34:1B-403 to 34:1B-412, 34:1B-362
LEGISLATIVE HISTORY CHECKLIST
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LAWS OF: 2025 **CHAPTER:** 123

NJSA: 34:1B-403 to 34:1B-412, 34:1B-362 Establishes Next New Jersey Manufacturing Program to incentivize in-State manufacturing investments and job creation.

BILL NO: A5687 (Substituted for S4407 (1R))

SPONSOR(S) Greenwald, Louis D. and others

DATE INTRODUCED: 5/15/2025

COMMITTEE: **ASSEMBLY:** Labor
Appropriations
Budget

SENATE: --

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** 06/30/2025

SENATE: 06/30/2025

DATE OF APPROVAL: 8/13/2025

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (A5687 AcaAcaAca (3R) enacted)

ADVANCE LAW Yes

PAMPHLET LAW Yes

A5687

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

REPRINT(S): Yes ALA 6/16/25 1R
AAP 6/19/25 2R
ABU 6/26/25 3R

TECHNICAL REVIEW OF BILL: No

COMMITTEE STATEMENT: **ASSEMBLY**: Yes Labor
Appropriations
Budget

SENATE: No

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

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: Yes 06/24/2025
07/03/2025

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 aboutTrump'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

Title 34
Chapter 1B
Part XXI (New)
"Next New Jersey
Manufacturing
Program Act"
§§1-10
C.34:1B-403
to 34:1B-412

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

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:*

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

2. (New section) 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.

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 <u>thus</u> is new matter.
Matter enclosed in superscript numerals has been adopted as follows:
[1]Assembly ALA committee amendments adopted June 16, 2025.
[2]Assembly AAP committee amendments adopted June 19, 2025.
[3]Assembly ABU committee amendments adopted June 26, 2025.

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.

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

"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 [1]an affiliate[1] 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. , c. (C.) (pending before the Legislature as this bill), but prior to the project completion date, as shall be defined in the project agreement pursuant to section 7 of P.L. , c. (C.) (pending before the Legislature as this bill), or until such other time specified by the authority, and which expenses are incurred for:

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

(2) 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;

(3) 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;

(4) 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

(5) 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.   , c.   (C.   ) (pending before the Legislature as this bill).

"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.   , c.   (C.   ) (pending before the Legislature as this bill) 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 [2]**[**or**]** <u>and</u>[2] 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 [2]**[**or**]** <u>and</u>[2] 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:

(1) 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.;

(2) 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

(3) a resident of another [1]⟦State⟧ state[1], 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 that has been hired by way of a labor union hiring hall or its equivalent. [1]⟦35⟧ Thirty-five[1] 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. , c. (C.) (pending before the Legislature as this bill).

“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. , c. (C.) (pending before the Legislature as this bill), 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 [1]by[1] 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.

4. (New section) 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).

5. (New section) 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. , c. (C.) (pending before the Legislature as this bill) on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) 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. , c. (C.) (pending before the Legislature as this bill) 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. , c. (C.) (pending before the Legislature as this bill).

6. (New section) a. A business that meets the eligibility criteria in section 5 of P.L. , c. (C.) (pending before the Legislature as this bill) 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.

7. (New section) a. Following board approval of an application submitted pursuant to section 6 of P.L. , c. (C.) (pending before the Legislature as this bill), 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. , c. (C.) (pending before the Legislature as this bill) 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. , c. (C.) (pending before the Legislature as this bill);

(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. , c. (C.) (pending before the Legislature as this bill), 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. , c. (C.) (pending before the Legislature as this bill) 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.

8. (New section) 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. , c. (C.) (pending before the Legislature as this bill), and may include, but shall not 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. [3]**[**The eligible business may apply the credit allowed by the director against the eligible business's tax liability for the tax period in which the director allowed the tax credit, or may carry forward the credit for use by the eligible business**]** 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[3] 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. , c. (C.) (pending before the Legislature as this bill), 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. , c. (C.) (pending before the Legislature as this bill), whichever is greater.

