

# 38A:3-51 to 38A:3-55 & 54A:4-16

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2017                    **CHAPTER:** 174

**NJSA:** 38A:3-51 to 38A:3-55 & 54A:4-16 (Establishes Gold Star Family Counseling Program in DMVA; creates tax credit for certain health care professionals.)

**BILL NO:** A4399                    (Substituted for S2858)

**SPONSOR(S)** Greenwald and others

**DATE INTRODUCED:** 12/15/2016

**COMMITTEE:**                    **ASSEMBLY:** Military & Veterans' Affairs  
Appropriations

**SENATE:** Budget & Appropriations

**AMENDED DURING PASSAGE:** Yes

**DATE OF PASSAGE:**                    **ASSEMBLY:** 6/29/2017

**SENATE:** 6/26/2017

**DATE OF APPROVAL:** 7/21/2017

### FOLLOWING ARE ATTACHED IF AVAILABLE:

**FINAL TEXT OF BILL** (Third Reprint enacted) Yes

#### A4399

**SPONSOR'S STATEMENT:** (Begins on page 5 of introduced bill) Yes

**COMMITTEE STATEMENT:**                    **ASSEMBLY:** Yes    Military & Veterans' Affairs  
Appropriations

**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](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:** Yes

**LEGISLATIVE FISCAL ESTIMATE:** Yes

#### S2858

**SPONSOR'S STATEMENT:** (Begins on page 5 of introduced bill) Yes

**COMMITTEE STATEMENT:**                    **ASSEMBLY:** No

**SENATE:** Yes    Military & Veterans' Affairs  
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](http://www.njleg.state.nj.us))

(continued)

**FLOOR AMENDMENT STATEMENT:** Yes

**LEGISLATIVE FISCAL ESTIMATE:** Yes

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

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**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** No

RWH/JA

§§1-5 -  
C.38A:3-51 to  
38A:3-55  
§6 - C.54A:4-16  
§8 - Note

P.L.2017, CHAPTER 174, *approved July 21, 2017*  
Assembly, No. 4399 (*Third Reprint*)

1 AN ACT establishing a Gold Star Family Counseling program and a  
2 related tax credit and supplementing Title 38A and Title 54A of  
3 the New Jersey Statutes.

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

7  
8 1. The Legislature finds and declares that:

9 a. Residents of New Jersey have answered the call to fight for  
10 our country many times as members of the United States military  
11 and as members of the New Jersey National Guard.

12 b. Throughout history, New Jersey residents have made the  
13 ultimate sacrifice for their country and have given their life for our  
14 freedom.

15 c. The family members left behind after the untimely deaths of  
16 these brave service members, known as Gold Star family members,  
17 are often left with emotional wounds who need the caring  
18 intervention of a mental health professional to grieve and learn to  
19 live with the new reality of their loved one's passing.

20 d. The United States Department of Veterans Affairs has taken  
21 the lead to provide mental health care to veterans and certain family  
22 members with the establishment of the Care Enough to Share  
23 program which links mental health professionals with an  
24 opportunity to volunteer their time and talents to help the nation's  
25 veterans and certain family members by providing mental health  
26 counseling.

27 e. It is honorable and necessary that the State of New Jersey  
28 assist these family Gold Star family members in their grief by  
29 establishing programs that can link mental health care professionals  
30 with the family members to provide the needed mental health care  
31 free of charge to the families.

32  
33 2. As used in this act:

34 "Gold Star family member" means an individual who is a New  
35 Jersey resident and is the surviving spouse, domestic partner, partner  
36 in a civil union, parent, brother, sister, child, legal guardian, or other

**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:

<sup>1</sup>Assembly AMV committee amendments adopted January 19, 2017.

<sup>2</sup>Assembly AAP committee amendments adopted January 30, 2017.

<sup>3</sup>Senate floor amendments adopted June 22, 2017.

1 legal custodian, whether of the whole blood or the half blood, of by  
2 adoption, of a member of the Armed Forces of the United States or the  
3 National Guard who died while on active duty for the United States.

4 “Mental health care professional” means a person who <sup>2</sup>provides  
5 mental health services and<sup>2</sup> is licensed or otherwise authorized,  
6 pursuant to Title 45 of the Revised Statutes, to practice a health care  
7 profession that is regulated by one of the following <sup>3</sup>[boards]<sup>3</sup>: <sup>2</sup>the  
8 State Board of Medical Examiners;<sup>2</sup> the State Board of Psychological  
9 Examiners; the State Board of Social Work Examiners; the State  
10 Board of Marriage and Family Therapy Examiners <sup>3</sup>[,] ; the Alcohol  
11 and Drug Counselor Committee; the Professional Counselor  
12 Examiners Committee;<sup>3</sup> and the Certified Psychoanalysts Advisory  
13 Committee.  
14

15 3. There is established in the Department of Military and  
16 Veterans Affairs the "Gold Star Family Counseling Program." The  
17 purpose of this program is to link mental health care professionals  
18 with Gold Star family members to facilitate the provision of mental  
19 health counseling free of charge to the Gold Star family members.  
20 The Adjutant General of the Department of Military and Veterans  
21 Affairs shall create and implement the “Gold Star Family  
22 Counseling Program” as follows.

