credit amount before considering any further discounting to present value.

The bill authorizes an eligible business or transferee to first use the credit against tax liabilities in the tax period in which it was issued or in a succeeding tax period, as authorized in the bill, without the need for amending the tax return for the tax period for which the credit was issued, subject to the bill's provisions. The eligible business or transferee may carry forward an unused credit resulting from the limitations contained within the bill, if necessary, for use in any of the next 10 successive tax periods, after which the credit expires.

The bill provides that up to \$500 million in tax credits, originally allocated for the New Jersey Aspire Program and the Emerge Program, are to be made available to eligible businesses under the program. Of this total, the bill provides that \$100 million in tax credits would be exclusively reserved, during the first two years of the program, for eligible businesses that are clean energy product manufacturers. However, if the EDA awards less than \$100 million in tax credits to clean energy product manufacturers during this period, the uncommitted portion would be available to be awarded to any eligible business under the program beginning in the third year of the program.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) permit an eligible business to first take the credit amount for the tax period for which it was issued, for the tax period in which it was issued, or in any tax period during the time the business is required to maintain the project at a location in New Jersey, as set forth in the incentive agreement;

(2) permit an eligible business to transfer the tax credit amount on or after the date of issuance for use by the transferee in the tax period for which it was issued, for the tax period in which it was issued, or in any of the next three successive tax periods;

(3) authorize an eligible business or transferee to first use the credit against tax liabilities in the tax period in which it was issued or in a succeeding tax period, as authorized under the bill, without the need for amending the tax return for the tax period for which the credit was issued, subject to the bill's provisions;

(4) allow an eligible business or transferee to carry forward an unused credit resulting from the limitations, if necessary, for use in any of the next 10 successive tax periods, subject to limitations in current law, after which the credit expires;

(5) change the amount for which the eligible business may sell or assign the credit from not less than \$25 million to \$25,000;

(6) remove language from the bill that would have required a purchaser or assignee of a tax credit transfer certificate to apply the transferred credit against the same tax or taxes for which the eligible business was approved a tax credit under the program; and

(7) make technical changes.

FISCAL IMPACT:

The Office of Legislative Services (OLS) is unable to ascertain whether the bill will have a positive or negative fiscal net impact on the State due to imperfect information on the number and attributes of projects that will receive incentives as a result of the bill's enactment.

The State fiscal net impact is calculated by adding the indeterminate direct revenue loss from awarding additional incentive amounts and their opportunity costs (the fiscal benefits the State

foregoes as spending is redirected from one economic activity to another) and subtracting from that sum the indirect revenue gain that will accrue from additional economic activity that the additional incentive amounts will catalyze.

The direct State revenue loss to the State from Next New Jersey Manufacturing Program tax credits awarded as a result of the bill cannot be quantified. The bill authorizes the Economic Development Authority to issue up to \$500 million in tax credits through the program. The bill also allows the authority to reallocate uncommitted tax credits from the New Jersey Aspire and Emerge programs to the Next New Jersey Program.

The bill might accrue an indeterminate revenue gain to certain local governments if the bill results in the authority extending financial assistance to projects that would not be undertaken absent the assistance and if the projects involve value-increasing improvements to taxable real estate.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 5687

STATE OF NEW JERSEY

221st LEGISLATURE

DATED: JUNE 24, 2025

SUMMARY

Synopsis: Establishes Next New Jersey Manufacturing Program to incentivize in-State manufacturing investments and job creation.

Type of Impact: Indeterminate fiscal net impact on State General Fund; potential revenue increase to local governments.

Agencies Affected: New Jersey Economic Development Authority.

Office of Legislative Services Estimate

Fiscal Impact	<u>Multi-Year Lifespan of Incentive Awards</u>
Direct <u>State</u> Revenue Loss	Indeterminate
Indirect <u>State</u> Revenue Gain	Indeterminate
<u>State</u> Opportunity Cost	Indeterminate
Indirect <u>Local</u> Revenue Gain	Indeterminate

- The Office of Legislative Services (OLS) is unable to ascertain whether the bill will have a positive or negative fiscal net impact on the State due to imperfect information on the number and attributes of projects that will receive incentives as a result of the bill’s enactment.
- The State fiscal net impact is calculated by adding the indeterminate direct revenue loss from awarding additional incentive amounts and their opportunity costs (the fiscal benefits the State foregoes as spending is redirected from one economic activity to another) and subtracting from that sum the indirect revenue gain that will accrue from additional economic activity that the additional incentive amounts will catalyze.
- The direct State revenue loss to the State from Next New Jersey Manufacturing Program tax credits awarded as a result of the bill cannot be quantified. The bill authorizes the Economic Development Authority to issue up to \$500 million in tax credits through the program. The bill also allows the authority to reallocate uncommitted tax credits from the New Jersey Aspire and Emerge programs to the Next New Jersey Program.

- The bill might accrue an indeterminate revenue gain to certain local governments if the bill results in the authority extending financial assistance to projects that would not be undertaken absent the assistance and if the projects involve value-increasing improvements to taxable real estate.

BILL DESCRIPTION

The bill establishes the Next New Jersey Manufacturing Program in the authority to attract new investment and spur job creation in the State's manufacturing sector, and amends certain provisions of the New Jersey Economic Recovery Act of 2020 to authorize the authority to award tax credits to eligible manufacturers and clean energy product manufacturers for capital investments in qualified business facilities.

Under the bill, a manufacturer is a business that is engaged in the production or assembly of goods by transforming raw materials or sub-components into components or finished products through various industrial processes, including, but not limited to fabrication, assembly, or chemical processes. Similarly, a clean energy product manufacturer is a business engaged in the production or assembly of goods by transforming raw materials or sub-components into components for renewable energy, such as offshore wind, solar, geothermal, green hydrogen, nuclear energy, fuel cells, battery storage, or other clean energy manufacturing.

A business must satisfy several criteria to be eligible for a tax credit. Notably, an eligible business is required to: (1) make, acquire, or lease not less than \$10 million in capital investments in a qualified business facility in the State; (2) create not less than 20 full-time jobs in New Jersey; and (3) provide a median salary for full-time jobs at the qualified business facility of not less than 120 percent of the median salary for manufacturing employees in the county in which the project is located. Tax credit applications must be submitted prior to March 1, 2029.

The bill reallocates \$500 million in tax credits originally allotted to the New Jersey Aspire Program and the Emerge Program to the Next New Jersey Manufacturing Program. The bill provides that \$100 million in tax credits would be reserved, during the first two years of the program, for eligible businesses that are clean energy product manufacturers. If the authority awards less than \$100 million in tax credits to clean energy product manufacturers during this period, the uncommitted portion would be available to be awarded to any eligible business beginning in the third year of the program.

The bill also amends current law to provide that if the authority awards less than the annual limitation of tax credits under the New Jersey Aspire and Emerge programs, then the uncommitted tax credits would be made available for the Next New Jersey Manufacturing Program. The bill also provides that the value of all tax credits approved by the authority through the Next New Jersey Manufacturing Program are subject to the limitation on the issuance of tax credits applicable to all programs established by the New Jersey Economic Recovery Act of 2020.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS is unable to ascertain whether the bill will have a positive or negative fiscal net impact on the State due to imperfect information on the number and attributes of projects that will receive incentives as a result of the bill's enactment. Conceptually, the State fiscal net impact is calculated by adding the direct revenue loss from awarding additional incentive amounts and their opportunity costs (the fiscal benefits the State forgoes as spending is redirected from one economic activity to another) and subtracting from that sum the indirect revenue gain that will accrue from additional economic activity that the additional incentive amounts will catalyze.

The bill is likely to produce a revenue gain for certain local governments if the bill results in the authority extending financial assistance to projects that would not be undertaken absent the assistance and if the projects involve value-increasing improvements to taxable real estate.

Direct State Revenue Loss: The OLS cannot quantify the precise direct revenue loss the bill will impose on the State, but notes that the bill reallocates \$500 million in tax credits originally allotted to the New Jersey Aspire Program and the Emerge Program to the Next New Jersey Manufacturing Program, and allows the authority to redirect the uncommitted balance of tax credits currently authorized to be awarded through the New Jersey Aspire and Emerge programs. Information available through the authority indicates that there were approximately \$2.0 billion in uncommitted tax credits available for award through the New Jersey Aspire and Emerge programs as of March 12, 2025. Under the bill, the tax credit awards are subject to the \$11.5 billion cap on all tax credits issued through programs originally established by the New Jersey Economic Recovery Act and related initiatives. Any tax credit awards would add to the total amount of incentives that the authority has already approved and are subject to the statutory limit.

Although the bill requires the submission of tax credit applications prior to March 1, 2029, the revenue reduction from any financial assistance may extend past the years allocated for the program; however carry forward provisions and tax credit transfer certificates may allow tax credits to be utilized outside that timeframe. The OLS further notes that the bill allows the authority to recapture or rescind incentive awards under certain circumstances. Those provisions may offset, at least in part, future revenue losses.

The bill establishes a formula for calculating the amount of a tax credit allowed under the program to an eligible business. The tax credit is to be the lesser of: (1) 0.1 percent of the eligible business's total capital investment, multiplied by the number of new full-time jobs; (2) 25 percent of the eligible business's total capital investment; or (3) \$150 million. Using the criteria, the OLS estimates that the tax credit for a project that meets the minimum capital investment and new full-time jobs thresholds would be \$200,000.

Indirect State and Local Revenue Gain: Imperfect information on the number and attributes of projects that, under the bill, might newly qualify for tax credit awards precludes the OLS from quantifying the bill's indirect revenue gain to the State and local governments. For the reasons laid out below, the OLS cannot project whether the bill's indirect fiscal State benefits will exceed its direct State revenue loss.

Analytical Framework: Like any government expenditure, economic development incentive awards inject new spending into the economy. Once businesses and individuals receive payments that would otherwise not be received absent the incentive awards, at least a portion of these payments will newly circulate in New Jersey's economy and produce so-called "multiplier effects." As the additional financial resources flow through the economy they generate, as a byproduct, additional State and local revenue collections – the indirect revenue gain discussed in this section. Examples include additional State sales and use tax collections from construction

workers employed in a qualified business facility spending their resultant income on taxable goods and services.

Indirect fiscal effects offset the State's direct revenue loss from awarding incentives in part or potentially even in whole. Fiscal "multiplier effects" tend to be maximized whenever an incentive award serves as the indispensable impetus for additional spending by the incentive recipient that would otherwise not occur. In this case, the incentive recipient magnifies the positive economic and fiscal impacts of the State's outlay. Depending on project and incentive attributes, the induced project may even yield fiscal State benefits exceeding the subsidy amount. The larger the proportion of the public assistance relative to the financial outlay by the subsidized party, however, the lower the probability that the subsidized activity will generate positive net returns to the State.

In contrast, the State's return on investment is negative whenever the State subsidizes a project that a taxpayer will undertake with or without the public assistance. Because the financial inducement has not caused the project's realization, none of its economic and fiscal feedback effects are attributable to the incentive, and therefore must be excluded from the tabulation of the incentive's indirect fiscal benefits.

Nevertheless, even if the State provides financial assistance to a project that would be realized anyway, some, albeit comparatively small, indirect fiscal benefits may still accrue to the State. These would occur whenever the subsidy beneficiary spends the incentive award in New Jersey on goods and services that the beneficiary would otherwise not have procured. In that event, the incentive award still represents an injection of additional cash into New Jersey's economy whose ripple effects include the accumulation of indirect fiscal State benefits.

Lastly, given the high degree of integration of New Jersey's economy with the national and global economies, an addition of spending in New Jersey will eventually leak into other jurisdictions and cease to circulate within the State. Consequently, any tabulation of a subsidy payment's New Jersey feedback effects must disregard feedback effects that other jurisdictions will absorb. For example, a Pennsylvania resident who works as a carpenter on a subsidized project in New Jersey will pay Pennsylvania, not New Jersey, income tax on the compensation earned in accordance with the State of New Jersey and the Commonwealth of Pennsylvania Reciprocal Personal Income Tax Agreement.

Bill's State Indirect Fiscal Effects: It is unclear whether the bill's indirect fiscal State benefits will exceed its direct State revenue loss.

The OLS expects this bill to result in the issuance of tax credit awards under the Next New Jersey Manufacturing Program. It is uncertain, however, whether the additional incentive awards will generate indirect fiscal benefits to the State that will exceed the direct State revenue loss resulting from those incentive awards. For two reasons, however, the OLS expects that the indirect fiscal benefits may be less than the direct State revenue loss. First, the bill does not subject credit-receiving projects to a net benefit test calculation. The net benefit test is intended to ensure that the authority will award incentives only to projects that are estimated to generate indirect State revenue in excess of a tax incentive's direct State cost. For example, under the New Jersey Aspire Program, the authority requires each applicant to demonstrate a net positive benefit to the State of at least 160 percent of the tax credit amount. As a result, the bill allows for projects to receive financial assistance for capital investments that will happen irrespective of the State assistance. Whenever that occurs, none of a project's indirect fiscal benefits can be causally attributed to the assistance.

The OLS notes that it is possible that credit-receiving projects that will not have been induced by the Next New Jersey Manufacturing Program may generate some indirect State fiscal benefits. This would occur whenever recipients of such incentives spend their incentive awards in New Jersey on goods and services that they would not have procured absent the incentive award.

Irrespective of the magnitude of the bill's indirect fiscal benefits, the analysis of its full impact on State finances is incomplete without considering the bill's opportunity costs.

State Opportunity Costs: Given the State's finite resources, and its balanced budget requirement, the decision to pursue new incentive programs as well as enhance existing incentive programs will invariably divert resources from policy alternatives to which they would have been applied absent the inducements. These policy alternatives also produce direct State costs and indirect State revenue collections. The concept of opportunity costs captures the value of the fiscal benefits the State foregoes as it redirects cash flows. Once opportunity costs are factored into the analysis, it is therefore possible to produce a *net* fiscal loss even if its indirect fiscal benefits exceed its direct cost.

For example, if, instead of the bill, the State invested in road construction, the bill would produce a net fiscal effect equal to the difference between the total fiscal impact of the additional incentive awards – or the direct State revenue loss from awarding the additional incentives minus the additional incentives' indirect State fiscal effects – and that of the foregone road construction investment.

Section: Revenue, Finance and Appropriations
Analyst: Scott A. Brodsky
Staff Fiscal & Budget 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.).

LEGISLATIVE FISCAL ESTIMATE

[Third Reprint]

ASSEMBLY, No. 5687

STATE OF NEW JERSEY

221st LEGISLATURE

DATED: JULY 3, 2025

SUMMARY

Synopsis: Establishes Next New Jersey Manufacturing Program to incentivize in-State manufacturing investment and job creation.

Type of Impact: Indeterminate fiscal net impact on State General Fund; potential revenue increase to local governments.

Agencies Affected: New Jersey Economic Development Authority.

Office of Legislative Services Estimate

Fiscal Impact	<u>Multi-Year Lifespan of Incentive Awards</u>
Direct <u>State</u> Revenue Loss	Indeterminate
Indirect <u>State</u> Revenue Gain	Indeterminate
<u>State</u> Opportunity Cost	Indeterminate
Indirect <u>Local</u> Revenue Gain	Indeterminate

- The Office of Legislative Services (OLS) is unable to ascertain whether the bill will have a positive or negative fiscal net impact on the State due to imperfect information on the number and attributes of projects that will receive incentives as a result of the bill’s enactment.
- The State fiscal net impact is calculated by adding the indeterminate direct revenue loss from awarding additional incentive amounts and their opportunity costs (the fiscal benefits the State foregoes as spending is redirected from one economic activity to another) and subtracting from that sum the indirect revenue gain that will accrue from additional economic activity that the additional incentive amounts will catalyze.
- The direct State revenue loss to the State from Next New Jersey Manufacturing Program tax credits awarded as a result of the bill cannot be quantified. The bill authorizes the Economic Development Authority to issue up to \$500 million in tax credits through the program. The bill also allows the authority to reallocate uncommitted tax credits from the New Jersey Aspire and Emerge programs to the Next New Jersey Program.

- The bill might accrue an indeterminate revenue gain to certain local governments if the bill results in the authority extending financial assistance to projects that would not be undertaken absent the assistance and if the projects involve value-increasing improvements to taxable real estate.

BILL DESCRIPTION

The bill establishes the Next New Jersey Manufacturing Program in the authority to attract new investment and spur job creation in the State's manufacturing sector, and amends certain provisions of the New Jersey Economic Recovery Act of 2020 to authorize the authority to award tax credits to eligible manufacturers and clean energy product manufacturers for capital investments in qualified business facilities.

Under the bill, a manufacturer is a business that is engaged in the production or assembly of goods by transforming raw materials or sub-components into components or finished products through various industrial processes, including, but not limited to fabrication, assembly, or chemical processes. Similarly, a clean energy product manufacturer is a business engaged in the production or assembly of goods by transforming raw materials or sub-components into components for renewable energy, such as offshore wind, solar, geothermal, green hydrogen, nuclear energy, fuel cells, battery storage, or other clean energy manufacturing.

A business must satisfy several criteria to be eligible for a tax credit. Notably, an eligible business is required to: (1) make, acquire, or lease not less than \$10 million in capital investments in a qualified business facility in the State; (2) create not less than 20 full-time jobs in New Jersey; and (3) provide a median salary for full-time jobs at the qualified business facility of not less than 120 percent of the median salary for manufacturing employees in the county in which the project is located. Tax credit applications must be submitted prior to March 1, 2029.

The bill reallocates \$500 million in tax credits originally allotted to the New Jersey Aspire Program and the Emerge Program to the Next New Jersey Manufacturing Program. The bill provides that \$100 million in tax credits would be reserved, during the first two years of the program, for eligible businesses that are clean energy product manufacturers. If the authority awards less than \$100 million in tax credits to clean energy product manufacturers during this period, the uncommitted portion would be available to be awarded to any eligible business beginning in the third year of the program.

The bill also amends current law to provide that if the authority awards less than the annual limitation of tax credits under the New Jersey Aspire and Emerge programs, then the uncommitted tax credits would be made available for the Next New Jersey Manufacturing Program. The bill also provides that the value of all tax credits approved by the authority through the Next New Jersey Manufacturing Program are subject to the limitation on the issuance of tax credits applicable to all programs established by the New Jersey Economic Recovery Act of 2020.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

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Section: Revenue, Finance, and Appropriations
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Staff Fiscal and Budget Analyst
Approved: Thomas Koenig
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This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE, No. 4407

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED MAY 19, 2025

Sponsored by:

Senator MICHAEL L. TESTA, JR.

District 1 (Atlantic, Cape May and Cumberland)

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Co-Sponsored by:

Senators Space, Schepisi and Singleton

SYNOPSIS

Establishes Next New Jersey Manufacturing Program to incentivize in-State manufacturing investments and job creation.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/23/2025)

1 **AN ACT** establishing the Next New Jersey Manufacturing Program
2 and amending and supplementing P.L.2020, c.156.

3

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

6

7 1. (New section) P.L. , c. (C.) (pending before the
8 Legislature as this bill) shall be known and may be cited as the “Next
9 New Jersey Manufacturing Program Act.”

10

11 2. (New section) The Legislature finds and declares that:

12 a. Manufacturers are vital contributors to the State's economic
13 health and overall prosperity. They serve as engines of growth,
14 driving job creation, stimulating innovation, and fostering a robust
15 and productive workforce. By producing goods and contributing to
16 the supply chain, manufacturing facilities bolster the State's
17 competitiveness in the global market.

18 b. Projects involving manufacturing and manufacturers are
19 inherently beneficial to the State because they provide vital
20 contributions to the communities in which they are located,
21 enhancing the quality of life for residents, and producing
22 immeasurable economic benefits to the State.

23 c. The Next New Jersey Manufacturing Program is a
24 comprehensive tax credit program designed to drive substantial
25 investment, foster the creation of new jobs, and position New Jersey
26 as a leader in the manufacturing economy. The program will
27 encourage a wide range of manufacturing activities benefitting
28 various industries, including advanced manufacturing; non-retail
29 food and beverage; life sciences; defense; and the production of
30 components for clean energy technologies, such as offshore wind,
31 solar, geothermal, green hydrogen, nuclear energy, fuel cells, battery
32 storage, and other sustainable clean energy solutions.

33 d. By offering competitive incentives, the Next New Jersey
34 Manufacturing Program encourages companies to allocate their
35 capital investments to New Jersey while demonstrating a long-term
36 commitment to the State's economic growth. The program is
37 designed for manufacturing facilities that establish or expand their
38 physical presence in New Jersey.