9. (New section) 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 [1]**[**$25,000**]** [3]**[**$25 million[1]**]** $25,000[3], 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. [3]**[**A purchaser or assignee of a tax credit transfer certificate pursuant to this section shall apply the transferred credit against the same tax or taxes for which the eligible business was approved a tax credit under the program.**]**[3] 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.   , c. (C.   ) (pending before the Legislature as this bill) 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 [3]**[**transferrer**]** transferor[3];

(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 [3]**[**transferrer**]** transferor[3].

10. (New section) 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.   , c.   (C.   ) (pending before the Legislature as this bill), 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:

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.); **[**and**]** the "Next New Jersey Program Act," P.L.2024, c.49 **[**(C.34:1B-362 et seq.)**]** (C.34:1B-394 et al.); and the "Next New Jersey Manufacturing Program Act," P.L.   , c.   (C.   ) (pending before the Legislature as this bill) 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.), **[**and**]** the "Next New Jersey Program Act," P.L.2024, c.49 **[**(C.34:1B-362 et seq.)**]** (C.34:1B-394 et al.), and the "Next New Jersey Manufacturing Program Act," P.L.   , c.   (C.   ) (pending before the Legislature as this bill) 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) 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;

(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-362 et seq.)】 (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. , c. (C.) (pending before the Legislature as this bill), 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; ⟦and⟧

(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-362 et seq.)⟧ <u>(C.34:1B-394 et al.); and</u>

<u>(l) 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. , c. (C.) (pending before the Legislature as this bill). In accordance with the provisions of subsection g. of section 5 of P.L. , c. (C.) (pending before the Legislature as this bill), $100,000,000 of the tax credits made available to the “Next New Jersey Manufacturing Program Act,” P.L. , c. (C.) (pending before the Legislature as this bill) pursuant to this subparagraph shall be reserved exclusively for eligible businesses that are clean energy product manufacturers</u>.

(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.

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

12. This act shall take effect immediately.

Establishes Next New Jersey Manufacturing Program to 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 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)

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:*

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

2. (New section) 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.

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

"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

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 <u>thus</u> is new matter.

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 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. , c. (C.) (pending before the Legislature as this bill), but prior to the project completion date, as shall be defined in the project agreement pursuant to section 7 of P.L. , c. (C.) (pending before the Legislature as this bill), or until such

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

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

(2) 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;

(3) 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;

(4) 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

(5) 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.   , c.   (C.   ) (pending before the Legislature as this bill).

"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.   , c.   (C.   ) (pending before the Legislature as this bill) 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 or 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 or 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:

(1) 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.;

(2) 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

(3) 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 that has been hired by way of a labor union hiring hall or its equivalent. 35 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.   , c.   (C.   ) (pending before the Legislature as this bill).

“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. , c. (C.) (pending before the Legislature as this bill), 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 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.

4. (New section) 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).

5. (New section) 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. , c. (C.) (pending before the Legislature as this bill) on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) 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. , c. (C.) (pending before the Legislature as this bill) 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. , c. (C.) (pending before the Legislature as this bill).

6. (New section) a. A business that meets the eligibility criteria in section 5 of P.L. , c. (C.) (pending before the Legislature as this bill) 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.

7. (New section) a. Following board approval of an application submitted pursuant to section 6 of P.L. , c. (C.) (pending before the Legislature as this bill), 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. , c. (C.) (pending before the Legislature as this bill) 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. , c. (C.) (pending before the Legislature as this bill);

(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. , c. (C.) (pending before the Legislature as this bill), 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. , c. (C.) (pending before the Legislature as this bill) 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.

8. (New section) 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. , c. (C.) (pending before the Legislature as this bill), and may include, but shall not 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. The eligible business may apply the credit allowed by the director against the eligible business's tax liability for the tax period in which the director allowed the tax credit, or may carry forward the credit for use by the eligible business 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. , c. (C.) (pending before the Legislature as this bill), 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. , c. (C.) (pending before the Legislature as this bill), whichever is greater.

9. (New section) 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. A purchaser or assignee of a tax credit transfer certificate pursuant to this section shall apply the transferred credit against the same tax or taxes for which the eligible business was approved a tax credit under the program. 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. , c. (C.) (pending before the Legislature as this bill) 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 transferrer;

(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 transferrer.

