

30 4D-21

LEGISLATIVE HISTORY CHECKLIST

NJSA: 30:4D-21

(PAAD eligibility-- exclude gain from sale of home in determination)

LAWS OF: 1989

CHAPTER: 16

BILL NO: A1121

SPONSOR(S): Moran

Date Introduced: Pre-filed

Committee: Assembly: Senior Citizens

Senate: -----

Amended during passage: Yes

Amentments during passage denoted by asterisks.

Date of Passage: Assembly: June 9, 1988

Senate: December 12, 1988

Date of Approval: February 1, 1989

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly Yes

Senate No

Fiscal Note: Yes

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

rdv

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[FIRST REPRINT]
ASSEMBLY, No. 1121

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1988 SESSION

By Assemblyman MORAN

1 AN ACT concerning the "Pharmaceutical Assistance to the
Aged and Disabled" program and amending P.L.1975, c.194.

3

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

1. Section 2 of P.L.1975, c.194 (C.30:4D-21) is amended to
7 read as follows:

2. Any resident of this State who is either a recipient of
9 disability insurance benefits under Title 11 of the federal Social
Security Act (42 U.S.C. § 401 et seq.) or 65 years of age and
11 over and whose annual income is less than \$13,650.00 if single
or, if married, whose annual income combined with that of his
13 spouse is less than \$16,750.00, shall be eligible for
"Pharmaceutical Assistance to the Aged and Disabled" if he is
15 not otherwise qualified for assistance under P.L.1968, c.413
(C.30:4D-1 et seq.). Annual income shall not include gain from
17 the sale of a principal residence that is excluded from gross
income pursuant to N.J.S.54A:6-9.

19 (cf: P.L.1987, c.221, s.1)

2. This act shall take effect immediately ¹[and shall be
21 retroactive to January 1 preceding enactment]¹.

23

HUMAN SERVICES

25

Pharmaceutical Assistance

27 Excludes gain from sale of home from income for determination
of PAAD eligibility.

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 floor amendments adopted December 8, 1988.

ASSEMBLY, No. 1121
STATE OF NEW JERSEY

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Introduced Pending Technical Review by Legislative Counsel
PRE-FILED FOR INTRODUCTION IN THE 1988 SESSION

By Assemblyman MORAN

1 AN ACT concerning the "Pharmaceutical Assistance to the
Aged and Disabled" program and amending P.L. 1975, c. 194.

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

1. Section 2 of P.L. 1975, c. 194 (C. 30:4D-21) is amended to
7 read as follows:

2. Any resident of this State who is either a recipient of
9 Disability Insurance Benefits under Title 11 of the federal Social
Security Act (42 U.S.C. § 401 et seq.), or 65 years of age and
11 over and whose annual income is less than \$13,250.00 if single
or, if married, whose annual income combined with that of his
13 spouse is less than \$16,250.00, shall be eligible for
"Pharmaceutical Assistance to the Aged and Disabled" if he is
15 not otherwise qualified for assistance under P.L. 1968, c. 413 (C.
30:4D-1 et seq.). Annual income shall not include gain from the
17 sale of a principal residence that is excluded from gross income
pursuant to N.J.S. 54A:6-9.

2. This act shall take effect immediately and shall be
retroactive to January 1 preceding enactment.

21

23

STATEMENT

25 This bill would provide that in determining eligibility for the
"Pharmaceutical Assistance to the Aged and Disabled" (PAAD)
27 program, P.L. 1975, c. 194 (C. 30:4D-20 et seq.), annual income
shall not include gain from the sale of a principal residence that
29 is excluded from the State gross income tax pursuant to N.J.S.
54A:6-9. Currently, annual income for determining income
31 eligibility for PAAD includes "all income from

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 whatever source derived actually received or anticipated."
N.J.A.C. 10:69A-2.1. Therefore, senior citizens are denied
3 PAAD benefits for the year in which they sell their homes
because of the sudden surge in their incomes. The purpose of
5 this bill is to exclude from annual income the one-time gain
from the sale of a senior citizen's home to enable senior
7 citizens who sell their homes to receive PAAD benefits
continuously.