39

40 3. (New section) As used in P.L. , c. (C.) (pending
41 before the Legislature as this bill):

42 “Affiliate” means an entity that directly or indirectly controls, is
43 under common control with, or is controlled by an eligible business.
44 Control exists in all cases in which the entity is a member of a
45 controlled group of corporations as defined pursuant to section 1563

**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 of the federal Internal Revenue Code (26 U.S.C. s.1563) or the entity
2 is an organization in a group of organizations under common control
3 that is subject to the regulations applicable to organizations pursuant
4 to subsection (b) or (c) of section 414 of the federal Internal Revenue
5 Code (26 U.S.C. s.414). A taxpayer may establish by clear and
6 convincing evidence, as determined by the Director of the Division
7 of Taxation in the Department of the Treasury, that control exists in
8 situations involving lesser percentages of ownership than required by
9 sections 1563 and 414 of the Internal Revenue Code of 1986 (26
10 U.S.C. ss.1563 and 414). An affiliate of a business may contribute to
11 meeting either the capital investment or full-time employee
12 requirements of a business and new full-time job requirements and
13 may satisfy the requirement for site control during construction and
14 the eligibility period, but in no event shall the tax credit certificate be
15 issued to any affiliate.

16 “Authority” means the New Jersey Economic Development
17 Authority established by section 4 of P.L.1974, c.80 (C.34:1B-4).

18 “Board” means the Board of the New Jersey Economic
19 Development Authority, established by section 4 of P.L.1974, c.80
20 (C.34:1B-4).

21 “Building services” means any cleaning or routine building
22 maintenance work, including but not limited to sweeping,
23 vacuuming, floor cleaning, cleaning of rest rooms, collecting refuse
24 or trash, window cleaning, securing, patrolling, or other work in
25 connection with the care or securing of an existing building,
26 including services typically provided by a door-attendant or
27 concierge. “Building services” shall not include any skilled
28 maintenance work, professional services, or other public work for
29 which a contractor is required to pay the “prevailing wage,” as
30 defined in section 2 of P.L.1963, c.150 (C.34:11-56.26).

31 “Business” means an applicant proposing to own or lease premises
32 in a qualified business facility that is: a corporation subject to the tax
33 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5),
34 sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3),
35 section 1 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5; or is a
36 partnership, S corporation, limited liability company, or non-profit
37 corporation. A business shall include an affiliate of the business if
38 that business applies for a tax credit based upon any capital
39 investment made by or full-time employees of an affiliate.

40 “Capital investment” means expenses that a business or an
41 affiliate of the business incurred on behalf of the business or affiliate
42 by its landlord, at the qualified business facility following its
43 submission of a completed application to the authority pursuant to
44 section 5 of P.L. , c. (C.) (pending before the Legislature as this
45 bill), but prior to the project completion date, as shall be defined in
46 the project agreement pursuant to section 7 of P.L. , c. (C.)
47 (pending before the Legislature as this bill), or until such other time
48 specified by the authority, and which expenses are incurred for:

1 (1) site preparation and construction, repair, renovation,
2 improvement, equipping, or furnishing on real property or of a
3 building, structure, facility, or improvement to real property;

4 (2) obtaining and installing furnishings and machinery,
5 apparatus, or equipment, or obtaining and installing of parts in an
6 existing facility for the operation of a business on real property or in
7 a building, structure, facility, or improvement to real property; or any
8 combination of the foregoing;

9 (3) improvement to a site-related utility of the real property,
10 including, but not limited to, water, electric, sewer, and stormwater,
11 and transportation infrastructure improvements, plantings, solar
12 panels and components, energy storage components, installation
13 costs of solar energy systems or other environmental components
14 required to attain the level of silver rating and gold rating standards
15 or above in the LEED building rating system, but only to the extent
16 that such capital investments have not received any grant financial
17 assistance from any other State funding source;

18 (4) the value of a capital lease, as defined by generally accepted
19 accounting practices (GAAP), of furnishings and machinery,
20 apparatus, or equipment, based on the shorter of the useful life of the
21 leased property or the commitment period; and

22 (5) associated soft costs, which shall not exceed 20 percent of all
23 capital investment.

24 "Capital investment" shall not include site acquisition vehicles
25 and heavy equipment not permanently located in the building,
26 structure, facility, or improvement. Landlord contributions for the
27 purpose of eligibility of the program, are allowed.

28 "Clean energy product manufacturer" means a business engaged
29 in the production or assembly of goods by transforming raw materials
30 or sub-components into components for renewable energy, such as
31 offshore wind, solar, geothermal, green hydrogen, nuclear energy,
32 fuel cells, battery storage, or other clean energy manufacturing
33 "Clean energy product manufacturer" does not include businesses
34 engaged in retail, wholesale, packaging, software development,
35 resource extraction, or waste incineration.

36 "Commitment period" means a period that is no less than two
37 times the eligibility period, as specified in the project agreement
38 entered into pursuant to section 7 of P.L. , c. (C.) (pending
39 before the Legislature as this bill).

40 "Director" means the Director of the Division of Taxation in the
41 Department of the Treasury.

42 "Eligibility period" means the period in which an eligible business
43 may claim a tax credit under the program, beginning with the tax
44 period in which the authority accepts certification of the eligible
45 business that it has met the capital investment and employment
46 requirements of the program and extending thereafter for a term of
47 five years.

1 “Eligible business” means any business that is a clean energy
2 product manufacturer or manufacturer, and that satisfies the criteria
3 set forth in section 5 of P.L. , c. (C.) (pending before the
4 Legislature as this bill) at the time of application for tax credits under
5 the program.

6 “Eligible position” or “full-time job” means a position in a
7 business in this State which the business has filled with a full-time
8 employee who spends at least 80 percent of the employee’s work time
9 in the State or at the qualified business facility, or spends any other
10 period of work time generally accepted by custom or practice, as
11 determined by the authority in its sole discretion based on the
12 characteristics of the employee’s job and work time in the State or at
13 the qualified business facility, and is offered employee health
14 benefits under a group health plan as defined under section 14 of
15 P.L.1997, c.146 (C.17B:27-54), a health benefits plan as defined
16 under section 1 of P.L.1992, c.162 (C.17B:27A-17), or a policy or
17 contract of health insurance covering more than one person issued
18 pursuant to Article 2 of Chapter 27 of Title 17B of the New Jersey
19 Statutes; provided, however, that the requirement to offer employee
20 health benefits shall be deemed to be satisfied if the benefits are
21 provided by the business or pursuant to a collective bargaining
22 agreement, no later than 90 days after the employee’s start date,
23 under a health benefits plan authorized pursuant to State or federal
24 law. An eligible position shall not include an independent contractor
25 or a consultant.

26 “Full-time employee” means a person who is:

27 (1) employed by a business for consideration for at least 35 hours
28 a week, or who renders any other standard of service generally
29 accepted by custom or practice as full-time employment, and whose
30 wages are subject to withholding as provided in the "New Jersey
31 Gross Income Tax Act," N.J.S.54A:1-1 et seq.;

32 (2) employed by a professional employer organization pursuant
33 to an employee leasing agreement between the business and the
34 professional employer organization, pursuant to P.L.2001, c.260
35 (C.34:8-67 et seq.) for at least 35 hours a week, or who renders any
36 other standard of service generally accepted by custom or practice as
37 full-time employment, and whose wages are subject to withholding
38 as provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-
39 1 et seq.; or

40 (3) a resident of another State, whose income is not subject to the
41 "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., due to a
42 reciprocity agreement with the other state, or who is a partner of a
43 business who works for the partnership for at least 35 hours a week,
44 or who renders any other standard of service generally accepted by
45 custom or practice as full-time employment, and whose distributive
46 share of income, gain, loss, or deduction, or whose guaranteed
47 payments, or any combination thereof, is subject to the payment of
48 estimated taxes, as provided in the "New Jersey Gross Income Tax

1 Act," N.J.S.54A:1-1 et seq., due to a reciprocity agreement with the
2 other state.

3 A "full-time employee" includes, but shall not be limited to, an
4 employee that has been hired by way of a labor union hiring hall or
5 its equivalent. 35 hours of employment per week in the State shall
6 constitute one "full-time employee," regardless of whether or not the
7 hours of work were performed by one or more persons.

8 "Full-time employee" shall not include any person who works as
9 an independent contractor or on a consulting basis for the business or
10 a contract worker.

11 "Manufacturer" means a business engaged in the production or
12 assembly of goods by transforming raw materials or sub-components
13 into components or finished products through various industrial
14 processes, including but not limited to fabrication, assembly, or
15 chemical processes. "Manufacturer" does not include businesses
16 engaged in retail, wholesale, packaging, software development,
17 resource extraction, or waste incineration.

18 "Minimum environmental and sustainability standards" means
19 standards established by the authority in accordance with the green
20 building manual prepared by the Commissioner of Community
21 Affairs pursuant to section 1 of P.L.2007, c.132 (C.52:27D-130.6),
22 regarding the use of renewable energy, energy-efficient technology,
23 and non-renewable resources to reduce environmental degradation
24 and encourage long-term cost reduction.

25 "New full-time job" means an eligible position created by a
26 business, following approval of the business's application by the
27 board, that did not previously exist in this State. For the purposes of
28 determining the number of new full-time jobs, the eligible positions
29 of an affiliate shall be considered eligible positions of the business.
30 For the purpose of calculating the number of new full-time jobs, a
31 position shall not be considered a new full-time job unless it is in
32 addition to the number of full-time jobs in the business's Statewide
33 workforce in the last tax accounting or privilege period prior to the
34 tax credit amount approval.

35 "Partnership" means an entity classified as a partnership for
36 federal income tax purposes.

37 "Professional employer organization" means an employee leasing
38 company registered with the Department of Labor and Workforce
39 Development pursuant to P.L.2001, c.260 (C.34:8-67 et seq.).

40 "Program" means the Next New Jersey Manufacturing Program
41 established by section 4 of P.L. , c. (C.) (pending before the
42 Legislature as this bill).

43 "Project" means the capital investment at a qualified business
44 facility and the employment commitment required pursuant to the
45 project agreement.

46 "Project agreement" means the contract executed between an
47 eligible business and the authority pursuant to section 7 of
48 P.L. , c. (C.) (pending before the Legislature as this bill),

1 which sets forth the terms and conditions under which the eligible
2 business may receive the tax credits authorized pursuant to the
3 program.

4 “Qualified business facility” means any building, complex of
5 buildings, or structural components of buildings, and all machinery
6 and equipment located therein, used in connection with the operation
7 of an eligible business primarily for: (1) the production or assembly
8 of goods by transforming raw materials into components for
9 renewable energy, such as offshore wind, solar, geothermal, green
10 hydrogen, fuel cells, or other clean energy; (2) producing or
11 assembling of goods transforming raw materials or components into
12 finished products through various industrial processes; or (3)
13 investigating, experimenting, and innovating to create new products
14 or improve existing products. Ancillary activities related to
15 packaging and distribution at the qualified business facility are
16 permitted.

17 “Soft costs” means all costs associated with financing, design,
18 engineering, legal services, or real estate commissions, including, but
19 not limited to, architect fees, permit fees, loan origination and closing
20 costs, construction management, and freight and shipping delivery,
21 but not including early lease termination costs, air fare, mileage,
22 tolls, gas, meals, packing material, marketing, temporary signage,
23 incentive consultant fees, authority fees, loan interest payments,
24 escrows, or other similar costs.

25 “Statewide workforce” means the total number of full-time
26 employees in the Statewide workforce of the business and any
27 affiliate of the business, if the affiliate contributes any capital
28 investment or full-time employees. “Statewide workforce” shall not
29 include full-time employees at any final point-of-sale retail facilities
30 unless the project, as approved by the board, includes full-time
31 employees engaged in final point-of-sale retail.

32 “Targeted industry” means any industry identified from time to
33 time by the authority which shall initially include advanced
34 transportation and logistics, advanced manufacturing, aviation,
35 autonomous vehicle and zero-emission vehicle research or
36 development, clean energy, life sciences, hemp processing,
37 information and high technology, finance and insurance, professional
38 services, film and digital media, non-retail food and beverage
39 businesses including food innovation, and other innovative industries
40 that disrupt current technologies or business models.

41

42 4. (New section) a. The Next New Jersey Manufacturing
43 Program is hereby established as a program under the jurisdiction of
44 the New Jersey Economic Development Authority. The authority
45 shall administer the program to attract new investment to New Jersey
46 in key industries, create new jobs and economic opportunities, and
47 position New Jersey as a leader in the manufacturing economy.
48 Subject to the limitations set forth in subsection b. of this section, the

1 board may approve the award of tax credits to an eligible business
2 upon application of the chief executive officer, or equivalent officer,
3 of the eligible business and following the payment of fees.

4 b. The value of all tax credits approved by the authority for
5 eligible businesses shall be subject to the limitations set forth in
6 section 98 of P.L.2020, c.156 (C.34:1B-362).

7
8 5. (New section) a. To be eligible for tax credits under the
9 program, a business's chief executive officer, or equivalent officer,
10 shall demonstrate to the authority at the time of application that:

11 (1) the business shall make, acquire, or lease a capital investment
12 at the qualified business facility not less than the applicable amount
13 set forth in subsection b. of this section;

14 (2) the business shall create new full-time jobs in the State in an
15 amount not less than the applicable number set forth in subsection c.
16 of this section;

17 (3) the median salary of the full-time jobs at the qualified
18 business facility by the business shall be not less than 120 percent of
19 the median salary for manufacturing employees in the county in
20 which the project is located;

21 (4) the business shall be primarily engaged in the activities of a
22 manufacturer or a clean energy manufacturer at the qualified business
23 facility;

24 (5) the business shall enter into a collaborative relationship,
25 evidenced by the provision of opportunities for workforce hiring,
26 training, apprenticeship, or other measures determined appropriate
27 by the authority, with New Jersey public or private colleges or
28 universities, public or private high schools, or workforce
29 development organizations, or any combination thereof;

30 (6) the qualified business facility shall be in compliance with
31 minimum environmental and sustainability standards;

32 (7) the project shall comply with the authority's affirmative action
33 requirements, adopted pursuant to section 4 of P.L.1979, c.303
34 (C.34:1B-5.4); and

35 (8) each worker employed to perform construction work or
36 building services work at the qualified business facility shall be paid
37 not less than the prevailing wage rate for the worker's craft or trade,
38 as determined by the Commissioner of Labor and Workforce
39 Development pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.).

40 b. To be eligible under the program, the minimum capital
41 investment at the qualified business facility shall be \$10,000,000.

42 c. To be eligible under the program, the minimum number of
43 new full-time jobs in the State shall be 20 new full-time jobs.

44 d. The chief executive officer of the business, or an equivalent
45 officer, shall certify that all factual representations made by the
46 business to the authority pursuant to subsection a. of this section are
47 true under the penalty of perjury.

1 e. A business shall not be awarded a tax credit under the program
2 if the business has received a tax credit under the “Business Retention
3 and Relocation Assistance Act,” P.L.1996, c.25 (C.34:1B-112 et
4 seq.), “Business Employment Incentive Program Act,” P.L.1996,
5 c.26 (C.34:1B-124 et al.), section 6 of P.L.2010, c.57 (C.34:1B-
6 209.4), “Grow New Jersey Assistance Act,” P.L.2011, c.149
7 (C.34:1B-242 et al.), “Emerge Program Act,” sections 68 through 81
8 of P.L.2020, c.156 (C.34:1B-336 et al.), section 4 of P.L.2023, c.125
9 (C.34:1B-139.4), or the “Next New Jersey Program Act,” P.L.2024,
10 c.49 (C.34:1B-394 et seq.), relating to the same capital investment
11 and employees that qualify the business for a tax credit under the
12 program.

13 f. An eligible business may submit an application to the
14 authority in accordance with the provisions of section 6 of
15 P.L. , c. (C.) (pending before the Legislature as this bill) on
16 or after the effective date of P.L. , c. (C.) (pending before
17 the Legislature as this bill) but prior to March 1, 2029.

18 g. Beginning on the date that the authority begins accepting
19 applications in accordance with section 6 of P.L. , c. (C.)
20 (pending before the Legislature as this bill) and continuing for two
21 years thereafter, \$100,000,000 of the tax credits made available to
22 the program pursuant to subparagraph (l) of paragraph (1) of
23 subsection b. of section 98 of P.L.2020, c.156 (C.34:1B-362) shall be
24 reserved exclusively for eligible businesses that are clean energy
25 product manufacturers. If during that period, the authority awards
26 less than \$100,000,000 in tax credits to eligible businesses that are
27 clean energy product manufacturers, the uncommitted portion shall
28 be available to be deployed by the authority to any eligible business
29 beginning in the third year next following the date that the authority
30 begins accepting applications in accordance with section 6 of
31 P.L. , c. (C.) (pending before the Legislature as this bill).

32
33 6. (New section) a. A business that meets the eligibility criteria
34 in section 5 of P.L. , c. (C.) (pending before the Legislature
35 as this bill) and is seeking tax credits for a project under the program
36 shall submit an application to the authority in a form and manner
37 prescribed by the authority.

38 b. Before the board may consider an eligible business's
39 application for tax credits, the authority shall confirm with the
40 Department of Labor and Workforce Development, the Department
41 of Environmental Protection, and the Department of the Treasury
42 whether the eligible business is in substantial good standing with the
43 respective department, or, if necessary, has entered into an agreement
44 with the respective department that includes a practical corrective
45 action plan for the eligible business. The eligible business shall
46 certify that the contractors or subcontractors that will perform work
47 at the qualified business facility: are registered as required by "The
48 Public Works Contractor Registration Act," P.L.1999, c.238

1 (C.34:11-56.48 et seq.); have not been debarred by the Department
2 of Labor and Workforce Development from engaging in or bidding
3 on Public Works Contracts in the State; and possess a tax clearance
4 certificate issued by the Division of Taxation in the Department of
5 the Treasury. The authority may also contract with an independent
6 third party to perform a background check on the eligible business.

7 c. An eligible business shall pay to the authority the full amount
8 of the direct costs of an analysis of the eligible business's application
9 for a tax credit, which analysis shall be conducted by a third party
10 retained by the authority if the authority deems such retention to be
11 necessary.

12 d. If, at any time during the eligibility period, the authority
13 determines that the eligible business made a material
14 misrepresentation on the eligible business's application, the eligible
15 business shall forfeit all tax credits awarded under the program,
16 which forfeiture shall be in addition to any other criminal or civil
17 penalties for which the business and the certifying officer may be
18 liable.

19 e. If circumstances require an eligible business to amend its
20 application to the authority, then the chief executive officer of the
21 eligible business, or an equivalent officer, shall certify to the
22 authority that the information provided in its amended application is
23 true under the penalty of perjury.

24 f. Nothing shall preclude a business from applying for tax
25 credits under the program for more than one project through one or
26 more applications.

27
28 7. (New section) a. Following board approval of an application
29 submitted pursuant to section 6 of P.L. , c. (C.) (pending
30 before the Legislature as this bill), within a time period established
31 by the authority but before the authority and an eligible business
32 execute a project agreement pursuant to this section, the eligible
33 business shall demonstrate, in a form and manner prescribed by the
34 authority, that it has obtained site plan approval and has committed
35 financing for, and established site control of, the qualified business
36 facility. The chief executive officer of the business, or an equivalent
37 officer, shall certify that all factual representations made by the
38 business to the authority pursuant to this subsection are true under
39 the penalty of perjury.

40 b. Following approval by the board and compliance with the
41 provisions of subsection a. of this section, but before the issuance of
42 tax credits, the authority shall require an eligible business to enter
43 into a project agreement. The terms of the project agreement shall
44 be consistent with the eligibility requirements set forth in section 5
45 of P.L. , c. (C.) (pending before the Legislature as this bill)
46 and shall include, but not be limited to, the following:

- 1 (1) a detailed description of the proposed project that will result
2 in job creation, and the number of new full-time jobs that are
3 approved for tax credits;
- 4 (2) any personnel information that will enable the authority to
5 administer the program;
- 6 (3) a requirement that: the eligible business shall maintain the
7 project at a location in New Jersey for the commitment period; and a
8 provision that if the eligible business does not maintain the project at
9 a location in New Jersey for the commitment period, the authority
10 may recapture all or part of any tax credits awarded, at its discretion;
- 11 (4) a requirement that the eligible business shall maintain the
12 number of new full-time jobs, and the salaries thereof, for which the
13 eligible business certified at the commencement of the eligibility
14 period; a requirement that if, in any tax period, the number of new
15 employees in eligible positions falls below 80 percent of the number
16 of new employees in eligible positions specified in the project
17 agreement or the program minimum, the business shall forfeit any tax
18 credits for which it would otherwise be eligible under the program
19 for that tax period, and in any subsequent period until such time as
20 the applicant restores the threshold minimum; and a provision to
21 permit the authority to proportionally reduce the tax credit award for
22 the business in any tax period in which the number of new full-time
23 jobs, or the salaries thereof, is reduced below the new full-time jobs
24 for which the business certified at the commencement of the
25 eligibility period, as required pursuant to subsection f. of section 8 of
26 P.L. , c. (C.) (pending before the Legislature as this bill);
- 27 (5) a method for the eligible business to certify that it has met the
28 capital investment and employment requirements of the program, as
29 set forth in subsections b. and c. of section 5 of P.L. , c. (C.)
30 (pending before the Legislature as this bill), and to report annually to
31 the authority the number of new full-time jobs, and the salaries
32 thereof, for which the tax credits are to be allowed;
- 33 (6) representations that the eligible business is in substantial good
34 standing with the Department of Environmental Protection, the
35 Department of Labor and Workforce Development, and the
36 Department of the Treasury, or has entered into an agreement with
37 the departments that includes a practical corrective action plan, and
38 that the project complies with all applicable laws, and specifically,
39 that the project does not violate any environmental law;
- 40 (7) a provision permitting the authority to require an audit of the
41 payroll records of the eligible business to be conducted from time to
42 time, as the authority deems necessary;
- 43 (8) (a) a provision requiring the eligible business to submit an
44 annual report to the chief executive officer of the authority, in a form
45 and manner prescribed by the authority, for the purpose of allowing
46 the authority to confirm that the eligible business is in substantial
47 good standing with the Department of Environmental Protection, the
48 Department of Labor and Workforce Development, and the

1 Department of the Treasury, or has entered into an agreement with
2 the respective department that includes a practical corrective action
3 plan;

4 (b) a requirement that at certification of project completion, the
5 eligible business shall confirm that each contractor or subcontractor
6 performing work at the qualified business facility: is registered as
7 required by "The Public Works Contractor Registration Act,"
8 P.L.1999, c.238 (C.34:11-56.48 et seq.); has not been debarred by the
9 Department of Labor and Workforce Development from engaging in
10 or bidding on Public Works Contracts in the State; and possesses a
11 tax clearance certificate issued by the Division of Taxation in the
12 Department of the Treasury.