10. (New section) 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. , c. (C.) (pending before the Legislature as this bill), 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:

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.); ⟦and⟧ the "Next New Jersey Program Act," P.L.2024, c.49 ⟦(C.34:1B-362 et seq.)⟧ <u>(C.34:1B-394 et al.); and the "Next New Jersey Manufacturing Program Act," P.L. , c. (C.) (pending before the Legislature as this bill)</u> 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.), [and] the "Next New Jersey Program Act," P.L.2024, c.49 [(C.34:1B-362 et seq.)] (C.34:1B-394 et al.), and the "Next New Jersey Manufacturing Program Act," P.L. , c. (C.) (pending before the Legislature as this bill) 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) 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;

(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-362 et seq.)**⟧** (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. , c. (C.) (pending before the Legislature as this bill), 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; ⟦and⟧

(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-362 et seq.)⟧ (C.34:1B-394 et al.); and

(l) 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. , c. (C.) (pending before the Legislature as this bill). In accordance with the provisions of subsection g. of section 5 of P.L. , c. (C.) (pending before the Legislature as this bill), $100,000,000 of the tax credits made available to the “Next New Jersey Manufacturing Program Act,” P.L. , c. (C.) (pending before the Legislature as this bill) 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.

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

12. This act shall take effect immediately.

STATEMENT

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 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 $25,000, 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.

[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)

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:*

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

2. (New section) 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.

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

"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

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 <u>thus</u> is new matter.
Matter enclosed in superscript numerals has been adopted as follows:
[1]Assembly ALA committee amendments adopted June 16, 2025.

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 [1]an affiliate[1] 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. , c. (C.) (pending before the Legislature as this bill), but prior to the project completion date, as shall be defined in the project agreement pursuant to section 7 of P.L. , c. (C.) (pending before the Legislature as this bill), or until such

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

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

(2) 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;

(3) 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;

(4) 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

(5) 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. , c. (C.) (pending before the Legislature as this bill).

"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.   , c.   (C.   ) (pending before the Legislature as this bill) 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 or 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 or 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:

(1) 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.;

(2) 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

(3) a resident of another [1]⟦State⟧ state[1], 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 that has been hired by way of a labor union hiring hall or its equivalent. [1]**[**35**]** Thirty-five[1] 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.   , c.   (C.   ) (pending before the Legislature as this bill).

"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. , c. (C.) (pending before the Legislature as this bill), 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 [1]by[1] 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.

4. (New section) 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).

5. (New section) 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. , c. (C.) (pending before the Legislature as this bill) on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) 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. , c. (C.) (pending before the Legislature as this bill) 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. , c. (C.) (pending before the Legislature as this bill).

6. (New section) a. A business that meets the eligibility criteria in section 5 of P.L. , c. (C.) (pending before the Legislature as this bill) 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.

7. (New section) a. Following board approval of an application submitted pursuant to section 6 of P.L. , c. (C.) (pending before the Legislature as this bill), 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. , c. (C.) (pending before the Legislature as this bill) 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. , c. (C.) (pending before the Legislature as this bill);

(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. , c. (C.) (pending before the Legislature as this bill), 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. , c. (C.) (pending before the Legislature as this bill) 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.

8. (New section) 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. , c. (C.) (pending before the Legislature as this bill), and may include, but shall not 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. The eligible business may apply the credit allowed by the director against the eligible business's tax liability for the tax period in which the director allowed the tax credit, or may carry forward the credit for use by the eligible business 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.   , c.   (C.   ) (pending before the Legislature as this bill), 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.   , c.   (C.   ) (pending before the Legislature as this bill), whichever is greater.

9. (New section) 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 [1]**[**$25,000**]** <u>$25 million</u>[1], 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. A purchaser or assignee of a tax credit transfer certificate pursuant to this section shall apply the transferred credit against the same tax or taxes for which the eligible business was approved a tax credit under the program. 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.   , c.   (C.   ) (pending before the Legislature as this bill) 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 transferrer;

(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 transferrer.