9

11

HUMAN SERVICES
Pharmaceutical Assistance

13

Excludes gain from sale of home from income for determination
15 of PAAD eligibility.

ASSEMBLY SENIOR CITIZENS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1121

STATE OF NEW JERSEY

DATED: APRIL 18, 1988

The Assembly Senior Citizens Committee favorably reports Assembly Bill No. 1121.

This bill provides that in determining eligibility for the "Pharmaceutical Assistance to the Aged and Disabled" program (PAAD), P.L. 1975, c. 194 (C. 30:4D-20 et seq.), annual income shall not include gain from the sale of a principal residence that is excluded from the State gross income tax pursuant to N.J.S. 54A:6-9.

Currently, annual income for determining income eligibility for PAAD includes "all income from whatever source derived actually received or anticipated," (N.J.A.C. 10:69A-2.1). As a result, senior citizens are often denied PAAD benefits for the year in which they sell their homes because of the sudden surge in their incomes.

This bill would exclude from annual income the one-time gain from the sale of a senior citizen's home to enable senior citizens participating in the PAAD program who sell their homes to receive PAAD benefits continuously.

This bill was pre-filed for introduction in the 1988 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.

LEGISLATIVE FISCAL ESTIMATE TO

ASSEMBLY, No. 1121
STATE OF NEW JERSEY

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DATED: June 13, 1988

Assembly Bill No. 1121 provides that in determining eligibility for the "Pharmaceutical Assistance to the Aged and Disabled" program (PAAD) (and the Lifeline Credit and Tenants Rebate programs), annual income shall not include gain from the sale of a principal residence that is excluded from the State gross income tax pursuant to N.J.S. 54A:6-9. Currently, annual income for determining income eligibility for PAAD includes "all income from whatever source derived, actually received or anticipated."

The Department of Human Services and the Office of Management and Budget have not provided data regarding the number of persons who may qualify for PAAD as a result of this exclusion.

The Office of Legislative Services examined data from the federal Internal Revenue Service and New Jersey Division of Taxation and found that information as to the number of persons who claim an exclusion from the sale of a principal residence is not reported and is not routinely available. As such, the number of people who may qualify for PAAD and Lifeline benefits as a result of the exclusion of the gain from the sale of a principal residence cannot be determined. However, the fiscal impact is not likely to significantly increase total expenditures in the PAAD and Lifeline programs.

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.

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FISCAL NOTE TO
ASSEMBLY, No. 1121

STATE OF NEW JERSEY

DATED: September 19, 1988

Assembly Bill No. 1121 of 1988 provides that in determining eligibility for the "Pharmaceutical Assistance to the Aged and Disabled" program (PAAD) (and the Lifeline Credit and Tenants Rebate programs), annual income shall not include gain from the sale of a principal residence that is excluded from the State gross income tax pursuant to N.J.S.54A:6-9. Currently, annual income for determining income eligibility for PAAD includes "all income from whatever source derived, actually received or anticipated."

The Department of Human Services and the Office of Management and Budget have estimated that between 700 and 1,100 persons would qualify for PAAD as a result of this exclusion. PAAD and Lifeline costs would increase between \$572,499 - \$825,518, \$690,679 - \$1,009,868 and \$839,653 - \$1,242,541, respectively, over the next three years.

The Office of Legislative Services concurs that the department's and OMB's estimates are reasonable though the estimate that between 700 and 1,100 persons would qualify for the programs cannot be independently verified as the federal Internal Revenue Service and New Jersey Division of Taxation do not provide information as to the number of persons who claim an exclusion from the sale of a principal residence.

This fiscal note has been prepared pursuant to P.L.1980, c.67.