13 (c) a provision that if the eligible business fails to submit any
14 report required under this paragraph, if the Department of
15 Environmental Protection, the Department of Labor and Workforce
16 Development, or the Department of the Treasury advises that the
17 eligible business is neither in substantial good standing nor has
18 entered into a practical corrective action plan, or if the eligible
19 business fails to confirm that each contractor or subcontractor is in
20 compliance with this paragraph, then the eligible business shall
21 forfeit the issuance of tax credits, pending resolution of the
22 underlying violations or other issues;

23 (9) a requirement for the eligible business to submit evidence, as
24 required by the authority, that it has entered into and maintained a
25 collaborative relationship with a New Jersey public or private college
26 or university, public or private high school, or workforce
27 development organization, or any combination thereof;

28 (10) a provision permitting the authority to amend the project
29 agreement; and

30 (11) a provision establishing the conditions under which the
31 authority, the eligible business, or both, may terminate the
32 agreement.

33 c. (1) The authority may recapture all or part of a tax credit
34 awarded if an eligible business does not remain in compliance with
35 the requirements of a project agreement for the duration of the
36 commitment period. A recapture of tax credits initiated pursuant to
37 this subsection may include interest on the recapture amount, at a rate
38 equal to the statutory rate for corporate business or insurance
39 premiums tax deficiencies, plus any statutory penalties, and all costs
40 incurred by the authority and the Division of Taxation in the
41 Department of the Treasury in connection with the pursuit of the
42 recapture, including, but not limited to, counsel fees, court costs, and
43 other costs of collection. Failure of the eligible business to meet any
44 program criteria shall constitute a default and shall result in the
45 recapture of all or part of the tax credit awarded.

46 (2) If all or part of a tax credit sold or assigned pursuant to section
47 9 of P.L. , c. (C.) (pending before the Legislature as this bill)
48 is subject to recapture, then the authority shall pursue recapture from

1 the eligible business and not from the purchaser or assignee of the
2 tax credit transfer certificate. The purchaser or assignee of a tax
3 credit transfer certificate shall be subject to any limitations and
4 conditions that apply to the use of the tax credits by the eligible
5 business.

6 (3) Any funds recaptured pursuant to this subsection, including
7 penalties and interest, shall be deposited into the General Fund.

8 d. A business may include an affiliate for any period, provided
9 that the business provides a valid tax clearance certificate for the
10 affiliate and a verification of the nature of the affiliate relationship
11 during the relevant period, and provided further that the affiliate
12 provides acceptable responses to the authority's legal disclosures
13 inquiries, as determined by the authority. A formal modification of
14 the authority's approval of the project agreement shall not be
15 necessary to add or remove an affiliate after approval or execution of
16 the project agreement.

17 e. A business may change its name filed with the authority by
18 providing a copy of the filed amendment to the certificate of
19 incorporation or formation, as the case may be, of the business and a
20 valid tax clearance certificate with the business's new name. A
21 formal modification of the authority's approval shall not be necessary
22 to change a business's name after approval or execution of the project
23 agreement.

24
25 8. (New section) a. Upon completion of the capital investment
26 and employment requirements of the program, an eligible business
27 shall submit certifications to the authority, in a form and manner
28 prescribed by the authority, evidencing that the eligible business has
29 satisfied the conditions relating to the capital investment and
30 employment requirements of the project agreement, and including
31 such supporting evidence as the authority deems necessary. The
32 chief executive officer of the business, or an equivalent officer, shall
33 certify that all factual representations made by the business to the
34 authority pursuant to this subsection are true under the penalty of
35 perjury.

36 b. (1) In accordance with the project agreement, beginning upon
37 the receipt of occupancy permits for any portion of the project, or
38 upon any other event evidencing project completion as set forth in
39 the project agreement, an eligible business shall be allowed a tax
40 credit in an amount determined pursuant to this subsection. No more
41 than the amount of tax credits equal to the total credit amount
42 awarded under the program divided by the duration of the eligibility
43 period in years may be taken in any tax period.

44 (2) Not including any bonus awarded pursuant to paragraph (3)
45 of this subsection, the amount of the tax credit awarded under the
46 program to an eligible business shall be the lesser of:

47 (a) the product of 0.1 percent of the eligible business's total
48 capital investment, multiplied by the number of new full-time jobs;

1 (b) 25 percent of the eligible business's total capital investment;
2 or

3 (c) \$150,000,000.

4 (3) The authority may in its discretion establish one or more
5 bonuses, not to exceed a total of five percent of the award approved
6 by the authority pursuant to paragraph (2) of this subsection, for
7 which an eligible business may apply in a form and manner
8 prescribed by the authority. Criteria related to the eligibility for, and
9 approval of, such bonuses shall be established in rules and
10 regulations adopted in accordance with section 10 of
11 P.L. , c. (C.) (pending before the Legislature as this bill), and
12 may include, but shall not limited to, the following: the eligible
13 business's qualified business facility is located in an opportunity
14 zone eligible census tract pursuant to 26 U.S.C. s.1400Z-1; the
15 eligible business is certified as part of the Business Certification
16 Program administered by the Division of Revenue and Enterprise
17 Services in the Department of the Treasury; the eligible business has
18 at least one active and executed collective bargaining agreement; the
19 eligible business operates in a targeted industry or part of the supply
20 chain for a targeted industry; and any other criteria as determined by
21 the authority.

22 c. (1) Commencing in the year in which the grant of tax credits
23 is issued and for the remainder of the commitment period, an eligible
24 business that is awarded tax credits under the program shall submit
25 an annual report, no later than the date indicated in the project
26 agreement, indicating whether the eligible business continues to
27 maintain the number of new full-time jobs, and the salaries thereof,
28 specified in the project agreement. As part of the annual report, an
29 eligible business shall provide to the authority a copy of its applicable
30 New Jersey tax return and the quarterly wage report required under
31 R.S.43:21-14 submitted to the Department of Labor and Workforce
32 Development, together with an annual payroll report showing: the
33 new full-time jobs that were created in accordance with the project
34 agreement; and the new full-time jobs created during each subsequent
35 year of the commitment period. In the annual report, an eligible
36 business shall explain the reason, if applicable, for any discrepancies
37 between the annual payroll report submitted by the eligible business
38 and the quarterly wage report. The failure of an eligible business to
39 submit the information required pursuant to this paragraph shall
40 result in the forfeiture of the award for that year. The chief executive
41 officer of the eligible business, or an equivalent officer, shall certify
42 that the information provided pursuant to this paragraph is true under
43 the penalty of perjury. Claims, records, or statements submitted by
44 an eligible business to the authority in order to receive tax credits
45 shall not be considered claims, records, or statements made in
46 connection with State tax laws.

47 (2) Upon receipt and review of each report submitted during the
48 eligibility period, the authority shall provide to the eligible business

1 and the director a certificate of compliance indicating the amount of
2 tax credits that the eligible business may apply against its tax
3 liability. The authority shall pro rate the tax credit for the first and
4 last years of the eligibility period based on the number of full months
5 the project was certified in the year the eligible business first
6 certifies.

7 d. (1) Upon receipt by the director of the certificate of
8 compliance, the director shall allow the eligible business a tax credit.
9 The eligible business may apply the credit allowed by the director
10 against the eligible business's tax liability for the tax period in which
11 the director allowed the tax credit, or may carry forward the credit
12 for use by the eligible business in any of the next 10 successive tax
13 periods, which credit shall expire thereafter.

14 (2) The amount of credit allowed may be applied against the tax
15 liability otherwise due pursuant to section 5 of P.L.1945, c.162
16 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and
17 C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or
18 N.J.S.17B:23-5.

19 (3) The director shall prescribe the order of priority of the
20 application of the credit allowed under this section and any other
21 credits allowed by law against the tax imposed under section 5 of
22 P.L.1945, c.162 (C.54:10A-5). The amount of a credit applied under
23 this section against the tax imposed pursuant to section 5 of P.L.1945,
24 c.162 (C.54:10A-5) for a privilege period, together with any other
25 credits allowed by law, shall not reduce the tax liability to an amount
26 less than the statutory minimum provided in subsection (e) of section
27 5 of P.L.1945, c.162 (C.54:10A-5).

28 e. An eligible business shall forfeit the credit amount for any tax
29 period for which the eligible business's documentation remains
30 uncertified as of the date for certification indicated in the project
31 agreement, although credit amounts for the remainder of the years of
32 the eligibility period shall remain available to the eligible business.

33 f. If, in any tax period, the number of new employees in eligible
34 positions, or the salaries thereof, drops below 80 percent of the
35 number of new employees in eligible positions specified in the
36 project agreement or the amount required as a condition of program
37 eligibility pursuant to section 4 of P.L. , c. (C.) (pending
38 before the Legislature as this bill), whichever is greater, then the
39 eligible business shall forfeit all tax credits allowed for that tax
40 period and each subsequent tax period, until the first tax period in
41 which the authority has reviewed and approved documentation,
42 submitted by the eligible business, demonstrating that the number of
43 new employees in eligible positions, or the salaries thereof, is not less
44 than 80 percent of the number specified in the project agreement or
45 the amount required as a condition of program eligibility pursuant to
46 section 4 of P.L. , c. (C.) (pending before the Legislature as
47 this bill), whichever is greater.

1 9. (New section) a. Within three years of the tax period in which
2 the director first allows the eligible business a tax credit, an eligible
3 business may apply to the director and the chief executive officer of
4 the authority for a tax credit transfer certificate in lieu of the eligible
5 business being allowed any amount of the tax credit against the State
6 tax liability of the eligible business. The tax credit transfer
7 certificate, upon receipt thereof by the eligible business from the
8 director and the chief executive officer of the authority, may be sold
9 or assigned, in an amount not less than \$25,000, within three years
10 of the tax period in which the eligible business receives the tax credit
11 transfer certificate from the director, to another person that may have
12 a tax liability pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5),
13 sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and 54:18A-3),
14 section 1 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. A
15 purchaser or assignee of a tax credit transfer certificate pursuant to
16 this section shall apply the transferred credit against the same tax or
17 taxes for which the eligible business was approved a tax credit under
18 the program. The tax credit transfer certificate provided to the
19 eligible business shall include a statement waiving the eligible
20 business's right to claim the tax credit that the eligible business has
21 elected to sell or assign.

22 b. The eligible business shall not sell or assign a tax credit
23 transfer certificate allowed under this section for consideration
24 received by the eligible business of less than 85 percent of the
25 transferred credit amount before considering any further discounting
26 to present value which shall be permitted. The tax credit transfer
27 certificate issued to the eligible business by the director shall be
28 subject to any limitations and conditions imposed on the application
29 of State tax credits pursuant to P.L. , c. (C.) (pending before
30 the Legislature as this bill) and any other terms and conditions that
31 the director may prescribe.

32 c. A purchaser or assignee of a tax credit transfer certificate
33 pursuant to this section shall not make any subsequent transfers,
34 assignments, or sales of the tax credit transfer certificate.

35 d. The authority shall publish on its Internet website the
36 following information concerning each tax credit transfer certificate
37 approved by the authority and the director pursuant to this section:

- 38 (1) the name of the transferrer;
39 (2) the name of the transferee;
40 (3) the value of the tax credit transfer certificate;
41 (4) the State tax against which the transferee may apply the tax
42 credit; and
43 (5) the consideration received by the transferrer.

44
45 10. (New section) Notwithstanding the provisions of the
46 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
47 seq.) to the contrary, the chief executive officer of the authority shall
48 adopt, immediately, upon filing with the Office of Administrative

1 Law, such rules and regulations as the chief executive officer deems
2 necessary to implement the provisions of P.L. , c. (C.) (pending
3 before the Legislature as this bill), which rules and regulations shall
4 be effective for a period not to exceed 365 days after the date of the
5 filing. Before the expiration of the rules and regulations, the chief
6 executive officer shall amend, adopt, or readopt the rules and
7 regulations in accordance with the requirements of the
8 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
9 seq.).

10
11 11. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to
12 read as follows:

13 98. a. The combined value of all tax credits awarded under the
14 "Historic Property Reinvestment Act," sections 2 through 8 of
15 P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the "Brownfields
16 Redevelopment Incentive Program Act," sections 9 through 19 of
17 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287); the "New Jersey
18 Innovation Evergreen Act," sections 20 through 34 of P.L.2020,
19 c.156 (C.34:1B-288 through 34:1B-302); the "Food Desert Relief
20 Act," sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303
21 through 34:1B-310); the "New Jersey Community-Anchored
22 Development Act," sections 43 through 53 of P.L.2020, c.156
23 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire Program
24 Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322
25 through 34:1B-335); the "Emerge Program Act," sections 68 through
26 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of P.L.2010,
27 c.57 (C.34:1B-209.4); the "Cultural Arts Incentives Program Act,"
28 P.L.2023, c.197 (C.34:1B-383 et al.); **【and】** the "Next New Jersey
29 Program Act," P.L.2024, c.49 **【(C.34:1B-362 et seq.)】** (C.34:1B-394
30 et al.); and the “Next New Jersey Manufacturing Program Act,”
31 P.L. , c. (C.) (pending before the Legislature as this bill)
32 shall not exceed an overall cap of \$11.5 billion over a nine-year
33 period, subject to the conditions and limitations set forth in this
34 section. Of this \$11.5 billion, \$2.5 billion shall be reserved for
35 transformative projects approved under the Aspire Program.

36 b. (1) The total value of tax credits awarded under any constituent
37 program of the "New Jersey Economic Recovery Act of 2020,"
38 P.L.2020, c.156 (C.34:1B-269 et al.), the "Cultural Arts Incentives
39 Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), **【and】** the "Next
40 New Jersey Program Act," P.L.2024, c.49 **【(C.34:1B-362 et seq.)】**
41 (C.34:1B-394 et al.), and the “Next New Jersey Manufacturing
42 Program Act,” P.L. , c. (C.) (pending before the Legislature
43 as this bill) shall be subject to the following limitations, except as
44 otherwise provided in subsection c. of this section:

45 (a) for tax credits awarded under the "Historic Property
46 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156
47 (C.34:1B-270 through 34:1B-276), the total value of tax credits

1 annually awarded during each of the first six years of the nine-year
2 period shall not exceed \$50 million;

3 (b) for tax credits awarded under the "Brownfields
4 Redevelopment Incentive Program Act," sections 9 through 19 of
5 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value of
6 tax credits annually awarded during each of the first six years of the
7 nine-year period shall not exceed \$50 million;

8 (c) for tax credits awarded under the "New Jersey Innovation
9 Evergreen Act," sections 20 through 34 of P.L.2020, c.156 (C.34:1B-
10 288 through 34:1B-302), the total value of tax credits annually
11 awarded during each of the first six years of the nine-year period shall
12 not exceed \$60 million and the total value of tax credits awarded over
13 the entirety of the nine-year period shall not exceed \$300,000,000;

14 (d) for tax credits awarded under the "Food Desert Relief Act,"
15 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
16 34:1B-310), the total value of tax credits annually awarded during
17 each of the first six years of the nine-year period shall not exceed \$40
18 million;

19 (e) for tax credits awarded under the "New Jersey Community-
20 Anchored Development Act," sections 43 through 53 of P.L.2020,
21 c.156 (C.34:1B-311 through 34:1B-321), and the "Cultural Arts
22 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), the
23 total value of tax credits awarded during the nine-year period shall
24 not exceed \$1,200,000,000; provided, however, tax credits shall not
25 be available under the "New Jersey Community-Anchored
26 Development Act," sections 43 through 53 of P.L.2020, c.156
27 (C.34:1B-311 through 34:1B-321), until January 1, 2026. Beginning
28 January 1, 2026, the authority shall annually award tax credits under
29 the "New Jersey Community-Anchored Development Act," sections
30 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-321),
31 valuing no greater than \$130 million for projects located in the 13
32 northern counties of the State, and the authority shall annually award
33 tax credits valuing no greater than \$70 million for projects located in
34 the eight southern counties of the State. If during any year of
35 operation of the "New Jersey Community-Anchored Development
36 Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311
37 through 34:1B-321), the authority awards tax credits pursuant to the
38 program in an amount less than the annual limitation for projects
39 located in northern counties or southern counties, as applicable, the
40 uncommitted portion of the annual limitation shall be available to be
41 deployed by the authority in a subsequent year without consideration
42 to the county in which a project is located;

43 (f) for tax credits awarded under the "New Jersey Aspire Program
44 Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322
45 through 34:1B-335), and the "Emerge Program Act," sections 68
46 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not including tax
47 credits awarded for transformative projects, the total value of tax
48 credits annually awarded during each of the first six years of the nine-

1 year period shall not exceed \$1.1 billion. If the authority awards tax
2 credits in an amount less than the annual limitation, then the
3 uncommitted portion of the annual limitation shall be made available
4 for qualified offshore wind projects awarded under section 6 of
5 P.L.2010, c.57 (C.34:1B-209.4), pursuant to subparagraph (h) of this
6 paragraph, projects awarded a tax credit pursuant to the "Next New
7 Jersey Program Act," P.L.2024, c.49 [(C.34:1B-362 et seq.)]
8 (C.34:1B-394 et al.), pursuant to subparagraph (k) of this paragraph,
9 projects awarded a tax credit pursuant to the "Next New Jersey
10 Manufacturing Program Act," P.L. , c. (C.) (pending before
11 the Legislature as this bill), pursuant to subparagraph (l) of this
12 paragraph, or New Jersey studio partners, New Jersey film-lease
13 production companies, and taxpayers, other than New Jersey studio
14 partners and New Jersey film-lease production companies awarded
15 under sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and
16 C.54A:4-12b), pursuant to subparagraph (i) of this paragraph and
17 subsection d. of this section. During each of the first six years of the
18 nine-year period, the authority shall annually award tax credits
19 valuing no greater than \$715 million for projects located in the
20 northern counties of the State, and the authority shall annually award
21 tax credits valuing no greater than \$385 million for projects located
22 in the southern counties of the State under the "New Jersey Aspire
23 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
24 322 through 34:1B-335), and the "Emerge Program Act," sections 68
25 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.). If during any of
26 the first six years of the nine-year period, the authority awards tax
27 credits under the "New Jersey Aspire Program Act," sections 54
28 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335),
29 and the "Emerge Program Act," sections 68 through 81 of P.L.2020,
30 c.156 (C.34:1B-336 et al.), in an amount less than the annual
31 limitation for projects located in northern counties or southern
32 counties, as applicable, the uncommitted portion of the annual
33 limitation shall be available to be deployed by the authority in a
34 subsequent year, provided that the uncommitted portion of tax credits
35 shall be awarded for projects located in the applicable geographic
36 area, except that (i) after the completion of the third year of the nine-
37 year period, the authority may deploy 50 percent of the uncommitted
38 portion of tax credits for any previous year without consideration to
39 the county in which a project is located; and (ii) after the completion
40 of the sixth year of the nine-year period, the authority may deploy all
41 available tax credits, including the uncommitted portion of the annual
42 limitation for any previous year, without consideration to the county
43 in which a project is located;

44 (g) except as provided in subparagraph (j) of this paragraph, for
45 tax credits awarded for transformative projects under the "New
46 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
47 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax credits
48 awarded during the nine-year period shall not exceed \$2.5 billion.