10. (New section) 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. , c. (C.) (pending before the Legislature as this bill), 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:

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.); ⟦and⟧ the "Next New Jersey Program Act," P.L.2024, c.49 ⟦(C.34:1B-362 et seq.)⟧ (C.34:1B-394 et al.); and the "Next New Jersey Manufacturing Program Act," P.L. , c. (C.) (pending before the Legislature as this bill) 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.), ⟦and⟧ the "Next New Jersey Program Act," P.L.2024, c.49 ⟦(C.34:1B-362 et seq.)⟧ (C.34:1B-394 et al.), and the “Next New Jersey Manufacturing Program Act,” P.L. , c. (C.) (pending before the Legislature as this bill) 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) 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;

(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-362 et seq.)】 <u>(C.34:1B-394 et al.)</u>, pursuant to subparagraph (k) of this paragraph, <u>projects awarded a tax credit pursuant to the “Next New Jersey Manufacturing Program Act,” P.L. , c. (C.) (pending before the Legislature as this bill), pursuant to subparagraph (l) of this paragraph,</u> 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; ⟦and⟧

(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-362 et seq.)⟧ (C.34:1B-394 et al.); and

(l) 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. , c. (C.) (pending before the Legislature as this bill). In accordance with the provisions of subsection g. of section 5 of P.L. , c. (C.) (pending before the Legislature as this bill), $100,000,000 of the tax credits made available to the “Next New Jersey Manufacturing Program Act,” P.L. , c. (C.) (pending before the Legislature as this bill) 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.

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

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)

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:*

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

2. (New section) 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.

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

"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

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 <u>thus</u> is new matter.
Matter enclosed in superscript numerals has been adopted as follows:
[1]Assembly ALA committee amendments adopted June 16, 2025.
[2]Assembly AAP committee amendments adopted June 19, 2025.

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 [1]an affiliate[1] 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. , c. (C.) (pending before the Legislature as this bill), but prior to the project completion date, as shall be defined in the project agreement pursuant to section 7 of P.L. , c. (C.) (pending before the Legislature as this bill), or until such

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

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

(2) 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;

(3) 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;

(4) 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

(5) 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.   , c.   (C.   ) (pending before the Legislature as this bill).

"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. , c. (C.) (pending before the Legislature as this bill) 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 [2]**[**or**]** and[2] 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 [2]**[**or**]** and[2] 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:

(1) 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.;

(2) 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

(3) a resident of another [1]**[**State**]** state[1], 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 that has been hired by way of a labor union hiring hall or its equivalent. [1]**[**35**]** <u>Thirty-five</u>[1] 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. , c. (C.) (pending before the Legislature as this bill).

"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. , c. (C.) (pending before the Legislature as this bill), 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 [1]by[1] 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.

4. (New section) 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).

5. (New section) 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. , c. (C.) (pending before the Legislature as this bill) on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) 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. , c. (C.) (pending before the Legislature as this bill) 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. , c. (C.) (pending before the Legislature as this bill).

6. (New section) a. A business that meets the eligibility criteria in section 5 of P.L. , c. (C.) (pending before the Legislature as this bill) 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.

7. (New section) a. Following board approval of an application submitted pursuant to section 6 of P.L. , c. (C.) (pending before the Legislature as this bill), 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. , c. (C.) (pending before the Legislature as this bill) 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. , c. (C.) (pending before the Legislature as this bill);

(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. , c. (C.) (pending before the Legislature as this bill), 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. , c. (C.) (pending before the Legislature as this bill) 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.

8. (New section) 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. , c. (C.) (pending before the Legislature as this bill), and may include, but shall not 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. The eligible business may apply the credit allowed by the director against the eligible business's tax liability for the tax period in which the director allowed the tax credit, or may carry forward the credit for use by the eligible business 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.   , c.   (C.   ) (pending before the Legislature as this bill), 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.   , c.   (C.   ) (pending before the Legislature as this bill), whichever is greater.

9. (New section) 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 [1]**[**$25,000**]** <u>$25 million</u>[1], 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. A purchaser or assignee of a tax credit transfer certificate pursuant to this section shall apply the transferred credit against the same tax or taxes for which the eligible business was approved a tax credit under the program. 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.   , c.   (C.   ) (pending before the Legislature as this bill) 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 transferrer;

(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 transferrer.