23 a. The department shall recruit mental health care professionals  
24 to donate professional counseling hours to provide mental health  
25 counseling to Gold Star family members. The department may  
26 coordinate the recruitment efforts with the federal Department of  
27 Veterans Affairs.

28 b. The department shall coordinate with the federal Department  
29 of Veterans Affairs to maintain a list of mental health care  
30 professionals who are available to provide professional mental  
31 health counseling hours to Gold Star family members.

32 c. The department shall maintain and distribute the list of  
33 available mental health care professionals on a Statewide basis and  
34 shall distribute the list of available mental health care professionals  
35 to each county Veteran Service office for the distribution thereof.

36 d. The department shall create a system for monitoring and  
37 verifying the donated hours to facilitate the tax credit provided to  
38 mental health care professionals pursuant to section <sup>1</sup>[5] 6<sup>1</sup> of  
39 P.L. c. (C. ) (pending before the Legislature as this bill).

40 e. The department shall provide documentation annually to the  
41 mental health care professional for submission to the Department of  
42 the Treasury to verify the amount of tax credit the mental health  
43 care professional is eligible to request annually pursuant to section  
44 <sup>1</sup>[5] 6<sup>1</sup> of P.L. c. (C. ) (pending before the Legislature as  
45 this bill). The amount of annual tax credit shall be determined by  
46 the department as the sum of the hours of donated counseling  
47 provided to the Gold Star family member multiplied by the

1 documented compensation rate applied to these hours. To  
2 determine the compensation rate, the department shall use the  
3 calendar year TRICARE rate for the service provided in the  
4 geographic location in which the service is provided. The  
5 department shall limit the cumulative hours which are authorized  
6 for the annual tax credit to a minimum of 20 hours and a maximum  
7 of 40 hours per year, per professional.

8  
9 4. All mental health care professionals volunteering for the  
10 “Gold Star Family Counseling Program” established pursuant to  
11 P.L. c. (C. ) (pending before the Legislature as this bill) shall  
12 be immune from civil liability as provided in P.L.1991, c.270  
13 (C.2A:62A-16 et seq.).

14  
15 5. The Adjutant General may apply for and accept on behalf of  
16 the State any grants from the federal government or any agency  
17 thereof, or from any foundation, corporation, association or  
18 individual, except for education grants or federal funds for  
19 education grants, and may comply with the terms, conditions and  
20 limitations thereof, to develop and implement the “Gold Star Family  
21 Counseling Program” established pursuant to P.L. , c. (C. )  
22 (pending before the legislature as this bill). Any money so received  
23 may be expended by the department, subject to any limitations  
24 imposed in such grants, upon warrant of the Director of the  
25 Division of Budget and Accounting of the Department of the  
26 Treasury.

27  
28 6. a. For taxable years beginning on or after January 1, next  
29 following the effective date of P.L. c. (C. ) (pending before  
30 the Legislature as this bill), a taxpayer shall be allowed a credit  
31 against the tax otherwise due for the taxable year under the “New  
32 Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et seq., in an amount  
33 equal to the amount documented annually by the Department of  
34 Military and Veterans Affairs for the Gold Star Family Counseling  
35 Program as established pursuant to section 3 of P.L. c. (C. )  
36 (pending before the Legislature as this bill.).

37 b. The order of priority of the application of the credit allowed  
38 pursuant to this section and any other credits allowed against the  
39 New Jersey gross income tax due pursuant to N.J.S.54A:1-1 et seq.  
40 for a taxable year shall be as prescribed by the director.

41 The amount of the credit applied against the New Jersey gross  
42 income tax due pursuant to N.J.S.54A:1-1 et seq. shall not reduce a  
43 taxpayer’s New Jersey gross income tax liability to an amount less  
44 than zero.

45 c. A business entity that is classified as a partnership for  
46 federal income tax purposes shall not be allowed a credit directly,  
47 but the amount of credit of a taxpayer in respect of a distributive  
48 share of entity income, shall be determined by allocating to the

1 taxpayer that proportion of the credit acquired by the entity that is  
2 equal to the taxpayer's share, whether or not distributed, of the total  
3 distributive income or gain of the entity for its taxable year ending  
4 within or with the taxpayer's taxable year.

5 A New Jersey S Corporation shall not be allowed a credit  
6 directly under the gross income tax, but the amount of credit of a  
7 taxpayer in respect of a pro rata share of S Corporation income,  
8 shall be determined by allocating to the taxpayer that proportion of  
9 the credit acquired by the New Jersey S Corporation that is equal to  
10 the taxpayer's share, whether or not distributed, of the total pro rata  
11 share of S Corporation income of the New Jersey S Corporation for  
12 its privilege period ending within or with the taxpayer's taxable  
13 year.

14

15 7. The Adjutant General shall, in accordance with the  
16 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
17 seq.), adopt any rules and regulations necessary to carry out the  
18 provisions of this act.