1 The total value of tax credits awarded for transformative projects in
2 a given year shall not be subject to an annual limitation, except that
3 the total value of tax credits awarded to any transformative project
4 shall not exceed \$400 million;

5 (h) from the tax credits made available, pursuant to subparagraph
6 (f) of this paragraph, to the "New Jersey Aspire Program Act,"
7 sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through
8 34:1B-335), and the "Emerge Program Act," sections 68 through 81
9 of P.L.2020, c.156 (C.34:1B-336 et al.), not including tax credits
10 awarded for transformative projects, an amount not to exceed
11 \$350,000,000 shall be made available for qualified offshore wind
12 projects awarded a credit pursuant to section 6 of P.L.2010, c.57
13 (C.34:1B-209.4) during the first three years of the nine-year period;

14 (i) beginning in fiscal year 2023, from the tax credits made
15 available, pursuant to subparagraph (f) of this paragraph, to the "New
16 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
17 c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge Program
18 Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.),
19 not including tax credits awarded for transformative projects,
20 additional amounts shall be made available for New Jersey studio
21 partners, New Jersey film-lease production companies, and
22 taxpayers, other than New Jersey studio partners and New Jersey
23 film-lease production companies pursuant to sections 1 and 2 of
24 P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b);

25 (j) beginning in fiscal year 2024, from the tax credits made
26 available, pursuant to subparagraph (f) of this paragraph, to the "New
27 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
28 c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge Program
29 Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.),
30 not including tax credits awarded for transformative projects, an
31 amount not to exceed \$500,000,000 may be annually transferred for
32 the award to transformative projects under the "New Jersey Aspire
33 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
34 322 through 34:1B-335), provided that: (i) the remaining allocation
35 of tax credits otherwise available for transformative projects,
36 pursuant to subparagraph (g) of this paragraph, is less than
37 \$1,000,000,000; and (ii) the authority board determines that the
38 transfer of tax credits is warranted based on such criteria as the
39 authority deems appropriate, which may include the criteria set forth
40 in paragraph (2) of this subsection. If a transfer of tax credits is made
41 pursuant to this subparagraph, the authority shall award no greater
42 than 65 percent of the tax credits transferred pursuant to this
43 subparagraph to transformative projects located in the northern
44 counties of the State and no greater than 35 percent of the tax credits
45 transferred pursuant to this subparagraph to transformative projects
46 located in the southern counties of the State; **【and】**

47 (k) beginning in fiscal year 2025, from the tax credits made
48 available, pursuant to subparagraph (f) of this paragraph, to the "New

1 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
2 c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge Program
3 Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.),
4 but not including tax credits awarded for transformative projects, an
5 amount not to exceed \$500,000,000 shall be made available for
6 projects awarded a tax credit pursuant to the "Next New Jersey
7 Program Act," P.L.2024, c.49 [(C.34:1B-362 et seq.)] (C.34:1B-394
8 et al.); and

9 (1) beginning in fiscal year 2026, from the tax credits made
10 available, pursuant to subparagraph (f) of this paragraph, to the "New
11 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
12 c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge Program
13 Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.),
14 but not including tax credits awarded for transformative projects, an
15 amount not to exceed \$500,000,000 shall be made available for
16 projects awarded a tax credit pursuant to the "Next New Jersey
17 Manufacturing Program Act," P.L. , c. (C.) (pending before
18 the Legislature as this bill). In accordance with the provisions of
19 subsection g. of section 5 of P.L. , c. (C.) (pending before
20 the Legislature as this bill), \$100,000,000 of the tax credits made
21 available to the "Next New Jersey Manufacturing Program Act,"
22 P.L. , c. (C.) (pending before the Legislature as this bill)
23 pursuant to this subparagraph shall be reserved exclusively for
24 eligible businesses that are clean energy product manufacturers.

25 (2) The authority may in any given year determine that it is in the
26 State's interest to approve an amount of tax credits in excess of the
27 annual limitations set forth in paragraph (1) of this subsection, but in
28 no event more than \$200,000,000 in excess of the annual limitation,
29 upon a determination by the authority board that such increase is
30 warranted based on specific criteria that may include:

31 (i) the increased demand for opportunities to create or retain
32 employment and investment in the State as indicated by the volume
33 of project applications and the amount of tax credits being sought by
34 those applications;

35 (ii) the need to protect the State's economic position in the event
36 of an economic downturn;

37 (iii) the quality of project applications and the net economic
38 benefit to the State and municipalities associated with those
39 applications;

40 (iv) opportunities for project applications to strengthen or protect
41 the competitiveness of the State under the prevailing market
42 conditions;

43 (v) enhanced access to employment and investment for
44 underserved populations in distressed municipalities and qualified
45 incentives tracts;

46 (vi) increased investment and employment in high-growth
47 technology sectors and in projects that entail collaboration with
48 education institutions in the State;

- 1 (vii) increased development proximate to mass transit facilities;
2 (viii) any other factor deemed relevant by the authority.

3 c. In the event that the authority in any year approves projects
4 for tax credits in an amount less than the annual limitations set forth
5 in paragraph (1) of subsection b. of this section, then the
6 uncommitted portion of the annual limitation shall be available to be
7 deployed by the authority in future years for projects under the same
8 program; provided however, that in no event shall the aggregate
9 amount of tax credits approved be in excess of the overall cap of
10 \$11.5 billion, and in no event shall the uncommitted portion of the
11 annual limitation for any previous year be deployed after the
12 conclusion of the nine-year period.

13 d. Notwithstanding the provisions of any other law to the
14 contrary, the uncommitted balance of the total value of tax credits
15 authorized for award by the authority pursuant to subparagraph (f) of
16 paragraph (1) of subsection b. of this section to the "New Jersey
17 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
18 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68
19 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made
20 available for tax credits allowed to New Jersey studio partners, New
21 Jersey film-lease production companies, and taxpayers, other than
22 New Jersey studio partners and New Jersey film-lease production
23 companies pursuant to sections 1 and 2 of P.L.2018, c.56 (C.54:10A-
24 5.39b and C.54A:4-12b). The value of tax credits, including tax
25 credits allowed through the granting of tax credit transfer certificates,
26 made available to New Jersey studio partners, New Jersey film-lease
27 production companies, and taxpayers, other than New Jersey studio
28 partners and New Jersey film-lease production companies pursuant
29 to this subsection shall be as follows:

30 (1) in fiscal year 2023, \$250,000,000 for New Jersey studio
31 partners and \$250,000,000 for New Jersey film-lease production
32 companies;

33 (2) in fiscal year 2024, \$250,000,000 for New Jersey studio
34 partners and \$250,000,000 for New Jersey film-lease production
35 companies; and

36 (3) in fiscal year 2025, \$250,000,000 for New Jersey studio
37 partners, \$250,000,000 for New Jersey film-lease production
38 companies, and \$300,000,000 for taxpayers, other than New Jersey
39 studio partners and New Jersey film-lease production companies.

40 If the value of tax credits, including tax credits allowed through
41 the granting of tax credit transfer certificates, approved to New Jersey
42 studio partners and New Jersey film-lease production companies in
43 any fiscal year pursuant to this subsection is less than the cumulative
44 total amount of tax credits permitted to be approved in that fiscal
45 year, the authority shall certify the amount of the remaining tax
46 credits available for approval to each such category in that fiscal year,
47 and shall increase the cumulative total amount of tax credits
48 permitted to be approved for New Jersey studio partners and New

1 Jersey film-lease production companies in the subsequent fiscal year
2 by the certified amount remaining for each such category from the
3 prior fiscal year.
4 (cf: P.L.2024, c.49, s.10)

5
6 12. This act shall take effect immediately.
7

8
9 STATEMENT
10

11 This bill establishes the "Next New Jersey Manufacturing
12 Program" (program) within the New Jersey Economic Development
13 Authority (EDA) and modifies certain provisions of the "New Jersey
14 Economic Recovery Act of 2020."

15 The purpose of the program would be to encourage substantial
16 investment in the State, create new jobs and economic opportunities,
17 and position New Jersey as a leader in the manufacturing economy.

18 Under the program, the EDA would provide tax credits to eligible
19 businesses, following approval of an application by the EDA, to
20 eligible businesses. Eligible businesses would include a business that
21 qualifies as a manufacturer or clean energy product manufacturer,
22 and which meets the eligibility requirements set forth in the bill. The
23 bill defines a "manufacturer" as a business engaged in the production
24 or assembly of goods by transforming raw materials or sub-
25 components into components or finished products through various
26 industrial processes, including but not limited to fabrication,
27 assembly, or chemical processes. Similarly, a "clean energy product
28 manufacturer" is defined as business engaged in the production or
29 assembly of goods by transforming raw materials or sub-components
30 into components for renewable energy, such as offshore wind, solar,
31 geothermal, green hydrogen, nuclear energy, fuel cells, battery
32 storage, or other clean energy manufacturing.

33 To qualify for tax credits under the program, an eligible business
34 is required to: (1) make, acquire, or lease not less than \$10 million in
35 capital investments at a qualified business facility in the State; (2)
36 create not less than 20 new full-time jobs in the State; (3) provide a
37 median salary for the full-time jobs at the qualified business facility
38 of not less than 120 percent of the median salary for manufacturing
39 employees in the county in which the project is located; and (4)
40 satisfy certain other requirements.

41 Following approval of an application under the program, the
42 eligible business would be required to demonstrate to the EDA that
43 the business has obtained site plan approval and has committed
44 financing for, and established site control of, the qualified business
45 facility. Thereafter, the eligible business would be required to enter
46 into a project agreement with the EDA, which sets forth the terms
47 and conditions under which the business may receive the tax credits
48 authorized pursuant to the program. In the event that the business

1 fails to meet certain requirements of the program, including the
2 creation and retention of a minimum number of new full-time jobs,
3 the project agreement would include provisions permitting the EDA
4 to recapture or requiring the business to forfeit, as applicable, all or
5 part of the authorized tax credits.

6 Under the bill, the amount of the tax credit allowed for a particular
7 project would equal to the lesser of: (1) 0.1 percent of the eligible
8 business's total capital investment, multiplied by the number of new
9 full-time jobs; (2) 25 percent of the eligible business's total capital
10 investment; or (3) \$150 million. However, the bill also authorizes
11 the EDA, in its discretion, to establish one or more bonus credit
12 awards. Under the bill, the EDA is directed to adopt rules and
13 regulations to establish criteria related to the eligibility for, and
14 approval of, these bonus credits.

15 The bill authorizes an eligible business to apply for a tax credit
16 transfer certificate in lieu of the eligible business being allowed any
17 amount of the tax credit against its State tax liability. Upon receipt
18 of the tax credit transfer certificate, the eligible business may sell or
19 assign the credit, in an amount not less than \$25,000, within three
20 years of the tax period in which the eligible business receives the tax
21 credit transfer certificate. An eligible business may not sell or assign
22 the credit for consideration of less than 85 percent of the transferred
23 credit amount before considering any further discounting to present
24 value.

25 The bill provides that up to \$500 million in tax credits, originally
26 allocated for the New Jersey Aspire Program and the Emerge
27 Program, are to be made available to eligible businesses under the
28 program. Of this total, the bill provides that \$100 million in tax
29 credits would be exclusively reserved, during the first two years of
30 the program, for eligible businesses that are clean energy product
31 manufacturers. However, if the EDA awards less than \$100 million
32 in tax credits to clean energy product manufacturers during this
33 period, the uncommitted portion would be available to be awarded to
34 any eligible business under the program beginning in the third year
35 of the program.

[First Reprint]

SENATE, No. 4407

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED MAY 19, 2025

Sponsored by:

Senator MICHAEL L. TESTA, JR.

District 1 (Atlantic, Cape May and Cumberland)

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Co-Sponsored by:

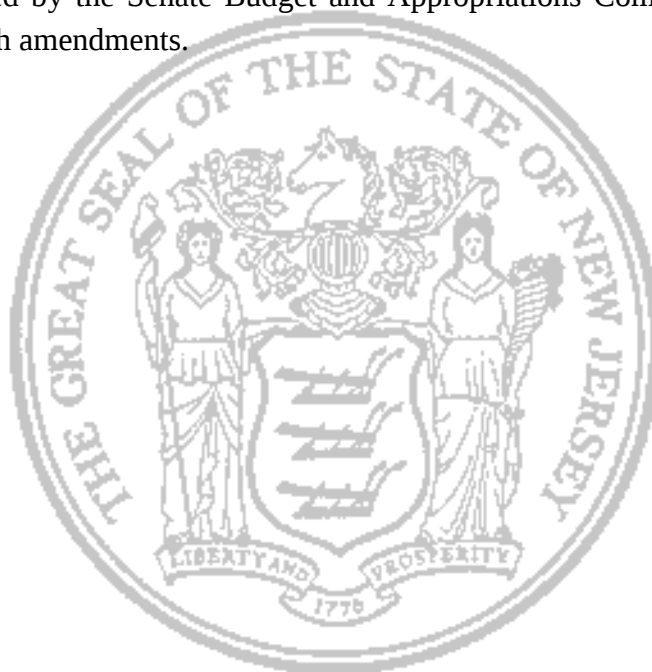
Senators Space, Schepisi and Singleton

SYNOPSIS

Establishes Next New Jersey Manufacturing Program to incentivize in-State manufacturing investments and job creation.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 26, 2025, with amendments.



(Sponsorship Updated As Of: 6/23/2025)

1 **AN ACT** establishing the Next New Jersey Manufacturing Program
2 and amending and supplementing P.L.2020, c.156.

3

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

6

7 1. (New section) P.L. , c. (C.) (pending before the
8 Legislature as this bill) shall be known and may be cited as the
9 “Next New Jersey Manufacturing Program Act.”

10

11 2. (New section) The Legislature finds and declares that:

12 a. Manufacturers are vital contributors to the State's economic
13 health and overall prosperity. They serve as engines of growth,
14 driving job creation, stimulating innovation, and fostering a robust
15 and productive workforce. By producing goods and contributing to
16 the supply chain, manufacturing facilities bolster the State's
17 competitiveness in the global market.

18 b. Projects involving manufacturing and manufacturers are
19 inherently beneficial to the State because they provide vital
20 contributions to the communities in which they are located,
21 enhancing the quality of life for residents, and producing
22 immeasurable economic benefits to the State.

23 c. The Next New Jersey Manufacturing Program is a
24 comprehensive tax credit program designed to drive substantial
25 investment, foster the creation of new jobs, and position New Jersey
26 as a leader in the manufacturing economy. The program will
27 encourage a wide range of manufacturing activities benefitting
28 various industries, including advanced manufacturing; non-retail
29 food and beverage; life sciences; defense; and the production of
30 components for clean energy technologies, such as offshore wind,
31 solar, geothermal, green hydrogen, nuclear energy, fuel cells,
32 battery storage, and other sustainable clean energy solutions.

33 d. By offering competitive incentives, the Next New Jersey
34 Manufacturing Program encourages companies to allocate their
35 capital investments to New Jersey while demonstrating a long-term
36 commitment to the State's economic growth. The program is
37 designed for manufacturing facilities that establish or expand their
38 physical presence in New Jersey.

39

40 3. (New section) As used in P.L. , c. (C.) (pending
41 before the Legislature as this bill):

42 “Affiliate” means an entity that directly or indirectly controls, is
43 under common control with, or is controlled by an eligible business.
44 Control exists in all cases in which the entity is a member of a

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 SBA committee amendments adopted June 26, 2025.

1 controlled group of corporations as defined pursuant to section 1563
2 of the federal Internal Revenue Code (26 U.S.C. s.1563) or the
3 entity is an organization in a group of organizations under common
4 control that is subject to the regulations applicable to organizations
5 pursuant to subsection (b) or (c) of section 414 of the federal
6 Internal Revenue Code (26 U.S.C. s.414). A taxpayer may establish
7 by clear and convincing evidence, as determined by the Director of
8 the Division of Taxation in the Department of the Treasury, that
9 control exists in situations involving lesser percentages of
10 ownership than required by sections 1563 and 414 of the Internal
11 Revenue Code of 1986 (26 U.S.C. ss.1563 and 414). An affiliate of
12 a business may contribute to meeting either the capital investment
13 or full-time employee requirements of a business and new full-time
14 job requirements and may satisfy the requirement for site control
15 during construction and the eligibility period, but in no event shall
16 the tax credit certificate be issued to any affiliate.

17 “Authority” means the New Jersey Economic Development
18 Authority established by section 4 of P.L.1974, c.80 (C.34:1B-4).

19 “Board” means the Board of the New Jersey Economic
20 Development Authority, established by section 4 of P.L.1974, c.80
21 (C.34:1B-4).

22 “Building services” means any cleaning or routine building
23 maintenance work, including but not limited to sweeping,
24 vacuuming, floor cleaning, cleaning of rest rooms, collecting refuse
25 or trash, window cleaning, securing, patrolling, or other work in
26 connection with the care or securing of an existing building,
27 including services typically provided by a door-attendant or
28 concierge. “Building services” shall not include any skilled
29 maintenance work, professional services, or other public work for
30 which a contractor is required to pay the “prevailing wage,” as
31 defined in section 2 of P.L.1963, c.150 (C.34:11-56.26).

32 “Business” means an applicant proposing to own or lease
33 premises in a qualified business facility that is: a corporation
34 subject to the tax imposed pursuant to section 5 of P.L.1945, c.162
35 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and
36 C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or
37 N.J.S.17B:23-5; or is a partnership, S corporation, limited liability
38 company, or non-profit corporation. A business shall include an
39 affiliate of the business if that business applies for a tax credit based
40 upon any capital investment made by ‘an affiliate’ or full-time
41 employees of an affiliate.

42 “Capital investment” means expenses that a business or an
43 affiliate of the business incurred on behalf of the business or
44 affiliate by its landlord, at the qualified business facility following
45 its submission of a completed application to the authority pursuant
46 to section 5 of P.L. , c. (C.) (pending before the
47 Legislature as this bill), but prior to the project completion date, as
48 shall be defined in the project agreement pursuant to section 7 of

1 P.L. , c. (C.) (pending before the Legislature as this bill),
2 or until such other time specified by the authority, and which
3 expenses are incurred for:

4 (1) site preparation and construction, repair, renovation,
5 improvement, equipping, or furnishing on real property or of a
6 building, structure, facility, or improvement to real property;

7 (2) obtaining and installing furnishings and machinery,
8 apparatus, or equipment, or obtaining and installing of parts in an
9 existing facility for the operation of a business on real property or
10 in a building, structure, facility, or improvement to real property; or
11 any combination of the foregoing;

12 (3) improvement to a site-related utility of the real property,
13 including, but not limited to, water, electric, sewer, and stormwater,
14 and transportation infrastructure improvements, plantings, solar
15 panels and components, energy storage components, installation
16 costs of solar energy systems or other environmental components
17 required to attain the level of silver rating and gold rating standards
18 or above in the LEED building rating system, but only to the extent
19 that such capital investments have not received any grant financial
20 assistance from any other State funding source;

21 (4) the value of a capital lease, as defined by generally accepted
22 accounting practices (GAAP), of furnishings and machinery,
23 apparatus, or equipment, based on the shorter of the useful life of
24 the leased property or the commitment period; and

25 (5) associated soft costs, which shall not exceed 20 percent of
26 all capital investment.

27 "Capital investment" shall not include site acquisition vehicles
28 and heavy equipment not permanently located in the building,
29 structure, facility, or improvement. Landlord contributions for the
30 purpose of eligibility of the program, are allowed.

31 "Clean energy product manufacturer" means a business engaged
32 in the production or assembly of goods by transforming raw
33 materials or sub-components into components for renewable
34 energy, such as offshore wind, solar, geothermal, green hydrogen,
35 nuclear energy, fuel cells, battery storage, or other clean energy
36 manufacturing "Clean energy product manufacturer" does not
37 include businesses engaged in retail, wholesale, packaging,
38 software development, resource extraction, or waste incineration.

39 "Commitment period" means a period that is no less than two
40 times the eligibility period, as specified in the project agreement
41 entered into pursuant to section 7 of P.L. , c. (C.) (pending
42 before the Legislature as this bill).

43 "Director" means the Director of the Division of Taxation in the
44 Department of the Treasury.

45 "Eligibility period" means the period in which an eligible
46 business may claim a tax credit under the program, beginning with
47 the tax period in which the authority accepts certification of the
48 eligible business that it has met the capital investment and

1 employment requirements of the program and extending thereafter
2 for a term of five years.

3 “Eligible business” means any business that is a clean energy
4 product manufacturer or manufacturer, and that satisfies the criteria
5 set forth in section 5 of P.L. , c. (C.) (pending before the
6 Legislature as this bill) at the time of application for tax credits
7 under the program.

8 “Eligible position” or “full-time job” means a position in a
9 business in this State which the business has filled with a full-time
10 employee who spends at least 80 percent of the employee’s work
11 time in the State ¹**or** ¹and at the qualified business facility, or
12 spends any other period of work time generally accepted by custom
13 or practice, as determined by the authority in its sole discretion
14 based on the characteristics of the employee’s job and work time in
15 the State ¹**or** ¹and at the qualified business facility, and is offered
16 employee health benefits under a group health plan as defined under
17 section 14 of P.L.1997, c.146 (C.17B:27-54), a health benefits plan
18 as defined under section 1 of P.L.1992, c.162 (C.17B:27A-17), or a
19 policy or contract of health insurance covering more than one
20 person issued pursuant to Article 2 of Chapter 27 of Title 17B of
21 the New Jersey Statutes; provided, however, that the requirement to
22 offer employee health benefits shall be deemed to be satisfied if the
23 benefits are provided by the business or pursuant to a collective
24 bargaining agreement, no later than 90 days after the employee’s
25 start date, under a health benefits plan authorized pursuant to State
26 or federal law. An eligible position shall not include an
27 independent contractor or a consultant.