10. (New section) 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. , c. (C.) (pending before the Legislature as this bill), 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:

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.); ⟦and⟧ the "Next New Jersey Program Act," P.L.2024, c.49 ⟦(C.34:1B-362 et seq.)⟧ <u>(C.34:1B-394 et al.); and the "Next New Jersey Manufacturing Program Act," P.L. , c. (C.) (pending before the Legislature as this bill)</u> 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.), ⟦and⟧ the "Next New Jersey Program Act," P.L.2024, c.49 ⟦(C.34:1B-362 et seq.)⟧ (C.34:1B-394 et al.), and the "Next New Jersey Manufacturing Program Act," P.L. , c. (C.) (pending before the Legislature as this bill) 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) 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;

(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-362 et seq.)⟧ (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. , c. (C.) (pending before the Legislature as this bill), 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; ⟦and⟧

(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-362 et seq.)⟧ <u>(C.34:1B-394 et al.); and</u>

<u>(l) 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. , c. (C.) (pending before the Legislature as this bill). In accordance with the provisions of subsection g. of section 5 of P.L. , c. (C.) (pending before the Legislature as this bill), $100,000,000 of the tax credits made available to the “Next New Jersey Manufacturing Program Act,” P.L. , c. (C.) (pending before the Legislature as this bill) pursuant to this subparagraph shall be reserved exclusively for eligible businesses that are clean energy product manufacturers</u>.

(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.

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

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)

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:*

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

2. (New section) 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.

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

"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

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 <u>thus</u> is new matter.
Matter enclosed in superscript numerals has been adopted as follows:
[1]Assembly ALA committee amendments adopted June 16, 2025.
[2]Assembly AAP committee amendments adopted June 19, 2025.
[3]Assembly ABU committee amendments adopted June 26, 2025.

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 [1]<u>an affiliate</u>[1] 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. , c. (C.) (pending before the Legislature as this bill), but prior to the project completion date, as shall be defined in the project agreement pursuant to section 7 of P.L. , c. (C.) (pending before the Legislature as this bill), or until such other time specified by the authority, and which expenses are incurred for:

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

(2) 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;

(3) 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;

(4) 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

(5) 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. , c. (C.) (pending before the Legislature as this bill).

"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. , c. (C.) (pending before the Legislature as this bill) 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 [2]**[**or**]** <u>and</u>[2] 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 [2]**[**or**]** <u>and</u>[2] 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:

(1) 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.;

(2) 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

(3) a resident of another [1]**[**State**]** <u>state</u>[1], 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 that has been hired by way of a labor union hiring hall or its equivalent. [1]⟦35⟧ Thirty-five[1] 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. , c. (C.) (pending before the Legislature as this bill).

"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. , c. (C.) (pending before the Legislature as this bill), 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 [1]<u>by</u>[1] 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.

4. (New section) 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).

5. (New section) 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. , c. (C.) (pending before the Legislature as this bill) on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) 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. , c. (C.) (pending before the Legislature as this bill) 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. , c. (C.) (pending before the Legislature as this bill).

6. (New section) a. A business that meets the eligibility criteria in section 5 of P.L. , c. (C.) (pending before the Legislature as this bill) 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.

7. (New section) a. Following board approval of an application submitted pursuant to section 6 of P.L. , c. (C.) (pending before the Legislature as this bill), 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. , c. (C.) (pending before the Legislature as this bill) 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. , c. (C.) (pending before the Legislature as this bill);

(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. , c. (C.) (pending before the Legislature as this bill), 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. , c. (C.) (pending before the Legislature as this bill) 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.

8. (New section) 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. , c. (C.) (pending before the Legislature as this bill), and may include, but shall not 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. [3][The eligible business may apply the credit allowed by the director against the eligible business's tax liability for the tax period in which the director allowed the tax credit, or may carry forward the credit for use by the eligible business] 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[3] 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. , c. (C.) (pending before the Legislature as this bill), 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. , c. (C.) (pending before the Legislature as this bill), whichever is greater.