19

20 8. This act shall take effect on or after January 1 next following  
21 enactment, except the Adjutant General may take any anticipatory  
22 administrative action in advance as shall be necessary for the  
23 implementation of this act.

24

25

26

27

28 Establishes Gold Star Family Counseling Program in DMVA;  
29 creates tax credit for certain health care professionals.

# ASSEMBLY, No. 4399

## STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED DECEMBER 15, 2016

**Sponsored by:**

**Assemblyman LOUIS D. GREENWALD**

**District 6 (Burlington and Camden)**

**Assemblyman GORDON M. JOHNSON**

**District 37 (Bergen)**

**Assemblyman BOB ANDRZEJCZAK**

**District 1 (Atlantic, Cape May and Cumberland)**

**Assemblywoman PATRICIA EGAN JONES**

**District 5 (Camden and Gloucester)**

**Assemblyman VINCENT MAZZEO**

**District 2 (Atlantic)**

**Assemblyman DAVID P. RIBLE**

**District 30 (Monmouth and Ocean)**

**Assemblyman ERIC HOUGHTALING**

**District 11 (Monmouth)**

**Assemblyman RAJ MUKHERJI**

**District 33 (Hudson)**

**Co-Sponsored by:**

**Assemblymen Land, DeAngelo, Assemblywoman Downey and  
Assemblyman Chiaravalloti**

**SYNOPSIS**

Establishes Gold Star Family Counseling Program in DMVA; creates tax credit for certain health care professionals.

**CURRENT VERSION OF TEXT**

As introduced.

(Sponsorship Updated As Of: 1/20/2017)

1 AN ACT establishing a Gold Star Family Counseling program and a  
2 related tax credit and supplementing Title 38A and Title 54A of  
3 the New Jersey Statutes.

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

7  
8 1. The Legislature finds and declares that:

9 a. Residents of New Jersey have answered the call to fight for  
10 our country many times as members of the United States military  
11 and as members of the New Jersey National Guard.

12 b. Throughout history, New Jersey residents have made the  
13 ultimate sacrifice for their country and have given their life for our  
14 freedom.

15 c. The family members left behind after the untimely deaths of  
16 these brave service members, known as Gold Star family members,  
17 are often left with emotional wounds who need the caring  
18 intervention of a mental health professional to grieve and learn to  
19 live with the new reality of their loved one's passing.

20 d. The United States Department of Veterans Affairs has taken  
21 the lead to provide mental health care to veterans and certain family  
22 members with the establishment of the Care Enough to Share  
23 program which links mental health professionals with an  
24 opportunity to volunteer their time and talents to help the nation's  
25 veterans and certain family members by providing mental health  
26 counseling.

27 e. It is honorable and necessary that the State of New Jersey  
28 assist these family Gold Star family members in their grief by  
29 establishing programs that can link mental health care professionals  
30 with the family members to provide the needed mental health care  
31 free of charge to the families.

32

33 2. As used in this act:

34 "Gold Star family member" means an individual who is a New  
35 Jersey resident and is the surviving spouse, domestic partner,  
36 partner in a civil union, parent, brother, sister, child, legal guardian,  
37 or other legal custodian, whether of the whole blood or the half  
38 blood, of by adoption, of a member of the Armed Forces of the  
39 United States or the National Guard who died while on active duty  
40 for the United States.

41 "Mental health care professional" means a person who is  
42 licensed or otherwise authorized, pursuant to Title 45 of the  
43 Revised Statutes, to practice a health care profession that is  
44 regulated by one of the following boards: the State Board of  
45 Psychological Examiners; the State Board of Social Work  
46 Examiners; the State Board of Marriage and Family Therapy  
47 Examiners, and the Certified Psychoanalysts Advisory Committee.

1       3. There is established in the Department of Military and  
2 Veterans Affairs the "Gold Star Family Counseling Program." The  
3 purpose of this program is to link mental health care professionals  
4 with Gold Star family members to facilitate the provision of mental  
5 health counseling free of charge to the Gold Star family members.  
6 The Adjutant General of the Department of Military and Veterans  
7 Affairs shall create and implement the "Gold Star Family  
8 Counseling Program" as follows.

9       a. The department shall recruit mental health care professionals  
10 to donate professional counseling hours to provide mental health  
11 counseling to Gold Star family members. The department may  
12 coordinate the recruitment efforts with the federal Department of  
13 Veterans Affairs.

14       b. The department shall coordinate with the federal Department  
15 of Veterans Affairs to maintain a list of mental health care  
16 professionals who are available to provide professional mental  
17 health counseling hours to Gold Star family members.

18       c. The department shall maintain and distribute the list of  
19 available mental health care professionals on a Statewide basis and  
20 shall distribute the list of available mental health care professionals  
21 to each county Veteran Service office for the distribution thereof.

22       d. The department shall create a system for monitoring and  
23 verifying the donated hours to facilitate the tax credit provided to  
24 mental health care professionals pursuant to section 5 of  
25 P.L. c. (C. ) (pending before the Legislature as this bill).