28 “Full-time employee” means a person who is:

29 (1) employed by a business for consideration for at least 35
30 hours a week, or who renders any other standard of service
31 generally accepted by custom or practice as full-time employment,
32 and whose wages are subject to withholding as provided in the
33 "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq.;

34 (2) employed by a professional employer organization pursuant
35 to an employee leasing agreement between the business and the
36 professional employer organization, pursuant to P.L.2001, c.260
37 (C.34:8-67 et seq.) for at least 35 hours a week, or who renders any
38 other standard of service generally accepted by custom or practice
39 as full-time employment, and whose wages are subject to
40 withholding as provided in the "New Jersey Gross Income Tax
41 Act," N.J.S.54A:1-1 et seq.; or

42 (3) a resident of another ¹**State** ¹state, whose income is not
43 subject to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
44 et seq., due to a reciprocity agreement with the other state, or who
45 is a partner of a business who works for the partnership for at least
46 35 hours a week, or who renders any other standard of service
47 generally accepted by custom or practice as full-time employment,
48 and whose distributive share of income, gain, loss, or deduction, or

1 whose guaranteed payments, or any combination thereof, is subject
2 to the payment of estimated taxes, as provided in the "New Jersey
3 Gross Income Tax Act," N.J.S.54A:1-1 et seq., due to a reciprocity
4 agreement with the other state.

5 A "full-time employee" includes, but shall not be limited to, an
6 employee that has been hired by way of a labor union hiring hall or
7 its equivalent. ¹**[35]** Thirty-five¹ hours of employment per week in
8 the State shall constitute one "full-time employee," regardless of
9 whether or not the hours of work were performed by one or more
10 persons.

11 "Full-time employee" shall not include any person who works as
12 an independent contractor or on a consulting basis for the business
13 or a contract worker.

14 "Manufacturer" means a business engaged in the production or
15 assembly of goods by transforming raw materials or sub-
16 components into components or finished products through various
17 industrial processes, including but not limited to fabrication,
18 assembly, or chemical processes. "Manufacturer" does not include
19 businesses engaged in retail, wholesale, packaging, software
20 development, resource extraction, or waste incineration.

21 "Minimum environmental and sustainability standards" means
22 standards established by the authority in accordance with the green
23 building manual prepared by the Commissioner of Community
24 Affairs pursuant to section 1 of P.L.2007, c.132 (C.52:27D-130.6),
25 regarding the use of renewable energy, energy-efficient technology,
26 and non-renewable resources to reduce environmental degradation
27 and encourage long-term cost reduction.

28 "New full-time job" means an eligible position created by a
29 business, following approval of the business's application by the
30 board, that did not previously exist in this State. For the purposes
31 of determining the number of new full-time jobs, the eligible
32 positions of an affiliate shall be considered eligible positions of the
33 business. For the purpose of calculating the number of new full-
34 time jobs, a position shall not be considered a new full-time job
35 unless it is in addition to the number of full-time jobs in the
36 business's Statewide workforce in the last tax accounting or
37 privilege period prior to the tax credit amount approval.

38 "Partnership" means an entity classified as a partnership for
39 federal income tax purposes.

40 "Professional employer organization" means an employee
41 leasing company registered with the Department of Labor and
42 Workforce Development pursuant to P.L.2001, c.260 (C.34:8-67 et
43 seq.).

44 "Program" means the Next New Jersey Manufacturing Program
45 established by section 4 of P.L. , c. (C.) (pending before
46 the Legislature as this bill).

1 “Project” means the capital investment at a qualified business
2 facility and the employment commitment required pursuant to the
3 project agreement.

4 “Project agreement” means the contract executed between an
5 eligible business and the authority pursuant to section 7 of
6 P.L. , c. (C.) (pending before the Legislature as this bill),
7 which sets forth the terms and conditions under which the eligible
8 business may receive the tax credits authorized pursuant to the
9 program.

10 “Qualified business facility” means any building, complex of
11 buildings, or structural components of buildings, and all machinery
12 and equipment located therein, used in connection with the
13 operation of an eligible business primarily for: (1) the production or
14 assembly of goods by transforming raw materials into components
15 for renewable energy, such as offshore wind, solar, geothermal,
16 green hydrogen, fuel cells, or other clean energy; (2) producing or
17 assembling of goods ¹by transforming raw materials or
18 components into finished products through various industrial
19 processes; or (3) investigating, experimenting, and innovating to
20 create new products or improve existing products. Ancillary
21 activities related to packaging and distribution at the qualified
22 business facility are permitted.

23 “Soft costs” means all costs associated with financing, design,
24 engineering, legal services, or real estate commissions, including,
25 but not limited to, architect fees, permit fees, loan origination and
26 closing costs, construction management, and freight and shipping
27 delivery, but not including early lease termination costs, air fare,
28 mileage, tolls, gas, meals, packing material, marketing, temporary
29 signage, incentive consultant fees, authority fees, loan interest
30 payments, escrows, or other similar costs.

31 “Statewide workforce” means the total number of full-time
32 employees in the Statewide workforce of the business and any
33 affiliate of the business, if the affiliate contributes any capital
34 investment or full-time employees. "Statewide workforce" shall not
35 include full-time employees at any final point-of-sale retail
36 facilities unless the project, as approved by the board, includes full-
37 time employees engaged in final point-of-sale retail.

38 “Targeted industry” means any industry identified from time to
39 time by the authority which shall initially include advanced
40 transportation and logistics, advanced manufacturing, aviation,
41 autonomous vehicle and zero-emission vehicle research or
42 development, clean energy, life sciences, hemp processing,
43 information and high technology, finance and insurance,
44 professional services, film and digital media, non-retail food and
45 beverage businesses including food innovation, and other
46 innovative industries that disrupt current technologies or business
47 models.

1 4. (New section) a. The Next New Jersey Manufacturing
2 Program is hereby established as a program under the jurisdiction of
3 the New Jersey Economic Development Authority. The authority
4 shall administer the program to attract new investment to New
5 Jersey in key industries, create new jobs and economic
6 opportunities, and position New Jersey as a leader in the
7 manufacturing economy. Subject to the limitations set forth in
8 subsection b. of this section, the board may approve the award of
9 tax credits to an eligible business upon application of the chief
10 executive officer, or equivalent officer, of the eligible business and
11 following the payment of fees.

12 b. The value of all tax credits approved by the authority for
13 eligible businesses shall be subject to the limitations set forth in
14 section 98 of P.L.2020, c.156 (C.34:1B-362).

15

16 5. (New section) a. To be eligible for tax credits under the
17 program, a business's chief executive officer, or equivalent officer,
18 shall demonstrate to the authority at the time of application that:

19 (1) the business shall make, acquire, or lease a capital
20 investment at the qualified business facility not less than the
21 applicable amount set forth in subsection b. of this section;

22 (2) the business shall create new full-time jobs in the State in an
23 amount not less than the applicable number set forth in subsection
24 c. of this section;

25 (3) the median salary of the full-time jobs at the qualified
26 business facility by the business shall be not less than 120 percent
27 of the median salary for manufacturing employees in the county in
28 which the project is located;

29 (4) the business shall be primarily engaged in the activities of a
30 manufacturer or a clean energy manufacturer at the qualified
31 business facility;

32 (5) the business shall enter into a collaborative relationship,
33 evidenced by the provision of opportunities for workforce hiring,
34 training, apprenticeship, or other measures determined appropriate
35 by the authority, with New Jersey public or private colleges or
36 universities, public or private high schools, or workforce
37 development organizations, or any combination thereof;

38 (6) the qualified business facility shall be in compliance with
39 minimum environmental and sustainability standards;

40 (7) the project shall comply with the authority's affirmative
41 action requirements, adopted pursuant to section 4 of P.L.1979,
42 c.303 (C.34:1B-5.4); and

43 (8) each worker employed to perform construction work or
44 building services work at the qualified business facility shall be
45 paid not less than the prevailing wage rate for the worker's craft or
46 trade, as determined by the Commissioner of Labor and Workforce
47 Development pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.).

1 b. To be eligible under the program, the minimum capital
2 investment at the qualified business facility shall be \$10,000,000.

3 c. To be eligible under the program, the minimum number of
4 new full-time jobs in the State shall be 20 new full-time jobs.

5 d. The chief executive officer of the business, or an equivalent
6 officer, shall certify that all factual representations made by the
7 business to the authority pursuant to subsection a. of this section are
8 true under the penalty of perjury.

9 e. A business shall not be awarded a tax credit under the
10 program if the business has received a tax credit under the
11 “Business Retention and Relocation Assistance Act,” P.L.1996,
12 c.25 (C.34:1B-112 et seq.), “Business Employment Incentive
13 Program Act,” P.L.1996, c.26 (C.34:1B-124 et al.), section 6 of
14 P.L.2010, c.57 (C.34:1B-209.4), “Grow New Jersey Assistance
15 Act,” P.L.2011, c.149 (C.34:1B-242 et al.), “Emerge Program Act,”
16 sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.),
17 section 4 of P.L.2023, c.125 (C.34:1B-139.4), or the “Next New
18 Jersey Program Act,” P.L.2024, c.49 (C.34:1B-394 et seq.), relating
19 to the same capital investment and employees that qualify the
20 business for a tax credit under the program.

21 f. An eligible business may submit an application to the
22 authority in accordance with the provisions of section 6 of
23 P.L. , c. (C.) (pending before the Legislature as this bill)
24 on or after the effective date of P.L. , c. (C.) (pending
25 before the Legislature as this bill) but prior to March 1, 2029.

26 g. Beginning on the date that the authority begins accepting
27 applications in accordance with section 6 of P.L. , c. (C.)
28 (pending before the Legislature as this bill) and continuing for two
29 years thereafter, \$100,000,000 of the tax credits made available to
30 the program pursuant to subparagraph (l) of paragraph (1) of
31 subsection b. of section 98 of P.L.2020, c.156 (C.34:1B-362) shall
32 be reserved exclusively for eligible businesses that are clean energy
33 product manufacturers. If during that period, the authority awards
34 less than \$100,000,000 in tax credits to eligible businesses that are
35 clean energy product manufacturers, the uncommitted portion shall
36 be available to be deployed by the authority to any eligible business
37 beginning in the third year next following the date that the authority
38 begins accepting applications in accordance with section 6 of
39 P.L. , c. (C.) (pending before the Legislature as this bill).

40

41 6. (New section) a. A business that meets the eligibility
42 criteria in section 5 of P.L. , c. (C.) (pending before the
43 Legislature as this bill) and is seeking tax credits for a project under
44 the program shall submit an application to the authority in a form
45 and manner prescribed by the authority.

46 b. Before the board may consider an eligible business's
47 application for tax credits, the authority shall confirm with the
48 Department of Labor and Workforce Development, the Department

1 of Environmental Protection, and the Department of the Treasury
2 whether the eligible business is in substantial good standing with
3 the respective department, or, if necessary, has entered into an
4 agreement with the respective department that includes a practical
5 corrective action plan for the eligible business. The eligible
6 business shall certify that the contractors or subcontractors that will
7 perform work at the qualified business facility: are registered as
8 required by "The Public Works Contractor Registration Act,"
9 P.L.1999, c.238 (C.34:11-56.48 et seq.); have not been debarred by
10 the Department of Labor and Workforce Development from
11 engaging in or bidding on Public Works Contracts in the State; and
12 possess a tax clearance certificate issued by the Division of
13 Taxation in the Department of the Treasury. The authority may also
14 contract with an independent third party to perform a background
15 check on the eligible business.

16 c. An eligible business shall pay to the authority the full
17 amount of the direct costs of an analysis of the eligible business's
18 application for a tax credit, which analysis shall be conducted by a
19 third party retained by the authority if the authority deems such
20 retention to be necessary.

21 d. If, at any time during the eligibility period, the authority
22 determines that the eligible business made a material
23 misrepresentation on the eligible business's application, the eligible
24 business shall forfeit all tax credits awarded under the program,
25 which forfeiture shall be in addition to any other criminal or civil
26 penalties for which the business and the certifying officer may be
27 liable.

28 e. If circumstances require an eligible business to amend its
29 application to the authority, then the chief executive officer of the
30 eligible business, or an equivalent officer, shall certify to the
31 authority that the information provided in its amended application is
32 true under the penalty of perjury.

33 f. Nothing shall preclude a business from applying for tax
34 credits under the program for more than one project through one or
35 more applications.

36
37 7. (New section) a. Following board approval of an
38 application submitted pursuant to section 6 of P.L. , c. (C.)
39 (pending before the Legislature as this bill), within a time period
40 established by the authority but before the authority and an eligible
41 business execute a project agreement pursuant to this section, the
42 eligible business shall demonstrate, in a form and manner
43 prescribed by the authority, that it has obtained site plan approval
44 and has committed financing for, and established site control of, the
45 qualified business facility. The chief executive officer of the
46 business, or an equivalent officer, shall certify that all factual
47 representations made by the business to the authority pursuant to
48 this subsection are true under the penalty of perjury.

1 b. Following approval by the board and compliance with the
2 provisions of subsection a. of this section, but before the issuance of
3 tax credits, the authority shall require an eligible business to enter
4 into a project agreement. The terms of the project agreement shall
5 be consistent with the eligibility requirements set forth in section 5
6 of P.L. , c. (C.) (pending before the Legislature as this bill)
7 and shall include, but not be limited to, the following:

8 (1) a detailed description of the proposed project that will result
9 in job creation, and the number of new full-time jobs that are
10 approved for tax credits;

11 (2) any personnel information that will enable the authority to
12 administer the program;

13 (3) a requirement that: the eligible business shall maintain the
14 project at a location in New Jersey for the commitment period; and
15 a provision that if the eligible business does not maintain the project
16 at a location in New Jersey for the commitment period, the
17 authority may recapture all or part of any tax credits awarded, at its
18 discretion;

19 (4) a requirement that the eligible business shall maintain the
20 number of new full-time jobs, and the salaries thereof, for which the
21 eligible business certified at the commencement of the eligibility
22 period; a requirement that if, in any tax period, the number of new
23 employees in eligible positions falls below 80 percent of the
24 number of new employees in eligible positions specified in the
25 project agreement or the program minimum, the business shall
26 forfeit any tax credits for which it would otherwise be eligible
27 under the program for that tax period, and in any subsequent period
28 until such time as the applicant restores the threshold minimum; and
29 a provision to permit the authority to proportionally reduce the tax
30 credit award for the business in any tax period in which the number
31 of new full-time jobs, or the salaries thereof, is reduced below the
32 new full-time jobs for which the business certified at the
33 commencement of the eligibility period, as required pursuant to
34 subsection f. of section 8 of P.L. , c. (C.) (pending before
35 the Legislature as this bill);

36 (5) a method for the eligible business to certify that it has met
37 the capital investment and employment requirements of the
38 program, as set forth in subsections b. and c. of section 5 of P.L. ,
39 c. (C.) (pending before the Legislature as this bill), and to
40 report annually to the authority the number of new full-time jobs,
41 and the salaries thereof, for which the tax credits are to be allowed;

42 (6) representations that the eligible business is in substantial
43 good standing with the Department of Environmental Protection,
44 the Department of Labor and Workforce Development, and the
45 Department of the Treasury, or has entered into an agreement with
46 the departments that includes a practical corrective action plan, and
47 that the project complies with all applicable laws, and specifically,
48 that the project does not violate any environmental law;

1 (7) a provision permitting the authority to require an audit of the
2 payroll records of the eligible business to be conducted from time to
3 time, as the authority deems necessary;

4 (8) (a) a provision requiring the eligible business to submit an
5 annual report to the chief executive officer of the authority, in a
6 form and manner prescribed by the authority, for the purpose of
7 allowing the authority to confirm that the eligible business is in
8 substantial good standing with the Department of Environmental
9 Protection, the Department of Labor and Workforce Development,
10 and the Department of the Treasury, or has entered into an
11 agreement with the respective department that includes a practical
12 corrective action plan;

13 (b) a requirement that at certification of project completion, the
14 eligible business shall confirm that each contractor or subcontractor
15 performing work at the qualified business facility: is registered as
16 required by "The Public Works Contractor Registration Act,"
17 P.L.1999, c.238 (C.34:11-56.48 et seq.); has not been debarred by
18 the Department of Labor and Workforce Development from
19 engaging in or bidding on Public Works Contracts in the State; and
20 possesses a tax clearance certificate issued by the Division of
21 Taxation in the Department of the Treasury.

22 (c) a provision that if the eligible business fails to submit any
23 report required under this paragraph, if the Department of
24 Environmental Protection, the Department of Labor and Workforce
25 Development, or the Department of the Treasury advises that the
26 eligible business is neither in substantial good standing nor has
27 entered into a practical corrective action plan, or if the eligible
28 business fails to confirm that each contractor or subcontractor is in
29 compliance with this paragraph, then the eligible business shall
30 forfeit the issuance of tax credits, pending resolution of the
31 underlying violations or other issues;

32 (9) a requirement for the eligible business to submit evidence, as
33 required by the authority, that it has entered into and maintained a
34 collaborative relationship with a New Jersey public or private
35 college or university, public or private high school, or workforce
36 development organization, or any combination thereof;

37 (10) a provision permitting the authority to amend the project
38 agreement; and

39 (11) a provision establishing the conditions under which the
40 authority, the eligible business, or both, may terminate the
41 agreement.

42 c. (1) The authority may recapture all or part of a tax credit
43 awarded if an eligible business does not remain in compliance with
44 the requirements of a project agreement for the duration of the
45 commitment period. A recapture of tax credits initiated pursuant to
46 this subsection may include interest on the recapture amount, at a
47 rate equal to the statutory rate for corporate business or insurance
48 premiums tax deficiencies, plus any statutory penalties, and all

1 costs incurred by the authority and the Division of Taxation in the
2 Department of the Treasury in connection with the pursuit of the
3 recapture, including, but not limited to, counsel fees, court costs,
4 and other costs of collection. Failure of the eligible business to
5 meet any program criteria shall constitute a default and shall result
6 in the recapture of all or part of the tax credit awarded.

7 (2) If all or part of a tax credit sold or assigned pursuant to
8 section 9 of P.L. , c. (C.) (pending before the Legislature
9 as this bill) is subject to recapture, then the authority shall pursue
10 recapture from the eligible business and not from the purchaser or
11 assignee of the tax credit transfer certificate. The purchaser or
12 assignee of a tax credit transfer certificate shall be subject to any
13 limitations and conditions that apply to the use of the tax credits by
14 the eligible business.

15 (3) Any funds recaptured pursuant to this subsection, including
16 penalties and interest, shall be deposited into the General Fund.

17 d. A business may include an affiliate for any period, provided
18 that the business provides a valid tax clearance certificate for the
19 affiliate and a verification of the nature of the affiliate relationship
20 during the relevant period, and provided further that the affiliate
21 provides acceptable responses to the authority's legal disclosures
22 inquiries, as determined by the authority. A formal modification of
23 the authority's approval of the project agreement shall not be
24 necessary to add or remove an affiliate after approval or execution
25 of the project agreement.

26 e. A business may change its name filed with the authority by
27 providing a copy of the filed amendment to the certificate of
28 incorporation or formation, as the case may be, of the business and
29 a valid tax clearance certificate with the business's new name. A
30 formal modification of the authority's approval shall not be
31 necessary to change a business's name after approval or execution
32 of the project agreement.

33
34 8. (New section) a. Upon completion of the capital investment
35 and employment requirements of the program, an eligible business
36 shall submit certifications to the authority, in a form and manner
37 prescribed by the authority, evidencing that the eligible business has
38 satisfied the conditions relating to the capital investment and
39 employment requirements of the project agreement, and including
40 such supporting evidence as the authority deems necessary. The
41 chief executive officer of the business, or an equivalent officer,
42 shall certify that all factual representations made by the business to
43 the authority pursuant to this subsection are true under the penalty
44 of perjury.

45 b. (1) In accordance with the project agreement, beginning
46 upon the receipt of occupancy permits for any portion of the
47 project, or upon any other event evidencing project completion as
48 set forth in the project agreement, an eligible business shall be

1 allowed a tax credit in an amount determined pursuant to this
2 subsection. No more than the amount of tax credits equal to the
3 total credit amount awarded under the program divided by the
4 duration of the eligibility period in years may be taken in any tax
5 period.

6 (2) Not including any bonus awarded pursuant to paragraph (3)
7 of this subsection, the amount of the tax credit awarded under the
8 program to an eligible business shall be the lesser of:

9 (a) the product of 0.1 percent of the eligible business's total
10 capital investment, multiplied by the number of new full-time jobs;

11 (b) 25 percent of the eligible business's total capital investment;
12 or

13 (c) \$150,000,000.