9. (New section) 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 [1]**[**$25,000**]** [3]**[**$25 million[1]**]** $25,000[3], 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. [3]**[**A purchaser or assignee of a tax credit transfer certificate pursuant to this section shall apply the transferred credit against the same tax or taxes for which the eligible business was approved a tax credit under the program.**]**[3] 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. , c. (C.) (pending before the Legislature as this bill) 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 [3]⟦transferrer⟧ <u>transferor</u>[3];

(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 [3]⟦transferrer⟧ <u>transferor</u>[3].

10. (New section) 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. , c. (C.) (pending before the Legislature as this bill), 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:

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.); ⟦and⟧ the "Next New Jersey Program Act," P.L.2024, c.49 ⟦(C.34:1B-362 et seq.)⟧ <u>(C.34:1B-394 et al.); and the "Next New Jersey Manufacturing Program Act," P.L. , c. (C.) (pending</u>

before the Legislature as this bill) 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.), 【and】 the "Next New Jersey Program Act," P.L.2024, c.49 【(C.34:1B-362 et seq.)】 (C.34:1B-394 et al.), and the "Next New Jersey Manufacturing Program Act," P.L. , c. (C.) (pending before the Legislature as this bill) 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) 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;

(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-362 et seq.)⟧ <u>(C.34:1B-394 et al.)</u>, pursuant to subparagraph (k) of this paragraph, <u>projects awarded a tax credit pursuant to the “Next New Jersey Manufacturing Program Act,” P.L. , c. (C.) (pending before the Legislature as this bill), pursuant to subparagraph (l) of this paragraph,</u> 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; **[**and**]**

(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-362 et seq.)**]** (C.34:1B-394 et al.); and

(l) 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. , c. (C.) (pending before the Legislature as this bill). In accordance with the provisions of subsection g. of section 5 of P.L. , c. (C.) (pending before the Legislature as this bill), $100,000,000 of the tax credits made available to the “Next New Jersey Manufacturing Program Act,” P.L. , c. (C.) (pending before the Legislature as this bill) 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.

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

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	**Multi-Year Lifespan of Incentive Awards**
Direct State Revenue Loss	Indeterminate
Indirect State Revenue Gain	Indeterminate
State Opportunity Cost	Indeterminate
Indirect Local 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.

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- 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	**Multi-Year Lifespan of Incentive Awards**
Direct State Revenue Loss	Indeterminate
Indirect State Revenue Gain	Indeterminate
State Opportunity Cost	Indeterminate
Indirect Local 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.

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- 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.

<u>Bill's State Indirect Fiscal Effects:</u> 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.).

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)

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:*

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

2. (New section) 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.

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

"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

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 <u>thus</u> is new matter.

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 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. , c. (C.) (pending before the Legislature as this bill), but prior to the project completion date, as shall be defined in the project agreement pursuant to section 7 of P.L. , c. (C.) (pending before the Legislature as this bill), or until such other time specified by the authority, and which expenses are incurred for:

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

(2) 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;

(3) 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;

(4) 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

(5) 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. , c. (C.) (pending before the Legislature as this bill).

"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.   , c.   (C.   ) (pending before the Legislature as this bill) 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 or 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 or 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:

(1) 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.;

(2) 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

(3) 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 that has been hired by way of a labor union hiring hall or its equivalent. 35 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.   , c.   (C.   ) (pending before the Legislature as this bill).

“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.   , c.   (C.   ) (pending before the Legislature as this bill), 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 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.

4. (New section) 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).

5. (New section) 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. , c. (C.) (pending before the Legislature as this bill) on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) 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. , c. (C.) (pending before the Legislature as this bill) 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. , c. (C.) (pending before the Legislature as this bill).

6. (New section) a. A business that meets the eligibility criteria in section 5 of P.L. , c. (C.) (pending before the Legislature as this bill) 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.

7. (New section) a. Following board approval of an application submitted pursuant to section 6 of P.L. , c. (C.) (pending before the Legislature as this bill), 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. , c. (C.) (pending before the Legislature as this bill) 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. , c. (C.) (pending before the Legislature as this bill);

(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. , c. (C.) (pending before the Legislature as this bill), 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. , c. (C.) (pending before the Legislature as this bill) 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.