26       e. The department shall provide documentation annually to the  
27 mental health care professional for submission to the Department of  
28 the Treasury to verify the amount of tax credit the mental health  
29 care professional is eligible to request annually pursuant to section  
30 5 of P.L. c. (C. ) (pending before the Legislature as this  
31 bill). The amount of annual tax credit shall be determined by the  
32 department as the sum of the hours of donated counseling provided  
33 to the Gold Star family member multiplied by the documented  
34 compensation rate applied to these hours. To determine the  
35 compensation rate, the department shall use the calendar year  
36 TRICARE rate for the service provided in the geographic location  
37 in which the service is provided. The department shall limit the  
38 cumulative hours which are authorized for the annual tax credit to a  
39 minimum of 20 hours and a maximum of 40 hours per year, per  
40 professional.

41  
42       4. All mental health care professionals volunteering for the  
43 "Gold Star Family Counseling Program" established pursuant to  
44 P.L. c. (C. ) (pending before the Legislature as this bill) shall  
45 be immune from civil liability as provided in P.L.1991, c.270  
46 (C.2A:62A-16 et seq.).

1       5. The Adjutant General may apply for and accept on behalf of  
2 the State any grants from the federal government or any agency  
3 thereof, or from any foundation, corporation, association or  
4 individual, except for education grants or federal funds for  
5 education grants, and may comply with the terms, conditions and  
6 limitations thereof, to develop and implement the “Gold Star Family  
7 Counseling Program” established pursuant to P.L. , c. (C. )  
8 (pending before the legislature as this bill). Any money so received  
9 may be expended by the department, subject to any limitations  
10 imposed in such grants, upon warrant of the Director of the  
11 Division of Budget and Accounting of the Department of the  
12 Treasury.

13  
14       6. a. For taxable years beginning on or after January 1, next  
15 following the effective date of P.L. c. (C. ) (pending before  
16 the Legislature as this bill), a taxpayer shall be allowed a credit  
17 against the tax otherwise due for the taxable year under the “New  
18 Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et seq., in an amount  
19 equal to the amount documented annually by the Department of  
20 Military and Veterans Affairs for the Gold Star Family Counseling  
21 Program as established pursuant to section 3 of P.L. c. (C. )  
22 (pending before the Legislature as this bill.).

23       b. The order of priority of the application of the credit allowed  
24 pursuant to this section and any other credits allowed against the  
25 New Jersey gross income tax due pursuant to N.J.S.54A:1-1 et seq.  
26 for a taxable year shall be as prescribed by the director.

27       The amount of the credit applied against the New Jersey gross  
28 income tax due pursuant to N.J.S.54A:1-1 et seq. shall not reduce a  
29 taxpayer’s New Jersey gross income tax liability to an amount less  
30 than zero.

31       c. A business entity that is classified as a partnership for  
32 federal income tax purposes shall not be allowed a credit directly,  
33 but the amount of credit of a taxpayer in respect of a distributive  
34 share of entity income, shall be determined by allocating to the  
35 taxpayer that proportion of the credit acquired by the entity that is  
36 equal to the taxpayer's share, whether or not distributed, of the total  
37 distributive income or gain of the entity for its taxable year ending  
38 within or with the taxpayer's taxable year.

39       A New Jersey S Corporation shall not be allowed a credit  
40 directly under the gross income tax, but the amount of credit of a  
41 taxpayer in respect of a pro rata share of S Corporation income,  
42 shall be determined by allocating to the taxpayer that proportion of  
43 the credit acquired by the New Jersey S Corporation that is equal to  
44 the taxpayer's share, whether or not distributed, of the total pro rata  
45 share of S Corporation income of the New Jersey S Corporation for  
46 its privilege period ending within or with the taxpayer's taxable  
47 year.



ASSEMBLY MILITARY AND VETERANS' AFFAIRS  
COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 4399**

with committee amendments

**STATE OF NEW JERSEY**

DATED: JANUARY 19, 2017

The Assembly Military and Veterans' Affairs Committee reports favorably and with committee amendments Assembly, No. 4399.

This bill would establish the "Gold Star Family Counseling Program" in the Department of Military and Veterans Affairs (DMVA).

As amended, the Gold Star Family Counseling Program is intended to help provide Gold Star family members with mental health care. The program would consist of the recruitment of health care professionals to provide mental health counseling to Gold Star family members free of charge. Specifically, DMVA is directed to recruit psychologists, psychiatrists, psychoanalysts, social workers, and family counselors to provide counseling to Gold Star family members. In exchange for the counseling, the mental health care professionals could receive an annual tax credit equal to the compensation foregone for a minimum of 20 and a maximum of 40 hours of donated counseling time each year.

Currently, Gold Star family members who are the spouse, child or parent of the deceased service member can receive mental health counseling through their health care benefits. However, siblings of adult deceased service members and other family members may not qualify for the counseling sessions that are integral to the family members' emotional healing. This bill will provide mental health professionals with greater ability to assist those individuals in New Jersey who have endured the ultimate sacrifice.