14 (3) The authority may in its discretion establish one or more
15 bonuses, not to exceed a total of five percent of the award approved
16 by the authority pursuant to paragraph (2) of this subsection, for
17 which an eligible business may apply in a form and manner
18 prescribed by the authority. Criteria related to the eligibility for,
19 and approval of, such bonuses shall be established in rules and
20 regulations adopted in accordance with section 10 of P.L. ,
21 c. (C.) (pending before the Legislature as this bill), and may
22 include, but shall not limited to, the following: the eligible
23 business's qualified business facility is located in an opportunity
24 zone eligible census tract pursuant to 26 U.S.C. s.1400Z-1; the
25 eligible business is certified as part of the Business Certification
26 Program administered by the Division of Revenue and Enterprise
27 Services in the Department of the Treasury; the eligible business
28 has at least one active and executed collective bargaining
29 agreement; the eligible business operates in a targeted industry or
30 part of the supply chain for a targeted industry; and any other
31 criteria as determined by the authority.

32 c. (1) Commencing in the year in which the grant of tax
33 credits is issued and for the remainder of the commitment period, an
34 eligible business that is awarded tax credits under the program shall
35 submit an annual report, no later than the date indicated in the
36 project agreement, indicating whether the eligible business
37 continues to maintain the number of new full-time jobs, and the
38 salaries thereof, specified in the project agreement. As part of the
39 annual report, an eligible business shall provide to the authority a
40 copy of its applicable New Jersey tax return and the quarterly wage
41 report required under R.S.43:21-14 submitted to the Department of
42 Labor and Workforce Development, together with an annual payroll
43 report showing: the new full-time jobs that were created in
44 accordance with the project agreement; and the new full-time jobs
45 created during each subsequent year of the commitment period. In
46 the annual report, an eligible business shall explain the reason, if
47 applicable, for any discrepancies between the annual payroll report
48 submitted by the eligible business and the quarterly wage report.

1 The failure of an eligible business to submit the information
2 required pursuant to this paragraph shall result in the forfeiture of
3 the award for that year. The chief executive officer of the eligible
4 business, or an equivalent officer, shall certify that the information
5 provided pursuant to this paragraph is true under the penalty of
6 perjury. Claims, records, or statements submitted by an eligible
7 business to the authority in order to receive tax credits shall not be
8 considered claims, records, or statements made in connection with
9 State tax laws.

10 (2) Upon receipt and review of each report submitted during the
11 eligibility period, the authority shall provide to the eligible business
12 and the director a certificate of compliance indicating the amount of
13 tax credits that the eligible business may apply against its tax
14 liability. The authority shall pro rate the tax credit for the first and
15 last years of the eligibility period based on the number of full
16 months the project was certified in the year the eligible business
17 first certifies.

18 d. (1) Upon receipt by the director of the certificate of
19 compliance, the director shall allow the eligible business a tax
20 credit. ¹ 【The eligible business may apply the credit allowed by the
21 director against the eligible business's tax liability for the tax period
22 in which the director allowed the tax credit, or may carry forward
23 the credit for use by the eligible business】 Notwithstanding the
24 provisions of any law or regulation to the contrary, the credit
25 amount may first be taken by the tax certificate holder for the tax
26 period for which it was issued, for the tax period in which it was
27 issued, or in any tax period during the time the business is required
28 to maintain the project at a location in New Jersey, as set forth in
29 the incentive agreement. The tax certificate holder may transfer the
30 tax credit amount on or after the date of issuance for use by the
31 transferee in the tax period for which it was issued, for the tax
32 period in which it was issued, or in any of the next three successive
33 tax periods. The tax certificate holder or transferee may first use
34 the credit against tax liabilities in the tax period in which it was
35 issued or in a succeeding tax period, as authorized in this
36 subsection, without the need for amending the tax return for the tax
37 period for which the credit was issued, subject to the provisions of
38 this section. The tax certificate holder or transferee may carry
39 forward an unused credit resulting from the limitations of paragraph
40 (3) of this subsection, if necessary, for use¹ in any of the next 10
41 successive tax periods, which credit shall expire thereafter.

42 (2) The amount of credit allowed may be applied against the tax
43 liability otherwise due pursuant to section 5 of P.L.1945, c.162
44 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and
45 C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or
46 N.J.S.17B:23-5.

47 (3) The director shall prescribe the order of priority of the
48 application of the credit allowed under this section and any other

1 credits allowed by law against the tax imposed under section 5 of
2 P.L.1945, c.162 (C.54:10A-5). The amount of a credit applied
3 under this section against the tax imposed pursuant to section 5 of
4 P.L.1945, c.162 (C.54:10A-5) for a privilege period, together with
5 any other credits allowed by law, shall not reduce the tax liability to
6 an amount less than the statutory minimum provided in subsection
7 (e) of section 5 of P.L.1945, c.162 (C.54:10A-5).

8 e. An eligible business shall forfeit the credit amount for any
9 tax period for which the eligible business's documentation remains
10 uncertified as of the date for certification indicated in the project
11 agreement, although credit amounts for the remainder of the years
12 of the eligibility period shall remain available to the eligible
13 business.

14 f. If, in any tax period, the number of new employees in
15 eligible positions, or the salaries thereof, drops below 80 percent of
16 the number of new employees in eligible positions specified in the
17 project agreement or the amount required as a condition of program
18 eligibility pursuant to section 4 of P.L. , c. (C.) (pending
19 before the Legislature as this bill), whichever is greater, then the
20 eligible business shall forfeit all tax credits allowed for that tax
21 period and each subsequent tax period, until the first tax period in
22 which the authority has reviewed and approved documentation,
23 submitted by the eligible business, demonstrating that the number
24 of new employees in eligible positions, or the salaries thereof, is not
25 less than 80 percent of the number specified in the project
26 agreement or the amount required as a condition of program
27 eligibility pursuant to section 4 of P.L. , c. (C.) (pending
28 before the Legislature as this bill), whichever is greater.

29
30 9. (New section) a. Within three years of the tax period in
31 which the director first allows the eligible business a tax credit, an
32 eligible business may apply to the director and the chief executive
33 officer of the authority for a tax credit transfer certificate in lieu of
34 the eligible business being allowed any amount of the tax credit
35 against the State tax liability of the eligible business. The tax credit
36 transfer certificate, upon receipt thereof by the eligible business
37 from the director and the chief executive officer of the authority,
38 may be sold or assigned, in an amount not less than \$25,000, within
39 three years of the tax period in which the eligible business receives
40 the tax credit transfer certificate from the director, to another person
41 that may have a tax liability pursuant to section 5 of P.L.1945,
42 c.162 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-
43 2 and 54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or
44 N.J.S.17B:23-5. ¹【A purchaser or assignee of a tax credit transfer
45 certificate pursuant to this section shall apply the transferred credit
46 against the same tax or taxes for which the eligible business was
47 approved a tax credit under the program.】¹ The tax credit transfer
48 certificate provided to the eligible business shall include a statement

1 waiving the eligible business's right to claim the tax credit that the
2 eligible business has elected to sell or assign.

3 b. The eligible business shall not sell or assign a tax credit
4 transfer certificate allowed under this section for consideration
5 received by the eligible business of less than 85 percent of the
6 transferred credit amount before considering any further
7 discounting to present value which shall be permitted. The tax
8 credit transfer certificate issued to the eligible business by the
9 director shall be subject to any limitations and conditions imposed
10 on the application of State tax credits pursuant to P.L. ,
11 c. (C.) (pending before the Legislature as this bill) and any
12 other terms and conditions that the director may prescribe.

13 c. A purchaser or assignee of a tax credit transfer certificate
14 pursuant to this section shall not make any subsequent transfers,
15 assignments, or sales of the tax credit transfer certificate.

16 d. The authority shall publish on its Internet website the
17 following information concerning each tax credit transfer certificate
18 approved by the authority and the director pursuant to this section:

- 19 (1) the name of the ¹【transferor】 transferor¹;
20 (2) the name of the transferee;
21 (3) the value of the tax credit transfer certificate;
22 (4) the State tax against which the transferee may apply the tax
23 credit; and
24 (5) the consideration received by the ¹【transferor】 transferor¹.
25

26 10. (New section) Notwithstanding the provisions of the
27 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
28 seq.) to the contrary, the chief executive officer of the authority
29 shall adopt, immediately, upon filing with the Office of
30 Administrative Law, such rules and regulations as the chief
31 executive officer deems necessary to implement the provisions of
32 P.L. , c. (C.) (pending before the Legislature as this bill),
33 which rules and regulations shall be effective for a period not to
34 exceed 365 days after the date of the filing. Before the expiration
35 of the rules and regulations, the chief executive officer shall amend,
36 adopt, or readopt the rules and regulations in accordance with the
37 requirements of the "Administrative Procedure Act," P.L.1968,
38 c.410 (C.52:14B-1 et seq.).
39

40 11. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to
41 read as follows:

42 98. a. The combined value of all tax credits awarded under the
43 "Historic Property Reinvestment Act," sections 2 through 8 of
44 P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the
45 "Brownfields Redevelopment Incentive Program Act," sections 9
46 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287);
47 the "New Jersey Innovation Evergreen Act," sections 20 through 34
48 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food

1 Desert Relief Act," sections 35 through 42 of P.L.2020, c.156
2 (C.34:1B-303 through 34:1B-310); the "New Jersey Community-
3 Anchored Development Act," sections 43 through 53 of P.L.2020,
4 c.156 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire
5 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
6 322 through 34:1B-335); the "Emerge Program Act," sections 68
7 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of
8 P.L.2010, c.57 (C.34:1B-209.4); the "Cultural Arts Incentives
9 Program Act," P.L.2023, c.197 (C.34:1B-383 et al.); **[and]** the
10 "Next New Jersey Program Act," P.L.2024, c.49 **[(C.34:1B-362 et**
11 **seq.)]** (C.34:1B-394 et al.); and the "Next New Jersey
12 Manufacturing Program Act," P.L. , c. (C.) (pending
13 before the Legislature as this bill) shall not exceed an overall cap of
14 \$11.5 billion over a nine-year period, subject to the conditions and
15 limitations set forth in this section. Of this \$11.5 billion, \$2.5
16 billion shall be reserved for transformative projects approved under
17 the Aspire Program.

18 b. (1) The total value of tax credits awarded under any
19 constituent program of the "New Jersey Economic Recovery Act of
20 2020," P.L.2020, c.156 (C.34:1B-269 et al.), the "Cultural Arts
21 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.),
22 **[and]** the "Next New Jersey Program Act," P.L.2024, c.49
23 **[(C.34:1B-362 et seq.)]** (C.34:1B-394 et al.), and the "Next New
24 Jersey Manufacturing Program Act," P.L. , c. (C.) (pending
25 before the Legislature as this bill) shall be subject to the following
26 limitations, except as otherwise provided in subsection c. of this
27 section:

28 (a) for tax credits awarded under the "Historic Property
29 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156
30 (C.34:1B-270 through 34:1B-276), the total value of tax credits
31 annually awarded during each of the first six years of the nine-year
32 period shall not exceed \$50 million;

33 (b) for tax credits awarded under the "Brownfields
34 Redevelopment Incentive Program Act," sections 9 through 19 of
35 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value
36 of tax credits annually awarded during each of the first six years of
37 the nine-year period shall not exceed \$50 million;

38 (c) for tax credits awarded under the "New Jersey Innovation
39 Evergreen Act," sections 20 through 34 of P.L.2020, c.156
40 (C.34:1B-288 through 34:1B-302), the total value of tax credits
41 annually awarded during each of the first six years of the nine-year
42 period shall not exceed \$60 million and the total value of tax credits
43 awarded over the entirety of the nine-year period shall not exceed
44 \$300,000,000;

45 (d) for tax credits awarded under the "Food Desert Relief Act,"
46 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
47 34:1B-310), the total value of tax credits annually awarded during

1 each of the first six years of the nine-year period shall not exceed
2 \$40 million;

3 (e) for tax credits awarded under the "New Jersey Community-
4 Anchored Development Act," sections 43 through 53 of P.L.2020,
5 c.156 (C.34:1B-311 through 34:1B-321), and the "Cultural Arts
6 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), the
7 total value of tax credits awarded during the nine-year period shall
8 not exceed \$1,200,000,000; provided, however, tax credits shall not
9 be available under the "New Jersey Community-Anchored
10 Development Act," sections 43 through 53 of P.L.2020, c.156
11 (C.34:1B-311 through 34:1B-321), until January 1, 2026.
12 Beginning January 1, 2026, the authority shall annually award tax
13 credits under the "New Jersey Community-Anchored Development
14 Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311
15 through 34:1B-321), valuing no greater than \$130 million for
16 projects located in the 13 northern counties of the State, and the
17 authority shall annually award tax credits valuing no greater than
18 \$70 million for projects located in the eight southern counties of the
19 State. If during any year of operation of the "New Jersey
20 Community-Anchored Development Act," sections 43 through 53 of
21 P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), the authority
22 awards tax credits pursuant to the program in an amount less than
23 the annual limitation for projects located in northern counties or
24 southern counties, as applicable, the uncommitted portion of the
25 annual limitation shall be available to be deployed by the authority
26 in a subsequent year without consideration to the county in which a
27 project is located;

28 (f) for tax credits awarded under the "New Jersey Aspire
29 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
30 322 through 34:1B-335), and the "Emerge Program Act," sections
31 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
32 including tax credits awarded for transformative projects, the total
33 value of tax credits annually awarded during each of the first six
34 years of the nine-year period shall not exceed \$1.1 billion. If the
35 authority awards tax credits in an amount less than the annual
36 limitation, then the uncommitted portion of the annual limitation
37 shall be made available for qualified offshore wind projects
38 awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4),
39 pursuant to subparagraph (h) of this paragraph, projects awarded a
40 tax credit pursuant to the "Next New Jersey Program Act,"
41 P.L.2024, c.49 [(C.34:1B-362 et seq.)] (C.34:1B-394 et al.),
42 pursuant to subparagraph (k) of this paragraph, projects awarded a
43 tax credit pursuant to the "Next New Jersey Manufacturing Program
44 Act," P.L. , c. (C.) (pending before the Legislature as this
45 bill), pursuant to subparagraph (l) of this paragraph, or New Jersey
46 studio partners, New Jersey film-lease production companies, and
47 taxpayers, other than New Jersey studio partners and New Jersey
48 film-lease production companies awarded under sections 1 and 2 of

1 P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b), pursuant to
2 subparagraph (i) of this paragraph and subsection d. of this section.
3 During each of the first six years of the nine-year period, the
4 authority shall annually award tax credits valuing no greater than
5 \$715 million for projects located in the northern counties of the
6 State, and the authority shall annually award tax credits valuing no
7 greater than \$385 million for projects located in the southern
8 counties of the State under the "New Jersey Aspire Program Act,"
9 sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through
10 34:1B-335), and the "Emerge Program Act," sections 68 through 81
11 of P.L.2020, c.156 (C.34:1B-336 et al.). If during any of the first
12 six years of the nine-year period, the authority awards tax credits
13 under the "New Jersey Aspire Program Act," sections 54 through 67
14 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
15 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
16 (C.34:1B-336 et al.), in an amount less than the annual limitation
17 for projects located in northern counties or southern counties, as
18 applicable, the uncommitted portion of the annual limitation shall
19 be available to be deployed by the authority in a subsequent year,
20 provided that the uncommitted portion of tax credits shall be
21 awarded for projects located in the applicable geographic area,
22 except that (i) after the completion of the third year of the nine-year
23 period, the authority may deploy 50 percent of the uncommitted
24 portion of tax credits for any previous year without consideration to
25 the county in which a project is located; and (ii) after the
26 completion of the sixth year of the nine-year period, the authority
27 may deploy all available tax credits, including the uncommitted
28 portion of the annual limitation for any previous year, without
29 consideration to the county in which a project is located;

30 (g) except as provided in subparagraph (j) of this paragraph, for
31 tax credits awarded for transformative projects under the "New
32 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
33 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax
34 credits awarded during the nine-year period shall not exceed \$2.5
35 billion. The total value of tax credits awarded for transformative
36 projects in a given year shall not be subject to an annual limitation,
37 except that the total value of tax credits awarded to any
38 transformative project shall not exceed \$400 million;

39 (h) from the tax credits made available, pursuant to
40 subparagraph (f) of this paragraph, to the "New Jersey Aspire
41 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
42 322 through 34:1B-335), and the "Emerge Program Act," sections
43 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
44 including tax credits awarded for transformative projects, an
45 amount not to exceed \$350,000,000 shall be made available for
46 qualified offshore wind projects awarded a credit pursuant to
47 section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three
48 years of the nine-year period;

1 (i) beginning in fiscal year 2023, from the tax credits made
2 available, pursuant to subparagraph (f) of this paragraph, to the
3 "New Jersey Aspire Program Act," sections 54 through 67 of
4 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
5 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
6 (C.34:1B-336 et al.), not including tax credits awarded for
7 transformative projects, additional amounts shall be made available
8 for New Jersey studio partners, New Jersey film-lease production
9 companies, and taxpayers, other than New Jersey studio partners
10 and New Jersey film-lease production companies pursuant to
11 sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-
12 12b);

13 (j) beginning in fiscal year 2024, from the tax credits made
14 available, pursuant to subparagraph (f) of this paragraph, to the
15 "New Jersey Aspire Program Act," sections 54 through 67 of
16 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
17 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
18 336 et al.), not including tax credits awarded for transformative
19 projects, an amount not to exceed \$500,000,000 may be annually
20 transferred for the award to transformative projects under the "New
21 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
22 c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the
23 remaining allocation of tax credits otherwise available for
24 transformative projects, pursuant to subparagraph (g) of this
25 paragraph, is less than \$1,000,000,000; and (ii) the authority board
26 determines that the transfer of tax credits is warranted based on
27 such criteria as the authority deems appropriate, which may include
28 the criteria set forth in paragraph (2) of this subsection. If a transfer
29 of tax credits is made pursuant to this subparagraph, the authority
30 shall award no greater than 65 percent of the tax credits transferred
31 pursuant to this subparagraph to transformative projects located in
32 the northern counties of the State and no greater than 35 percent of
33 the tax credits transferred pursuant to this subparagraph to
34 transformative projects located in the southern counties of the State;
35 **【and】**

36 (k) beginning in fiscal year 2025, from the tax credits made
37 available, pursuant to subparagraph (f) of this paragraph, to the
38 "New Jersey Aspire Program Act," sections 54 through 67 of
39 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
40 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
41 336 et al.), but not including tax credits awarded for transformative
42 projects, an amount not to exceed \$500,000,000 shall be made
43 available for projects awarded a tax credit pursuant to the "Next
44 New Jersey Program Act," P.L.2024, c.49 **【(C.34:1B-362 et seq.)】**
45 (C.34:1B-394 et al.); and

46 (l) beginning in fiscal year 2026, from the tax credits made
47 available, pursuant to subparagraph (f) of this paragraph, to the
48 “New Jersey Aspire Program Act,” sections 54 through 67 of

1 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the “Emerge
2 Program Act,” sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
3 336 et al.), but not including tax credits awarded for transformative
4 projects, an amount not to exceed \$500,000,000 shall be made
5 available for projects awarded a tax credit pursuant to the “Next
6 New Jersey Manufacturing Program Act,” P.L. , c. (C.)
7 (pending before the Legislature as this bill). In accordance with the
8 provisions of subsection g. of section 5 of P.L. , c. (C.)
9 (pending before the Legislature as this bill), \$100,000,000 of the tax
10 credits made available to the “Next New Jersey Manufacturing
11 Program Act,” P.L. , c. (C.) (pending before the
12 Legislature as this bill) pursuant to this subparagraph shall be
13 reserved exclusively for eligible businesses that are clean energy
14 product manufacturers.

15 (2) The authority may in any given year determine that it is in
16 the State's interest to approve an amount of tax credits in excess of
17 the annual limitations set forth in paragraph (1) of this subsection,
18 but in no event more than \$200,000,000 in excess of the annual
19 limitation, upon a determination by the authority board that such
20 increase is warranted based on specific criteria that may include:

21 (i) the increased demand for opportunities to create or retain
22 employment and investment in the State as indicated by the volume
23 of project applications and the amount of tax credits being sought
24 by those applications;

25 (ii) the need to protect the State's economic position in the event
26 of an economic downturn;

27 (iii) the quality of project applications and the net economic
28 benefit to the State and municipalities associated with those
29 applications;

30 (iv) opportunities for project applications to strengthen or protect
31 the competitiveness of the State under the prevailing market
32 conditions;

33 (v) enhanced access to employment and investment for
34 underserved populations in distressed municipalities and qualified
35 incentives tracts;

36 (vi) increased investment and employment in high-growth
37 technology sectors and in projects that entail collaboration with
38 education institutions in the State;

39 (vii) increased development proximate to mass transit facilities;

40 (viii) any other factor deemed relevant by the authority.