8. (New section) 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. , c. (C.) (pending before the Legislature as this bill), and may include, but shall not 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. The eligible business may apply the credit allowed by the director against the eligible business's tax liability for the tax period in which the director allowed the tax credit, or may carry forward the credit for use by the eligible business 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. , c. (C.) (pending before the Legislature as this bill), 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. , c. (C.) (pending before the Legislature as this bill), whichever is greater.

9. (New section) 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. A purchaser or assignee of a tax credit transfer certificate pursuant to this section shall apply the transferred credit against the same tax or taxes for which the eligible business was approved a tax credit under the program. 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. , c. (C.) (pending before the Legislature as this bill) 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 transferrer;

(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 transferrer.

10. (New section) 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.   , c. (C.   ) (pending before the Legislature as this bill), 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:

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.); ⟦and⟧ the "Next New Jersey Program Act," P.L.2024, c.49 ⟦(C.34:1B-362 et seq.)⟧ <u>(C.34:1B-394 et al.); and the "Next New Jersey Manufacturing Program Act," P.L.   , c.   (C.   ) (pending before the Legislature as this bill)</u> 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.), ⟦and⟧ the "Next New Jersey Program Act," P.L.2024, c.49 ⟦(C.34:1B-362 et seq.)⟧ <u>(C.34:1B-394 et al.)</u>, <u>and the "Next New Jersey Manufacturing Program Act," P.L.   , c.   (C.   ) (pending before the Legislature as this bill)</u> 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) 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;

(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-362 et seq.)**]** (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. , c. (C.) (pending before the Legislature as this bill), 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; ⟦and⟧

(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-362 et seq.)⟧ (C.34:1B-394 et al.); and

(l) 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.   , c.   (C.   ) (pending before the Legislature as this bill). In accordance with the provisions of subsection g. of section 5 of P.L.   , c.   (C.   ) (pending before the Legislature as this bill), $100,000,000 of the tax credits made available to the “Next New Jersey Manufacturing Program Act,” P.L.   , c.   (C.   ) (pending before the Legislature as this bill) 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.
(cf: P.L.2024, c.49, s.10)

12. This act shall take effect immediately.

STATEMENT

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 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 $25,000, 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.

[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)

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:*

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

2. (New section) 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.

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

"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

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:
[1]Senate SBA committee amendments adopted June 26, 2025.

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 [1]an affiliate[1] 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. , c. (C.) (pending before the Legislature as this bill), but prior to the project completion date, as shall be defined in the project agreement pursuant to section 7 of

P.L. , c. (C.) (pending before the Legislature as this bill), or until such other time specified by the authority, and which expenses are incurred for:

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

(2) 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;

(3) 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;

(4) 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

(5) 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. , c. (C.) (pending before the Legislature as this bill).

"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.   , c.   (C.   ) (pending before the Legislature as this bill) 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 [1]**[**or**]** and[1] 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 [1]**[**or**]** and[1] 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:

(1) 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.;

(2) 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

(3) a resident of another [1]**[**State**]** state[1], 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 that has been hired by way of a labor union hiring hall or its equivalent. [1]⟦35⟧ Thirty-five[1] 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. , c. (C.) (pending before the Legislature as this bill).

"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. , c. (C.) (pending before the Legislature as this bill), 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 [1]by[1] 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.

4. (New section) 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).

5. (New section) 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.   , c.   (C.   ) (pending before the Legislature as this bill) on or after the effective date of P.L.   , c.   (C.   ) (pending before the Legislature as this bill) 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.   , c.   (C.   ) (pending before the Legislature as this bill) 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.   , c.   (C.   ) (pending before the Legislature as this bill).

6. (New section) a. A business that meets the eligibility criteria in section 5 of P.L.   , c.   (C.   ) (pending before the Legislature as this bill) 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.

7. (New section) a. Following board approval of an application submitted pursuant to section 6 of P.L. , c. (C.) (pending before the Legislature as this bill), 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. , c. (C.) (pending before the Legislature as this bill) 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. , c. (C.) (pending before the Legislature as this bill);

(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. , c. (C.) (pending before the Legislature as this bill), 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. , c. (C.) (pending before the Legislature as this bill) 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.