COMMITTEE AMENDMENTS

The committee amended the bill to correct an internal cross-reference.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

## ASSEMBLY, No. 4399

with committee amendments

# STATE OF NEW JERSEY

DATED: JANUARY 30, 2017

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4399 (1R), with committee amendments.

As amended, this bill establishes the “Gold Star Family Counseling Program” in the Department of Military and Veterans Affairs (DMVA).

The Gold Star Family Counseling Program is intended to help provide Gold Star family members with mental health care. The program consists of the recruitment of health care professionals to provide mental health counseling to Gold Star family members free of charge. Specifically, DMVA is directed to recruit psychologists, psychiatrists, psychoanalysts, social workers, and family counselors to provide counseling to Gold Star family members. In exchange for the counseling, the mental health care professionals will receive an annual tax credit equal to the compensation foregone for a minimum of 20 and a maximum of 40 hours of donated counseling time each year.

Currently, only the spouse, child or parent of a deceased service member can receive mental health counseling through their health care benefits. This bill ensures that siblings and other family members of the deceased service member can qualify for the counseling sessions that are integral to the family members’ emotional healing. This bill will provide mental health professionals with greater ability to assist those individuals in New Jersey who have endured the ultimate sacrifice.

### FISCAL IMPACT:

The Office of Legislative Services is unable to determine the magnitude by which gross income tax revenues, which are deposited into the Property Tax Relief Fund, may be reduced as a result of the legislation’s annual non-refundable tax credit for participation in the “Gold Star Family Counseling Program.” The formula for calculating the tax credit a professional may receive is based on two components: 1) the calendar year TRICARE rate for the service provided in the geographic location in which the service is provided; and 2) the cumulative hours donated by the mental health care professional.

The current maximum TRICARE rate for a physician's "family psychotherapy with patient present" is \$111.37 per 60 minute session; the current maximum rate identical service provided by a non-physician is \$83.53 per 60 minute session. The bill requires a mental health care professional to donate 20 cumulative hours of professional counseling, capping the number of donated hours at 40. Based on the rates and hour restrictions, the minimum tax credit amount that may be claimed would be \$1,671 (\$83.53 per 60 minute session multiplied by 20 cumulative hours) and the maximum tax credit amount that may be claimed would be \$4,455 (\$111.37 per 60 minute session multiplied by 40 cumulative hours) for the most recent year during which these TRICARE rates apply. Thus, for every 25 mental health care professionals who donate 40 cumulative hours of professional counseling and claim the non-physician's rate, the State would provide approximately \$41,775 in tax credits. For every 25 mental health care professionals who donate 40 cumulative hours and claim the physician's rate the State would provide approximately \$111,375 in tax credits.

The OLS notes that the tax credit is non-refundable, which does not allow for a taxpayer's New Jersey gross income tax liability to be reduced to an amount less than zero. For context, a joint filing taxpayer with \$100,000 in gross income and two children who claims personal and property tax deductions has an approximate gross income tax liability of \$2,000. If this taxpayer is eligible to receive the maximum non-refundable tax credit of \$4,455, the taxpayer would only be able to utilize \$2,000 of the \$4,455 tax credit. The OLS has no data indicating how many taxpayers claiming the non-refundable tax credit under the legislation may be unable to claim the full credit. Generally, taxpayers with higher gross income tax liabilities would derive greater benefit from the non-refundable tax credit.

Several factors prevent the OLS from estimating the overall impact of the tax credit on gross income tax revenues. Specifically, the bill requires that Gold Star family members be residents of the State of New Jersey. The OLS is unable to determine how many Gold Star family members reside in the State and would be likely to utilize the "Gold Star Family Counseling Program." However, the OLS notes that spouses and children are likely to already receive these counseling services through their insurance, but may choose to pursue further counseling through the program. Likewise, the OLS is unable to determine how many mental health care professionals might participate in the program, how many mental health care professionals would claim the physician rate as opposed to the non-physician rate, or how many cumulative hours of professional counseling each mental health care professional would donate.

According to the Motor Vehicle Commission, 450 Gold Star family license plates have been issued since the passage of P.L.2011, c.17 (C.39:3-27.141 et seq.), which authorizes the distribution of Gold

Star family license plates. The OLS is unable to determine, how many, if any, additional Gold Star family members reside in New Jersey that have not applied for a license.

COMMITTEE AMENDMENT:

The committee has amended the definition of mental health care professional to include a person who provides mental health services. In addition, the definition of “mental health care professional” is amended to include a person who practices a health care profession regulated by the State Board of Medical Examiners.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[Second Reprint]  
**ASSEMBLY, No. 4399**

# **STATE OF NEW JERSEY**

DATED: JUNE 1, 2017

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 4399 (2R).

This bill establishes the “Gold Star Family Counseling Program” in the Department of Military and Veterans Affairs (DMVA).