41 c. In the event that the authority in any year approves projects
42 for tax credits in an amount less than the annual limitations set forth
43 in paragraph (1) of subsection b. of this section, then the
44 uncommitted portion of the annual limitation shall be available to
45 be deployed by the authority in future years for projects under the
46 same program; provided however, that in no event shall the
47 aggregate amount of tax credits approved be in excess of the overall
48 cap of \$11.5 billion, and in no event shall the uncommitted portion

1 of the annual limitation for any previous year be deployed after the
2 conclusion of the nine-year period.

3 d. Notwithstanding the provisions of any other law to the
4 contrary, the uncommitted balance of the total value of tax credits
5 authorized for award by the authority pursuant to subparagraph (f)
6 of paragraph (1) of subsection b. of this section to the "New Jersey
7 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
8 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68
9 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made
10 available for tax credits allowed to New Jersey studio partners, New
11 Jersey film-lease production companies, and taxpayers, other than
12 New Jersey studio partners and New Jersey film-lease production
13 companies pursuant to sections 1 and 2 of P.L.2018, c.56
14 (C.54:10A-5.39b and C.54A:4-12b). The value of tax credits,
15 including tax credits allowed through the granting of tax credit
16 transfer certificates, made available to New Jersey studio partners,
17 New Jersey film-lease production companies, and taxpayers, other
18 than New Jersey studio partners and New Jersey film-lease
19 production companies pursuant to this subsection shall be as
20 follows:

21 (1) in fiscal year 2023, \$250,000,000 for New Jersey studio
22 partners and \$250,000,000 for New Jersey film-lease production
23 companies;

24 (2) in fiscal year 2024, \$250,000,000 for New Jersey studio
25 partners and \$250,000,000 for New Jersey film-lease production
26 companies; and

27 (3) in fiscal year 2025, \$250,000,000 for New Jersey studio
28 partners, \$250,000,000 for New Jersey film-lease production
29 companies, and \$300,000,000 for taxpayers, other than New Jersey
30 studio partners and New Jersey film-lease production companies.

31 If the value of tax credits, including tax credits allowed through
32 the granting of tax credit transfer certificates, approved to New
33 Jersey studio partners and New Jersey film-lease production
34 companies in any fiscal year pursuant to this subsection is less than
35 the cumulative total amount of tax credits permitted to be approved
36 in that fiscal year, the authority shall certify the amount of the
37 remaining tax credits available for approval to each such category
38 in that fiscal year, and shall increase the cumulative total amount of
39 tax credits permitted to be approved for New Jersey studio partners
40 and New Jersey film-lease production companies in the subsequent
41 fiscal year by the certified amount remaining for each such category
42 from the prior fiscal year.

43 (cf: P.L.2024, c.49, s.10)

44

45 12. This act shall take effect immediately.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 4407

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 26, 2025

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 4407.

As amended and reported, this bill establishes the "Next New Jersey Manufacturing Program" (program) within the New Jersey Economic Development Authority (EDA) and modifies certain provisions of the "New Jersey Economic Recovery Act of 2020."

The purpose of the program would be to encourage substantial investment in the State, create new jobs and economic opportunities, and position New Jersey as a leader in the manufacturing economy.

Under the program, the EDA would provide tax credits to eligible businesses, following approval of an application by the EDA, to eligible businesses. Eligible businesses would include a business that qualifies as a manufacturer or clean energy product manufacturer, and which meets the eligibility requirements set forth in the bill. The bill defines a "manufacturer" as a business engaged in the production or assembly of goods by transforming raw materials or sub-components into components or finished products through various industrial processes, including but not limited to fabrication, assembly, or chemical processes. Similarly, a "clean energy product manufacturer" is defined as a business engaged in the production or assembly of goods by transforming raw materials or sub-components into components for renewable energy, such as offshore wind, solar, geothermal, green hydrogen, nuclear energy, fuel cells, battery storage, or other clean energy manufacturing.

To qualify for tax credits under the program, an eligible business is required to: (1) make, acquire, or lease not less than \$10 million in capital investments at a qualified business facility in the State; (2) create not less than 20 new full-time jobs in the State; (3) provide a median salary for the full-time jobs at the qualified business facility of not less than 120 percent of the median salary for manufacturing employees in the county in which the project is located; and (4) satisfy certain other requirements.

Following approval of an application under the program, the eligible business would be required to demonstrate to the EDA that the business has obtained site plan approval and has committed financing for, and established site control of, the qualified business facility.

Thereafter, the eligible business would be required to enter into a project agreement with the EDA, which sets forth the terms and conditions under which the business may receive the tax credits authorized pursuant to the program. In the event that the business fails to meet certain requirements of the program, including the creation and retention of a minimum number of new full-time jobs, the project agreement would include provisions permitting the EDA to recapture or requiring the business to forfeit, as applicable, all or part of the authorized tax credits.

Under the bill, the amount of the tax credit allowed for a particular project would equal to the lesser of: (1) 0.1 percent of the eligible business's total capital investment, multiplied by the number of new full-time jobs; (2) 25 percent of the eligible business's total capital investment; or (3) \$150 million. However, the bill also authorizes the EDA, in its discretion, to establish one or more bonus credit awards. Under the bill, the EDA is directed to adopt rules and regulations to establish criteria related to the eligibility for, and approval of, these bonus credits.

The bill authorizes an eligible business to apply for a tax credit transfer certificate in lieu of the eligible business being allowed any amount of the tax credit against its State tax liability. The eligible business may first take the credit amount for the tax period for which it was issued, for the tax period in which it was issued, or in any tax period during the time the business is required to maintain the project at a location in New Jersey, as set forth in the incentive agreement.

Upon receipt of the tax credit transfer certificate, the eligible business may sell or assign the credit, in an amount not less than \$25,000, within three years of the tax period in which the eligible business receives the tax credit transfer certificate. The eligible business may transfer the tax credit amount on or after the date of issuance for use by the transferee in the tax period for which it was issued, for the tax period in which it was issued, or in any of the next three successive tax periods. An eligible business may not sell or assign the credit for consideration of less than 85 percent of the transferred credit amount before considering any further discounting to present value.

The bill authorizes an eligible business or transferee to first use the credit against tax liabilities in the tax period in which it was issued or in a succeeding tax period, as authorized in the bill, without the need for amending the tax return for the tax period for which the credit was issued, subject to the bill's provisions. The eligible business or transferee may carry forward an unused credit resulting from the limitations contained within the bill, if necessary, for use in any of the next 10 successive tax periods, after which the credit expires.

The bill provides that up to \$500 million in tax credits, originally allocated for the New Jersey Aspire Program and the Emerge Program, are to be made available to eligible businesses under the program. Of

this total, the bill provides that \$100 million in tax credits would be exclusively reserved, during the first two years of the program, for eligible businesses that are clean energy product manufacturers. However, if the EDA awards less than \$100 million in tax credits to clean energy product manufacturers during this period, the uncommitted portion would be available to be awarded to any eligible business under the program beginning in the third year of the program.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) revise the definition of “eligible position” or “full-time job” to, among the bill’s existing requirements, require a full-time employee to spend at least 80 percent of the employee’s work time in the State and at the qualified business facility, or spend any other period of work time generally accepted by custom or practice, as determined by the authority in its sole discretion based on the characteristics of the employee’s job and work time in the State and at the qualified business facility. As introduced, the bill required such work time to be spent either in the State or at the qualified business facility;

(2) permit an eligible business to first take the credit amount for the tax period for which it was issued, for the tax period in which it was issued, or in any tax period during the time the business is required to maintain the project at a location in New Jersey, as set forth in the incentive agreement;

(3) permit an eligible business to transfer the tax credit amount on or after the date of issuance for use by the transferee in the tax period for which it was issued, for the tax period in which it was issued, or in any of the next three successive tax periods;

(4) authorize an eligible business or transferee to first use the credit against tax liabilities in the tax period in which it was issued or in a succeeding tax period, as authorized under the bill, without the need for amending the tax return for the tax period for which the credit was issued, subject to the bill’s provisions;

(5) allow an eligible business or transferee to carry forward an unused credit resulting from the limitations, if necessary, for use in any of the next 10 successive tax periods, subject to limitations in current law, after which the credit expires;

(6) remove language from the bill that would have required a purchaser or assignee of a tax credit transfer certificate to apply the transferred credit against the same tax or taxes for which the eligible business was approved a tax credit under the program; and

(7) make technical changes.

FISCAL IMPACT:

The Office of Legislative Services (OLS) is unable to ascertain whether the bill will have a positive or negative fiscal net impact on

the State due to imperfect information on the number and attributes of projects that will receive incentives as a result of the bill's enactment.

The State fiscal net impact is calculated by adding the indeterminate direct revenue loss from awarding additional incentive amounts and their opportunity costs (the fiscal benefits the State foregoes as spending is redirected from one economic activity to another) and subtracting from that sum the indirect revenue gain that will accrue from additional economic activity that the additional incentive amounts will catalyze.

The direct State revenue loss to the State from Next New Jersey Manufacturing Program tax credits awarded as a result of the bill cannot be quantified. The bill authorizes the Economic Development Authority to issue up to \$500 million in tax credits through the program. The bill also allows the authority to reallocate uncommitted tax credits from the New Jersey Aspire and Emerge programs to the Next New Jersey Program.

The bill might accrue an indeterminate revenue gain to certain local governments if the bill results in the authority extending financial assistance to projects that would not be undertaken absent the assistance and if the projects involve value-increasing improvements to taxable real estate.

LEGISLATIVE FISCAL ESTIMATE

SENATE, No. 4407

STATE OF NEW JERSEY

221st LEGISLATURE

DATED: JUNE 18, 2025

SUMMARY

Synopsis: Establishes Next New Jersey Manufacturing Program to incentivize in-State manufacturing investments and job creation.

Type of Impact: Indeterminate fiscal net impact on State General Fund; potential revenue increase to local governments.

Agencies Affected: New Jersey Economic Development Authority.

Office of Legislative Services Estimate

Fiscal Impact	<u>Multi-Year Lifespan of Incentive Awards</u>
Direct <u>State</u> Revenue Loss	Indeterminate
Indirect <u>State</u> Revenue Gain	Indeterminate
<u>State</u> Opportunity Cost	Indeterminate
Indirect <u>Local</u> Revenue Gain	Indeterminate

- The Office of Legislative Services (OLS) is unable to ascertain whether the bill will have a positive or negative fiscal net impact on the State due to imperfect information on the number and attributes of projects that will receive incentives as a result of the bill’s enactment.
- The State fiscal net impact is calculated by adding the indeterminate direct revenue loss from awarding additional incentive amounts and their opportunity costs (the fiscal benefits the State foregoes as spending is redirected from one economic activity to another) and subtracting from that sum the indirect revenue gain that will accrue from additional economic activity that the additional incentive amounts will catalyze.
- The direct State revenue loss to the State from Next New Jersey Manufacturing Program tax credits awarded as a result of the bill cannot be quantified. The bill authorizes the Economic Development Authority to issue up to \$500 million in tax credits through the program. The bill also allows the authority to reallocate uncommitted tax credits from the New Jersey Aspire and Emerge programs to the Next New Jersey Program.

- The bill might accrue an indeterminate revenue gain to certain local governments if the bill results in the authority extending financial assistance to projects that would not be undertaken absent the assistance and if the projects involve value-increasing improvements to taxable real estate.

BILL DESCRIPTION

The bill establishes the Next New Jersey Manufacturing Program in the authority to attract new investment and spur job creation in the State's manufacturing sector, and amends certain provisions of the New Jersey Economic Recovery Act of 2020 to authorize the authority to award tax credits to eligible manufacturers and clean energy product manufacturers for capital investments in qualified business facilities.

Under the bill, a manufacturer is a business that is engaged in the production or assembly of goods by transforming raw materials or sub-components into components or finished products through various industrial processes, including, but not limited to fabrication, assembly, or chemical processes. Similarly, a clean energy product manufacturer is a business engaged in the production or assembly of goods by transforming raw materials or sub-components into components for renewable energy, such as offshore wind, solar, geothermal, green hydrogen, nuclear energy, fuel cells, battery storage, or other clean energy manufacturing.

A business must satisfy several criteria to be eligible for a tax credit. Notably, an eligible business is required to: (1) make, acquire, or lease not less than \$10 million in capital investments in a qualified business facility in the State; (2) create not less than 20 full-time jobs in New Jersey; and (3) provide a median salary for full-time jobs at the qualified business facility of not less than 120 percent of the median salary for manufacturing employees in the county in which the project is located. Tax credit applications must be submitted prior to March 1, 2029.

The bill reallocates \$500 million in tax credits originally allotted to the New Jersey Aspire Program and the Emerge Program to the Next New Jersey Manufacturing Program. The bill provides that \$100 million in tax credits would be reserved, during the first two years of the program, for eligible businesses that are clean energy product manufacturers. If the authority awards less than \$100 million in tax credits to clean energy product manufacturers during this period, the uncommitted portion would be available to be awarded to any eligible business beginning in the third year of the program.

The bill also amends current law to provide that if the authority awards less than the annual limitation of tax credits under the New Jersey Aspire and Emerge programs, then the uncommitted tax credits would be made available for the Next New Jersey Manufacturing Program. The bill also provides that the value of all tax credits approved by the authority through the Next New Jersey Manufacturing Program are subject to the limitation on the issuance of tax credits applicable to all programs established by the New Jersey Economic Recovery Act of 2020.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS is unable to ascertain whether the bill will have a positive or negative fiscal net impact on the State due to imperfect information on the number and attributes of projects that will receive incentives as a result of the bill's enactment. Conceptually, the State fiscal net impact is calculated by adding the direct revenue loss from awarding additional incentive amounts and their opportunity costs (the fiscal benefits the State forgoes as spending is redirected from one economic activity to another) and subtracting from that sum the indirect revenue gain that will accrue from additional economic activity that the additional incentive amounts will catalyze.

The bill is likely to produce a revenue gain for certain local governments if the bill results in the authority extending financial assistance to projects that would not be undertaken absent the assistance and if the projects involve value-increasing improvements to taxable real estate.

Direct State Revenue Loss: The OLS cannot quantify the precise direct revenue loss the bill will impose on the State, but notes that the bill reallocates \$500 million in tax credits originally allotted to the New Jersey Aspire Program and the Emerge Program to the Next New Jersey Manufacturing Program, and allows the authority to redirect the uncommitted balance of tax credits currently authorized to be awarded through the New Jersey Aspire and Emerge programs. Information available through the authority indicates that there were approximately \$2.0 billion in uncommitted tax credits available for award through the New Jersey Aspire and Emerge programs as of March 12, 2025. Under the bill, the tax credit awards are subject to the \$11.5 billion cap on all tax credits issued through programs originally established by the New Jersey Economic Recovery Act and related initiatives. Any tax credit awards would add to the total amount of incentives that the authority has already approved and are subject to the statutory limit.

Although the bill requires the submission of tax credit applications prior to March 1, 2029, the revenue reduction from any financial assistance may extend past the years allocated for the program; however carry forward provisions and tax credit transfer certificates may allow tax credits to be utilized outside that timeframe. The OLS further notes that the bill allows the authority to recapture or rescind incentive awards under certain circumstances. Those provisions may offset, at least in part, future revenue losses.

The bill establishes a formula for calculating the amount of a tax credit allowed under the program to an eligible business. The tax credit is to be the lesser of: (1) 0.1 percent of the eligible business's total capital investment, multiplied by the number of new full-time jobs; (2) 25 percent of the eligible business's total capital investment; or (3) \$150 million. Using the criteria, the OLS estimates that the tax credit for a project that meets the minimum capital investment and new full-time jobs thresholds would be \$200,000.

Indirect State and Local Revenue Gain: Imperfect information on the number and attributes of projects that, under the bill, might newly qualify for tax credit awards precludes the OLS from quantifying the bill's indirect revenue gain to the State and local governments. For the reasons laid out below, the OLS cannot project whether the bill's indirect fiscal State benefits will exceed its direct State revenue loss.

Analytical Framework: Like any government expenditure, economic development incentive awards inject new spending into the economy. Once businesses and individuals receive payments that would otherwise not be received absent the incentive awards, at least a portion of these payments will newly circulate in New Jersey's economy and produce so-called "multiplier effects." As the additional financial resources flow through the economy they generate, as a byproduct, additional State and local revenue collections – the indirect revenue gain discussed in this section. Examples include additional State sales and use tax collections from construction

workers employed in a qualified business facility spending their resultant income on taxable goods and services.

Indirect fiscal effects offset the State's direct revenue loss from awarding incentives in part or potentially even in whole. Fiscal "multiplier effects" tend to be maximized whenever an incentive award serves as the indispensable impetus for additional spending by the incentive recipient that would otherwise not occur. In this case, the incentive recipient magnifies the positive economic and fiscal impacts of the State's outlay. Depending on project and incentive attributes, the induced project may even yield fiscal State benefits exceeding the subsidy amount. The larger the proportion of the public assistance relative to the financial outlay by the subsidized party, however, the lower the probability that the subsidized activity will generate positive net returns to the State.

In contrast, the State's return on investment is negative whenever the State subsidizes a project that a taxpayer will undertake with or without the public assistance. Because the financial inducement has not caused the project's realization, none of its economic and fiscal feedback effects are attributable to the incentive, and therefore must be excluded from the tabulation of the incentive's indirect fiscal benefits.

Nevertheless, even if the State provides financial assistance to a project that would be realized anyway, some, albeit comparatively small, indirect fiscal benefits may still accrue to the State. These would occur whenever the subsidy beneficiary spends the incentive award in New Jersey on goods and services that the beneficiary would otherwise not have procured. In that event, the incentive award still represents an injection of additional cash into New Jersey's economy whose ripple effects include the accumulation of indirect fiscal State benefits.

Lastly, given the high degree of integration of New Jersey's economy with the national and global economies, an addition of spending in New Jersey will eventually leak into other jurisdictions and cease to circulate within the State. Consequently, any tabulation of a subsidy payment's New Jersey feedback effects must disregard feedback effects that other jurisdictions will absorb. For example, a Pennsylvania resident who works as a carpenter on a subsidized project in New Jersey will pay Pennsylvania, not New Jersey, income tax on the compensation earned in accordance with the State of New Jersey and the Commonwealth of Pennsylvania Reciprocal Personal Income Tax Agreement.

Bill's State Indirect Fiscal Effects: It is unclear whether the bill's indirect fiscal State benefits will exceed its direct State revenue loss.

The OLS expects this bill to result in the issuance of tax credit awards under the Next New Jersey Manufacturing Program. It is uncertain, however, whether the additional incentive awards will generate indirect fiscal benefits to the State that will exceed the direct State revenue loss resulting from those incentive awards. For two reasons, however, the OLS expects that the indirect fiscal benefits may be less than the direct State revenue loss. First, the bill does not subject credit-receiving projects to a net benefit test calculation. The net benefit test is intended to ensure that the authority will award incentives only to projects that are estimated to generate indirect State revenue in excess of a tax incentive's direct State cost. For example, under the New Jersey Aspire Program, the authority requires each applicant to demonstrate a net positive benefit to the State of at least 160 percent of the tax credit amount. As a result, the bill allows for projects to receive financial assistance for capital investments that will happen irrespective of the State assistance. Whenever that occurs, none of a project's indirect fiscal benefits can be causally attributed to the assistance.

The OLS notes that it is possible that credit-receiving projects that will not have been induced by the Next New Jersey Manufacturing Program may generate some indirect State fiscal benefits. This would occur whenever recipients of such incentives spend their incentive awards in New Jersey on goods and services that they would not have procured absent the incentive award.

Irrespective of the magnitude of the bill's indirect fiscal benefits, the analysis of its full impact on State finances is incomplete without considering the bill's opportunity costs.

State Opportunity Costs: Given the State's finite resources, and its balanced budget requirement, the decision to pursue new incentive programs as well as enhance existing incentive programs will invariably divert resources from policy alternatives to which they would have been applied absent the inducements. These policy alternatives also produce direct State costs and indirect State revenue collections. The concept of opportunity costs captures the value of the fiscal benefits the State foregoes as it redirects cash flows. Once opportunity costs are factored into the analysis, it is therefore possible to produce a *net* fiscal loss even if its indirect fiscal benefits exceed its direct cost.

For example, if, instead of the bill, the State invested in road construction, the bill would produce a net fiscal effect equal to the difference between the total fiscal impact of the additional incentive awards – or the direct State revenue loss from awarding the additional incentives minus the additional incentives' indirect State fiscal effects – and that of the foregone road construction investment.

Section: Revenue, Finance and Appropriations
Analyst: Scott A. Brodsky
Staff Fiscal & Budget 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.).

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 4407

STATE OF NEW JERSEY

221st LEGISLATURE

DATED: JULY 3, 2025

SUMMARY

Synopsis: Establishes Next New Jersey Manufacturing Program to incentivize in-State manufacturing investment and job creation.

Type of Impact: Indeterminate fiscal net impact on State General Fund; potential revenue increase to local governments.

Agencies Affected: New Jersey Economic Development Authority.