8. (New section) 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. , c. (C.) (pending before the Legislature as this bill), and may include, but shall not 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. [1]⟦The eligible business may apply the credit allowed by the director against the eligible business's tax liability for the tax period in which the director allowed the tax credit, or may carry forward the credit for use by the eligible business⟧ 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[1] 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. , c. (C.) (pending before the Legislature as this bill), 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. , c. (C.) (pending before the Legislature as this bill), whichever is greater.

9. (New section) 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. [1]**[**A purchaser or assignee of a tax credit transfer certificate pursuant to this section shall apply the transferred credit against the same tax or taxes for which the eligible business was approved a tax credit under the program.**]**[1] 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. , c. (C.) (pending before the Legislature as this bill) 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 [1]**[**transferrer**]** transferor[1];

(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 [1]**[**transferrer**]** transferor[1].

10. (New section) 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. , c. (C.) (pending before the Legislature as this bill), 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:

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.); ⟦and⟧ the "Next New Jersey Program Act," P.L.2024, c.49 ⟦(C.34:1B-362 et seq.)⟧ (C.34:1B-394 et al.); and the "Next New Jersey Manufacturing Program Act," P.L. , c. (C.) (pending before the Legislature as this bill) 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.), ⟦and⟧ the "Next New Jersey Program Act," P.L.2024, c.49 ⟦(C.34:1B-362 et seq.)⟧ (C.34:1B-394 et al.), and the "Next New Jersey Manufacturing Program Act," P.L. , c. (C.) (pending before the Legislature as this bill) 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) 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;

(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-362 et seq.)**⟧** <u>(C.34:1B-394 et al.)</u>, pursuant to subparagraph (k) of this paragraph, <u>projects awarded a tax credit pursuant to the “Next New Jersey Manufacturing Program Act,” P.L. , c. (C.) (pending before the Legislature as this bill), pursuant to subparagraph (l) of this paragraph,</u> 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; ⟦and⟧

(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-362 et seq.)⟧ (C.34:1B-394 et al.); and

(l) 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

<u>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. , c. (C.) (pending before the Legislature as this bill). In accordance with the provisions of subsection g. of section 5 of P.L. , c. (C.) (pending before the Legislature as this bill), $100,000,000 of the tax credits made available to the "Next New Jersey Manufacturing Program Act," P.L. , c. (C.) (pending before the Legislature as this bill) pursuant to this subparagraph shall be reserved exclusively for eligible businesses that are clean energy product manufacturers</u>.

(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.

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

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	**Multi-Year Lifespan of Incentive Awards**
Direct State Revenue Loss	Indeterminate
Indirect State Revenue Gain	Indeterminate
State Opportunity Cost	Indeterminate
Indirect Local 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.

<u>Analytical Framework:</u> 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	**Multi-Year Lifespan of Incentive Awards**
Direct State Revenue Loss	Indeterminate
Indirect State Revenue Gain	Indeterminate
State Opportunity Cost	Indeterminate
Indirect Local 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.

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- 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.

<u>Analytical Framework:</u> 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.

<u>Bill's State Indirect Fiscal Effects:</u> 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.

<u>State Opportunity Costs:</u> 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.

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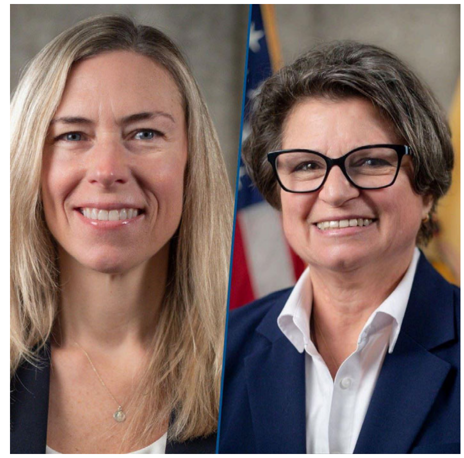
Assemblywomen Donlon and Peterpaul Announce 13 Bills Signed Into Law This Summer



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.