The Gold Star Family Counseling Program is intended to help provide Gold Star family members with mental health care. The program consists of the recruitment of health care professionals to provide mental health counseling to Gold Star family members free of charge. Specifically, DMVA is directed to recruit psychologists, psychiatrists, psychoanalysts, social workers, and family counselors to provide counseling to Gold Star family members. In exchange for the counseling, the mental health care professionals will receive an annual tax credit equal to the compensation foregone for a minimum of 20 and a maximum of 40 hours of donated counseling time each year.

Currently, only the spouse, child or parent of a deceased service member can receive mental health counseling through their health care benefits. This bill ensures that siblings and other family members of the deceased service member can qualify for the counseling sessions that are integral to the family members’ emotional healing. This bill will provide mental health professionals with greater ability to assist those individuals in New Jersey who have endured the ultimate sacrifice.

The bill will take effect on or after January 1 next following the date of enactment. The tax credit will be available for taxable years beginning on or after January 1 next following the effective date.

As reported, this bill is identical to Senate Bill No. 2858 (1R), as also reported by the committee.

### FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that an indeterminate annual State revenue reduction will result from the enactment of this bill. The OLS has insufficient data with which to estimate the amount of this revenue reduction, which will comprise tax credits against gross income tax liabilities of eligible mental health care professionals who donate professional counseling hours to

provide mental health counseling to Gold Star family members through the “Gold Star Family Counseling Program.”

Based on the TRICARE rates and cumulative hour restrictions provided for in the bill, the minimum tax credit amount that may be claimed would be \$1,671 (\$83.53 per 60 minute session multiplied by 20 cumulative hours) and the maximum tax credit amount that may be claimed would be \$4,455 (\$111.37 per 60 minute session multiplied by 40 cumulative hours) for the most recent year during which these TRICARE rates apply. Thus, for every 25 mental health care professionals who donate 40 cumulative hours of professional counseling and claim the non-physician’s rate of \$83.53 per 60 minute session, the State would provide approximately \$41,775 in tax credits. For every 25 mental health care professionals who donate 40 cumulative hours of professional counseling and claim the physician’s rate of \$111.37 per 60 minute session the State would provide approximately \$111,375 in tax credits.

According to the Motor Vehicle Commission, 450 Gold Star family license plates have been issued since the passage of P.L.2011, c.17 (C.39:3-27.141 et seq.), which authorizes the distribution of Gold Star family license plates. The OLS is unable to determine how many, if any, additional individuals reside in New Jersey that would qualify as Gold Star family members but have not applied for a license plate. Further, no information is available that indicates the demand for mental health counseling by Gold Star family members.

STATEMENT TO

[Second Reprint]

**ASSEMBLY No. 4399**

with Senate Floor Amendments  
(Proposed by Senator BEACH)

ADOPTED: JUNE 22, 2017

These floor amendments add the Alcohol and Drug Counselor Committee and the Professional Counselor Examiners Committee to the definition of “mental health care professional” in the bill.

# LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

**ASSEMBLY, No. 4399**

## **STATE OF NEW JERSEY 217th LEGISLATURE**

DATED: FEBRUARY 13, 2017

### **SUMMARY**

- Synopsis:** Establishes Gold Star Family Counseling Program in DMVA; creates tax credit for certain health care professionals.
- Type of Impact:** State revenue reduction, Property Tax Relief Fund.
- Agencies Affected:** Department of Military and Veterans' Affairs; Division of Taxation in the Department of the Treasury.

#### **Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Revenue</b>	Indeterminate Decrease– See comments below		

- The Office of Legislative Services (OLS) estimates that an indeterminate annual State revenue reduction will result from the enactment of this bill. The OLS has insufficient data with which to estimate the amount of this revenue reduction, which will comprise tax credits against gross income tax liabilities of eligible mental health care professionals who donate professional counseling hours to provide mental health counseling to Gold Star family members through the “Gold Star Family Counseling Program.”
- Based on the TRICARE rates and cumulative hour restrictions provided for in the legislation, the minimum tax credit amount that may be claimed would be \$1,671 (\$83.53 per 60 minute session multiplied by 20 cumulative hours) and the maximum tax credit amount that may be claimed would be \$4,455 (\$111.37 per 60 minute session multiplied by 40 cumulative hours) for the most recent year during which these TRICARE rates apply. Thus, for every 25 mental health care professionals who donate 40 cumulative hours of professional counseling and claim the non-physician’s rate of \$83.53 per 60 minute session the State would provide approximately \$41,775 in tax credits. For every 25 mental health care professionals who donate 40 cumulative hours of professional counseling and claim the physician’s rate of \$111.37 per 60 minute session the State would provide approximately \$111,375 in tax credits.
- According to the Motor Vehicle Commission, 450 Gold Star family license plates have been issued since the passage of P.L.2011, c.17 (C.39:3-27.141 et seq.), which authorizes the

distribution of Gold Star family license plates. The OLS is unable to determine how many, if any, additional individuals reside in New Jersey that would qualify as Gold Star family members but have not applied for a license plate. Further, no information is available that indicates the demand for mental health counseling by Gold Star family members.

## **BILL DESCRIPTION**

Assembly Bill No. 4399 (2R) of 2016 would establish the “Gold Star Family Counseling Program” in the Department of Military and Veterans Affairs (DMVA).