Office of Legislative Services Estimate

Fiscal Impact	<u>Multi-Year Lifespan of Incentive Awards</u>
Direct <u>State</u> Revenue Loss	Indeterminate
Indirect <u>State</u> Revenue Gain	Indeterminate
<u>State</u> Opportunity Cost	Indeterminate
Indirect <u>Local</u> Revenue Gain	Indeterminate

- The Office of Legislative Services (OLS) is unable to ascertain whether the bill will have a positive or negative fiscal net impact on the State due to imperfect information on the number and attributes of projects that will receive incentives as a result of the bill’s enactment.
- The State fiscal net impact is calculated by adding the indeterminate direct revenue loss from awarding additional incentive amounts and their opportunity costs (the fiscal benefits the State foregoes as spending is redirected from one economic activity to another) and subtracting from that sum the indirect revenue gain that will accrue from additional economic activity that the additional incentive amounts will catalyze.
- The direct State revenue loss to the State from Next New Jersey Manufacturing Program tax credits awarded as a result of the bill cannot be quantified. The bill authorizes the Economic Development Authority to issue up to \$500 million in tax credits through the program. The bill also allows the authority to reallocate uncommitted tax credits from the New Jersey Aspire and Emerge programs to the Next New Jersey Program.

- The bill might accrue an indeterminate revenue gain to certain local governments if the bill results in the authority extending financial assistance to projects that would not be undertaken absent the assistance and if the projects involve value-increasing improvements to taxable real estate.

BILL DESCRIPTION

The bill establishes the Next New Jersey Manufacturing Program in the authority to attract new investment and spur job creation in the State's manufacturing sector, and amends certain provisions of the New Jersey Economic Recovery Act of 2020 to authorize the authority to award tax credits to eligible manufacturers and clean energy product manufacturers for capital investments in qualified business facilities.

Under the bill, a manufacturer is a business that is engaged in the production or assembly of goods by transforming raw materials or sub-components into components or finished products through various industrial processes, including, but not limited to fabrication, assembly, or chemical processes. Similarly, a clean energy product manufacturer is a business engaged in the production or assembly of goods by transforming raw materials or sub-components into components for renewable energy, such as offshore wind, solar, geothermal, green hydrogen, nuclear energy, fuel cells, battery storage, or other clean energy manufacturing.

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The bill reallocates \$500 million in tax credits originally allotted to the New Jersey Aspire Program and the Emerge Program to the Next New Jersey Manufacturing Program. The bill provides that \$100 million in tax credits would be reserved, during the first two years of the program, for eligible businesses that are clean energy product manufacturers. If the authority awards less than \$100 million in tax credits to clean energy product manufacturers during this period, the uncommitted portion would be available to be awarded to any eligible business beginning in the third year of the program.

The bill also amends current law to provide that if the authority awards less than the annual limitation of tax credits under the New Jersey Aspire and Emerge programs, then the uncommitted tax credits would be made available for the Next New Jersey Manufacturing Program. The bill also provides that the value of all tax credits approved by the authority through the Next New Jersey Manufacturing Program are subject to the limitation on the issuance of tax credits applicable to all programs established by the New Jersey Economic Recovery Act of 2020.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

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The bill establishes a formula for calculating the amount of a tax credit allowed under the program to an eligible business. The tax credit is to be the lesser of: (1) 0.1 percent of the eligible business's total capital investment, multiplied by the number of new full-time jobs; (2) 25 percent of the eligible business's total capital investment; or (3) \$150 million. Using the criteria, the OLS estimates that the tax credit for a project that meets the minimum capital investment and new full-time jobs thresholds would be \$200,000.

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Indirect fiscal effects offset the State's direct revenue loss from awarding incentives in part or potentially even in whole. Fiscal "multiplier effects" tend to be maximized whenever an incentive

award serves as the indispensable impetus for additional spending by the incentive recipient that would otherwise not occur. In this case, the incentive recipient magnifies the positive economic and fiscal impacts of the State's outlay. Depending on project and incentive attributes, the induced project may even yield fiscal State benefits exceeding the subsidy amount. The larger the proportion of the public assistance relative to the financial outlay by the subsidized party, however, the lower the probability that the subsidized activity will generate positive net returns to the State.

In contrast, the State's return on investment is negative whenever the State subsidizes a project that a taxpayer will undertake with or without the public assistance. Because the financial inducement has not caused the project's realization, none of its economic and fiscal feedback effects are attributable to the incentive, and therefore must be excluded from the tabulation of the incentive's indirect fiscal benefits.

Nevertheless, even if the State provides financial assistance to a project that would be realized anyway, some, albeit comparatively small, indirect fiscal benefits may still accrue to the State. These would occur whenever the subsidy beneficiary spends the incentive award in New Jersey on goods and services that the beneficiary would otherwise not have procured. In that event, the incentive award still represents an injection of additional cash into New Jersey's economy whose ripple effects include the accumulation of indirect fiscal State benefits.

Lastly, given the high degree of integration of New Jersey's economy with the national and global economies, an addition of spending in New Jersey will eventually leak into other jurisdictions and cease to circulate within the State. Consequently, any tabulation of a subsidy payment's New Jersey feedback effects must disregard feedback effects that other jurisdictions will absorb. For example, a Pennsylvania resident who works as a carpenter on a subsidized project in New Jersey will pay Pennsylvania, not New Jersey, income tax on the compensation earned in accordance with the State of New Jersey and the Commonwealth of Pennsylvania Reciprocal Personal Income Tax Agreement.

Bill's State Indirect Fiscal Effects: It is unclear whether the bill's indirect fiscal State benefits will exceed its direct State revenue loss.

The OLS expects this bill to result in the issuance of tax credit awards under the Next New Jersey Manufacturing Program. It is uncertain, however, whether the additional incentive awards will generate indirect fiscal benefits to the State that will exceed the direct State revenue loss resulting from those incentive awards. For two reasons, however, the OLS expects that the indirect fiscal benefits may be less than the direct State revenue loss. First, the bill does not subject credit-receiving projects to a net benefit test calculation. The net benefit test is intended to ensure that the authority will award incentives only to projects that are estimated to generate indirect State revenue in excess of a tax incentive's direct State cost. For example, under the New Jersey Aspire Program, the authority requires each applicant to demonstrate a net positive benefit to the State of at least 160 percent of the tax credit amount. As a result, the bill allows for projects to receive financial assistance for capital investments that will happen irrespective of the State assistance. Whenever that occurs, none of a project's indirect fiscal benefits can be causally attributed to the assistance.

The OLS notes that it is possible that credit-receiving projects that will not have been induced by the Next New Jersey Manufacturing Program may generate some indirect State fiscal benefits. This would occur whenever recipients of such incentives spend their incentive awards in New Jersey on goods and services that they would not have procured absent the incentive award.

Irrespective of the magnitude of the bill's indirect fiscal benefits, the analysis of its full impact on State finances is incomplete without considering the bill's opportunity costs.

State Opportunity Costs: Given the State's finite resources, and its balanced budget requirement, the decision to pursue new incentive programs as well as enhance existing incentive programs will

invariably divert resources from policy alternatives to which they would have been applied absent the inducements. These policy alternatives also produce direct State costs and indirect State revenue collections. The concept of opportunity costs captures the value of the fiscal benefits the State foregoes as it redirects cash flows. Once opportunity costs are factored into the analysis, it is therefore possible to produce a *net* fiscal loss even if its indirect fiscal benefits exceed its direct cost.

For example, if, instead of the bill, the State invested in road construction, the bill would produce a net fiscal effect equal to the difference between the total fiscal impact of the additional incentive awards – or the direct State revenue loss from awarding the additional incentives minus the additional incentives’ indirect State fiscal effects – and that of the foregone road construction investment.

Section: *Revenue, Finance and Appropriations*
Analyst: *Scott A. Brodsky*
 Staff Fiscal and Budget 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.).

Governor Murphy Signs Bipartisan Legislation to Strengthen New Jersey's Manufacturing Industry

Posted on - 08/13/2025

\$500 Million Next NJ Manufacturing Program Will Provide Tax Credits to Catalyze Investment and Job Creation in Crucial Sector

KEARNY – Governor Phil Murphy today signed [A5687/S4407](#), creating a new \$500 million tax credit program that incentivizes manufacturing investment and job creation. The Next New Jersey Manufacturing Program, which will be administered by the [New Jersey Economic Development Authority](#) (NJEDA), will encourage growth in New Jersey's manufacturing sector by offering long-term benefits to manufacturing companies.

"From the industries that powered our early growth to the advanced facilities driving innovation today, manufacturing continues to play a vital role in shaping New Jersey's economy and its future," **said Governor Murphy**. "Since taking office, my administration has advanced policies that create good-paying jobs, attract cutting-edge manufacturers, and expand opportunity in communities across the state. The Next New Jersey Manufacturing Program builds on that progress, providing the support needed to accelerate growth, enhance our competitive position, and deliver lasting economic benefits for New Jersey manufacturers."

Under the program, eligible businesses in manufacturing industries including advanced manufacturing, non-retail food and beverage, defense, clean energy, and life sciences can receive a tax credit award equal to the lesser of 0.1 percent of the eligible business's total capital investment multiplied by the number of new full-time jobs or 25 percent of the eligible business's total qualified investment, subject to a total cap of \$150 million per project. \$100 million in tax credits in the first two years will be reserved for clean energy product manufacturers in industries such as solar, geothermal, and green hydrogen, supporting innovative companies to further the State's clean energy goals and support clean manufacturing. After the first two years of the program, any unused proceeds will roll over into the general manufacturing allocation.

"Under Governor Phil Murphy's leadership, the NJEDA has remained focused on strengthening the industries of the future through programs that encourage job growth, promote expansion, and strengthen communities across the state," **said NJEDA Chief Executive Officer Tim Sullivan**. "The Next New Jersey Manufacturing Program will encourage manufacturers to establish and grow successful operations in New Jersey, producing impactful economic benefits for the state and its residents for generations to come."

In line with Governor Murphy's vision to create the most diverse and inclusive innovation ecosystem in the nation, the program will offer stackable bonuses to companies holding New Jersey Business Certifications, like Minority and Women Business Enterprises, businesses located in Opportunity Zones, or companies that have collective bargaining agreements or labor harmony agreements in place. For a complete list of available

bonuses and more information on eligibility requirements and potential awards, click [here](#).

The Next New Jersey Manufacturing Program adds to the NJEDA's existing initiatives that bolster the state's manufacturing industry, aiding in expansion and supporting workforce development. As of July 2025, the NJEDA has approved 431 applications across three phases of its historic New Jersey Manufacturing Voucher Program (NJMVP), providing a total of over \$66.2 million in support for these companies. In return, program awardees have committed to investing over \$252.7 million in upgrading their manufacturing equipment and processes, an amount nearly four times the financial support provided by the NJEDA. Additionally, the NJEDA sponsored the [New Jersey Manufacturing Extension Program's](#) (NJMEP) [Future Makers & Creators Tour](#), providing an opportunity for the state's students to connect with industry leaders and learn about career opportunities.

The primary sponsors of A5687/S4407 are Senators Michael Testa and Linda Greenstein, and Assemblymembers Louis Greenwald, Antwan McClellan, and Verlina Reynolds-Jackson.

"Manufacturing has long been the backbone of New Jersey's economy, and this historic investment reaffirms our commitment to revitalize this vital sector," **said Senator Testa**. "The 'Next New Jersey Manufacturing Program' is designed to drive innovation, attract new investment, and create high-quality careers for our residents. Through targeted incentives, we're giving manufacturers and entrepreneurs the tools they need to grow, compete globally, and succeed right here in the Garden State. It is a modern revival of the message proudly displayed on the Lower Trenton Bridge— 'Trenton Makes, The World Takes.'"

"This is a landmark piece of legislation that will drive major investments in New Jersey's manufacturing sector," **said Senator Greenstein**. "With the generous tax incentives included, the 'Next New Jersey' program will create high-quality jobs and solidify our state's status as a leader in clean energy manufacturing. I am proud to sponsor this bill and will continue to push New Jersey toward a more economically prosperous and sustainable future."

"The Next New Jersey Manufacturing Program makes clear that our state is open for business and we are ready to compete for the industries and innovation that will define the future," **said Assembly Majority Leader Greenwald**. "This is about building a stronger, smarter New Jersey that prioritizes good paying jobs and long-term economic growth."

"Manufacturing is more than machines; it's people, neighborhoods, and opportunities," **said Assemblywoman Reynolds-Jackson**. "This bill is a bold investment in our workforce and our future. With the right tools, New Jersey can lead the way in bringing back high quality manufacturing jobs."

"The Next New Jersey Manufacturing Program is a powerful example of how our state is leading the way on creating good jobs and investing in local businesses," **said Congressman Rob Menendez**. "Manufacturing is a vital part of our economy and I'm grateful to Governor Murphy and our partners in state government for prioritizing this initiative. It's crucial that we continue to collaborate across all levels of government to ensure that we are meeting the moment and moving our great state forward."

"We are honored to host Governor Murphy at MAC Products, Inc. for the signing of A-5687. This legislation aligns with our decades-long commitment to strengthening New Jersey's manufacturing backbone," **said Eddie Russnow, President, MAC Products, Inc.** "As a family-owned business that lives by the motto 'We Don't Do Easy,'

we understand the importance of resilient, in-state manufacturing capacity. The Next New Jersey Manufacturing Program will propel local investment, fuel job creation, and reinforce the innovation and integrity at the heart of our operations—and the operations of manufacturers across the state.”

“This bill represents a vital investment in New Jersey’s future, supporting the full spectrum of manufacturing, including the clean energy sectors, while empowering the workforce that drives them,” **said Peter Connolly, CEO, New Jersey Manufacturing Extension Program, Inc.** “NJMEP is prepared to stand alongside NJEDA and every business this program attracts to offer targeted training, consulting, and workforce development. With this robust support in place, this \$500 million incentive can translate into real high-quality jobs and tangible economic opportunity for the people of New Jersey.”

“This investment reflects New Jersey’s commitment to supporting growth in manufacturing,” **said Tom Bracken, President & CEO, New Jersey Chamber of Commerce.** “The Next New Jersey Manufacturing Program aims to encourage innovation, attract new industries, and expand career opportunities in the state. By combining targeted tax incentives with the strengths of our workforce, we’re creating a stronger environment for businesses to build and grow in the Garden State.”

“This law represents a significant and targeted investment for New Jersey’s manufacturing sector and our economy, with no new additional funding required,” **said Michele Siekerka, President and CEO, New Jersey Business & Industry Association.** “It will support much-needed workforce development in manufacturing amid both federal tariff and supply chain uncertainty that challenges these important businesses. And it will incentivize a wide range of manufacturing activities, including advanced manufacturing, food and beverage production, life sciences, defense, and clean energy component manufacturing. NJBIA thanks Governor Murphy for signing this important bill into law, as well as overwhelming bipartisan support within the Legislature. Let’s get to work.”

“New Jersey’s manufacturers are the backbone of our economy, and this program provides the kind of bold, targeted investment needed to keep them competitive in a rapidly changing economic landscape. By prioritizing innovation, job creation, and in-state capital investment, the Next New Jersey Manufacturing Program sends a clear message: our state is serious about building things here at home and supporting manufacturers up and down the state. We commend Governor Murphy for his leadership on this critical issue,” **said Christina M. Renna, President & CEO, Chamber of Commerce Southern New Jersey.**

“As the ‘Medicine Chest of the World,’ New Jersey relies on a strong manufacturing ecosystem to produce highly advanced, technologically sophisticated, and life-saving biopharma and medical device products,” **said Chrissy Buteas, CEO, HealthCare Institute of New Jersey.** “These products—from cell and gene manufacturing to complex metallurgic bone mesh implants to radioligand therapeutic products—are made in New Jersey because of our skilled, well-trained workforce and incentives like the Next New Jersey Manufacturing Program Act.” Buteas added, “New Jersey’s life sciences commend the bill’s sponsors and the Governor for their leadership and vision to grow New Jersey manufacturing and create jobs.”

Posted on: August 13, 2025

Greenwald Bill to Boost In-State Manufacturing and Job Creation Signed Into Law

Legislation will establish the Next New Jersey Manufacturing Program to attract investment and support homegrown industries

(TRENTON) — A bill that will revitalize New Jersey's manufacturing sector by creating the Next New Jersey Manufacturing Program was signed into law today by Governor Phil Murphy. Sponsored by Assembly Majority Leader **Lou Greenwald** and Assemblywoman **Verlina Reynolds-Jackson**, Bill **A5687** aims to drive major investments to the state, create high-quality jobs, and solidify New Jersey's leadership in the manufacturing economy.



"The Next New Jersey Manufacturing Program makes clear that our state is open for business and we are ready to compete for the industries and innovation that will define the future," **said Assembly Majority Leader Greenwald (D-Camden, Burlington)**. "This is about building a stronger, smarter New Jersey that prioritizes good paying jobs and long-term economic growth."

As federal trade policies and tariffs prompt companies to reassess their global supply chains, many are exploring ways to bring manufacturing back to the United States. This program will offer a powerful incentive for those businesses to choose New Jersey, helping to reshape critical industries while creating well-paying, permanent jobs for New Jersey residents.

"Manufacturing is more than machines; it's people, neighborhoods, and opportunities," **said Assemblywoman Reynolds-Jackson (D-Hunterdon, Mercer)**. "This bill is a bold investment in our workforce and our future. With the right tools, New Jersey can lead the way in bringing back high quality manufacturing jobs."

By reallocating \$500 million in tax credits originally designated for the NJ Aspire and Emerge programs, this initiative will strategically refocus state resources to support long-term, job-generating manufacturing projects. The bill will also reserve \$100 million over the first two years specifically for manufacturers of clean energy products, aligning economic development with environmental progress.

Under the proposed program, the New Jersey Economic Development Authority will provide tax incentives for eligible businesses that make, acquire, or lease at least \$10 million in capital investments, create at least 20 full-time jobs, and provide a competitive manufacturing wage in the county in which the project is located.

Assemblywomen Donlon and Peterpaul Announce 13 Bills Signed Into Law This Summer

TINTON FALLS - The Governor signed 13 of Assemblywoman Margie Donlon and Assemblywoman Luanne Peterpaul's bills into law this summer.

Either Assemblywoman Donlon or Assemblywoman Peterpaul, or both, and Senator Vin Gopal, (D-Monmouth) were the prime sponsors of four of the bills and cosponsors of the remaining nine.

"Many of these bills support small businesses and protect consumers. They reflect the concerns that Legislative District 11 residents tell us are important to them, such as utility costs, as we travel around the district talking to businesses and residents," said Assemblywoman Peterpaul.



The bills on which the Assemblywomen were primary sponsors include A5768, which requires the BPU to revise community solar program targets and directs the agency to open registration by October 1, 2025 for an additional 3,000 megawatts of community solar projects. Senator Gopal was a primary sponsor of the Senate version. Another of their bills, A5141, establishes an historic distillery license to allow the manufacturing and consumption of distilled alcoholic beverages on-and-off premises under certain circumstances by a licensee on the NJ Register of Historic Places. Senator Gopal also was a primary sponsor.

"Our sponsored bills also address healthcare concerns, which are a top priority for the LD11 office, and ensure healthcare insurance is more accessible and affordable," said Donlon, who is a physician and primary sponsor of A5810, which promotes equity in the health insurance appeal process. "This bill eliminates fees for appeals against health insurance carriers that deny, reduce, or terminate benefits."

Assemblywoman Donlon and Senator Gopal also were primary sponsors of A5199, a new law that requires eligible resident and fellow physicians employed by Rutgers University, including University Hospital, and their dependents, receive coverage in the State Health Benefits Plan (SHBP) on the first day of employment.

"This legislation corrects a situation that resulted in these healthcare professionals working in hospital environments, where they are exposed to diseases, infections and other dangers, but didn't have health coverage for a period of time," Gopal said.

The LD11 legislators also cosponsored nine other bills that became the law since June 30 of this year. These bills include:

[A5792](#) - Provides for workers' compensation coverage of certain counseling services for first responders and ensures that mental health-related communications are confidential.

[A5687](#) - Establishes the "Next New Jersey Manufacturing Program" to incentivize in-state manufacturing investments and job creation.

[A5466](#) - Requires the BPU to study the effects of data centers on electricity costs.

[A5463](#) - Requires electric public utilities to submit an annual report on voting to the BPU.

[A5447](#) - Prohibits the sweepstakes model of wagering; establishes new penalties for unlawful gambling operations and practices; directs Division of Consumer Affairs and Division of Gaming Enforcement to enforce penalties.

[S4567](#) - Appropriates \$107,999,000 from constitutionally dedicated Corporate Business Tax revenues and various Green Acres funds to the DEP to make grants to local governments for open space acquisition, park development, and planning projects.

[S4476](#) - Permits awarding of contracts for certain preschool education services by resolution of the board of education; extends the maximum length of preschool education services contracts to three years. Senator Gopal was a primary sponsor in the Senate.

[S3910](#) - Makes various changes to the provision of preschool aid and facilities requirements; establishes Universal Preschool Implementation Steering Committee; requires full-day kindergarten in all school districts.

[S3711](#) - Makes annual allocations of \$500,000 from the Clean Communities Program Fund for public outreach concerning single-use plastics reduction programs permanent.