The Gold Star Family Counseling Program is intended to help provide Gold Star family members with mental health care. The program would consist of the recruitment of health care professionals to provide mental health counseling to Gold Star family members free of charge. Specifically, DMVA is directed to recruit psychologists, psychiatrists, psychoanalysts, social workers, and family counselors to provide counseling to Gold Star family members. In exchange for the counseling, the mental health care professionals could receive an annual tax credit equal to the compensation forgone for a minimum of 20 and a maximum of 40 hours of donated counseling time each year.

Currently, Gold Star family members who are the spouse, child or parent of the deceased service member can receive mental health counseling through their health care benefits. However, siblings of adult deceased service members and other family members may not qualify for the counseling sessions that are integral to the family members’ emotional healing. This bill will provide mental health professionals with greater ability to assist those individuals in New Jersey who have endured the ultimate sacrifice.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

#### Gold Star Family Counseling Program

According to the Motor Vehicle Commission, 450 Gold Star family license plates have been issued since the passage of P.L.2011, c.17 (C.39:3-27.141 et seq.), which authorizes the distribution of Gold Star family license plates. The OLS is unable to determine, how many, if any, additional individuals reside in New Jersey that would qualify as Gold Star family members but have not applied for a license plate. Further, no information is available that indicates the demand for mental health counseling by Gold Star family members.

#### Tax Credit

The OLS has insufficient data with which to estimate the amount by which gross income tax revenues, which are deposited into the Property Tax Relief Fund, may be reduced as a result of the legislation’s annual non-refundable tax credit.

The legislation's non-refundable tax credit would be paid through the State's gross income tax to eligible mental health care professionals who donate professional counseling hours to provide mental health counseling to Gold Star family members through the "Gold Star Family Counseling Program." The formula for calculating the tax credit a mental health care professional may be eligible to receive would be based on two components: 1) the calendar year TRICARE rate for the service provided in the geographic location in which the service is provided; and 2) the cumulative hours donated by the mental health care professional for providing the service to the Gold Star family members.

**TRICARE Rate:** According to the official website of the Military Health System and the Defense Health Agency, [www.health.mil](http://www.health.mil), the current maximum amount TRICARE is allowed to pay for "family psychotherapy with patient present," a service provided by a physician in an office setting, is \$111.37 per 60 minute session<sup>1</sup>. The current maximum amount TRICARE is allowed to pay for the identical service provided by a non-physician in an office setting is \$83.53 per 60 minute session.

**Cumulative Hours:** The legislation provides that a mental health care professional must donate 20 cumulative hours of professional counseling before the mental health care professional is eligible to receive the tax credit. The legislation caps the number of donated hours a mental health care professional may claim at 40 cumulative hours of donated professional counseling.

**Tax Credit Calculation and Limitations:** Based on the TRICARE rates and cumulative hour restrictions provided for in the legislation, the minimum tax credit amount that may be claimed would be \$1,671 (\$83.53 per 60 minute session multiplied by 20 cumulative hours) and the maximum tax credit amount that may be claimed would be \$4,455 (\$111.37 per 60 minute session multiplied by 40 cumulative hours) for the most recent year during which these TRICARE rates apply. Thus, for every 25 mental health care professionals who donate 40 cumulative hours of professional counseling and claim the non-physician's rate of \$83.53 per 60 minute session the State would provide approximately \$41,775 in tax credits. For every 25 mental health care professionals who donate 40 cumulative hours of professional counseling and claim the physician's rate of \$111.37 per 60 minute session the State would provide approximately \$111,375 in tax credits.

The OLS notes that a variety of limitations and unknowns exist which may impact the magnitude of the legislation's tax credit on gross income tax revenues. Specifically, the tax credit is non-refundable which does not allow for a taxpayer's New Jersey gross income tax liability to be reduced to an amount less than zero. For context, a joint filing taxpayer with \$100,000 in gross income and two children who claims personal and property tax deductions has an approximate gross income tax liability of \$2,000. If this taxpayer is eligible to receive the maximum non-refundable tax credit of \$4,455, the taxpayer would only be able to utilize \$2,000 of the \$4,455 tax credit since the remaining \$2,455 of the tax credit would reduce the taxpayer's gross income tax liability to an amount less than zero. The OLS has no data indicating how many taxpayers claiming the non-refundable tax credit under the legislation may be unable to claim the full credit. Generally, taxpayers with higher gross income tax liabilities would derive greater benefit from the non-refundable tax credit.

Several factors prevent the OLS from estimating the overall impact of the tax credit on gross income tax revenues. Specifically, the bill requires that Gold Star family members be residents of the State of New Jersey. The OLS is unable to determine how many Gold Star family members reside in the State and would be likely to utilize the "Gold Star Family Counseling Program." However, the OLS notes that spouses and children are likely to already receive these

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<sup>1</sup> These TRICARE rates reflect the geographic location coded "Rest of NJ." The other geographic location code for New Jersey is "Northern NJ" which varies from the "Rest of NJ" rates by approximately two dollars.

counseling services through their insurance, but may choose to pursue further counseling through the program. Thus, the legislation may have more of an impact on relatives such as brothers and sisters of the deceased veteran. Likewise, the OLS is unable to determine how many mental health care professionals might participate in the program, how many mental health care professionals would claim the physician rate as opposed to the non-physician rate, or how many cumulative hours of professional counseling each mental health care professional would donate. Given the absence of available resources for this information, the OLS is unable to provide an estimate as to the overall impact of the tax credits on gross income tax revenues.

*Section: Revenue, Finance and Appropriations*

*Analyst: Jordan M. DiGiovanni  
Associate Fiscal Analyst*

*Approved: Frank W. Haines III  
Legislative Budget and Finance Officer*

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

**SENATE, No. 2858**

**STATE OF NEW JERSEY**  
**217th LEGISLATURE**

INTRODUCED DECEMBER 12, 2016

**Sponsored by:**

**Senator JAMES BEACH**

**District 6 (Burlington and Camden)**

**Senator FRED H. MADDEN, JR.**

**District 4 (Camden and Gloucester)**

**Co-Sponsored by:**

**Senators Cruz-Perez and Van Drew**

**SYNOPSIS**

Establishes Gold Star Family Counseling Program in DMVA; creates tax credit for certain health care professionals.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 1/24/2017)**

1 AN ACT establishing a Gold Star Family Counseling program and a  
2 related tax credit and supplementing Title 38A and Title 54A of  
3 the New Jersey Statutes.

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

7  
8 1. The Legislature finds and declares that:

9 a. Residents of New Jersey have answered the call to fight for  
10 our country many times as members of the United States military  
11 and as members of the New Jersey National Guard.

12 b. Throughout history, New Jersey residents have made the  
13 ultimate sacrifice for their country and have given their life for our  
14 freedom.

15 c. The family members left behind after the untimely deaths of  
16 these brave service members, known as Gold Star family members,  
17 are often left with emotional wounds who need the caring  
18 intervention of a mental health professional to grieve and learn to  
19 live with the new reality of their loved one's passing.

20 d. The United States Department of Veterans Affairs has taken  
21 the lead to provide mental health care to veterans and certain family  
22 members with the establishment of the Care Enough to Share  
23 program which links mental health professionals with an  
24 opportunity to volunteer their time and talents to help the nation's  
25 veterans and certain family members by providing mental health  
26 counseling.

27 e. It is honorable and necessary that the State of New Jersey  
28 assist these family Gold Star family members in their grief by  
29 establishing programs that can link mental health care professionals  
30 with the family members to provide the needed mental health care  
31 free of charge to the families.

32

33 2. As used in this act:

34 "Gold Star family member" means an individual who is a New  
35 Jersey resident and is the surviving spouse, domestic partner,  
36 partner in a civil union, parent, brother, sister, child, legal guardian,  
37 or other legal custodian, whether of the whole blood or the half  
38 blood, of by adoption, of a member of the Armed Forces of the  
39 United States or the National Guard who died while on active duty  
40 for the United States.

41 "Mental health care professional" means a person who is  
42 licensed or otherwise authorized, pursuant to Title 45 of the  
43 Revised Statutes, to practice a health care profession that is  
44 regulated by one of the following boards: the State Board of  
45 Psychological Examiners; the State Board of Social Work  
46 Examiners; the State Board of Marriage and Family Therapy  
47 Examiners, and the Certified Psychoanalysts Advisory Committee.

1       3. There is established in the Department of Military and  
2 Veterans Affairs the "Gold Star Family Counseling Program." The  
3 purpose of this program is to link mental health care professionals  
4 with Gold Star family members to facilitate the provision of mental  
5 health counseling free of charge to the Gold Star family members.  
6 The Adjutant General of the Department of Military and Veterans  
7 Affairs shall create and implement the "Gold Star Family  
8 Counseling Program" as follows.

9       a. The department shall recruit mental health care professionals  
10 to donate professional counseling hours to provide mental health  
11 counseling to Gold Star family members. The department may  
12 coordinate the recruitment efforts with the federal Department of  
13 Veterans Affairs.

14       b. The department shall coordinate with the federal Department  
15 of Veterans Affairs to maintain a list of mental health care  
16 professionals who are available to provide professional mental  
17 health counseling hours to Gold Star family members.

18       c. The department shall maintain and distribute the list of  
19 available mental health care professionals on a Statewide basis and  
20 shall distribute the list of available mental health care professionals  
21 to each county Veteran Service office for the distribution thereof.

22       d. The department shall create a system for monitoring and  
23 verifying the donated hours to facilitate the tax credit provided to  
24 mental health care professionals pursuant to section 5 of P.L.   c.  
25 (C.   ) (pending before the Legislature as this bill).

26       e. The department shall provide documentation annually to the  
27 mental health care professional for submission to the Department of  
28 the Treasury to verify the amount of tax credit the mental health  
29 care professional is eligible to request annually pursuant to section  
30 5 of P.L.   c. (C.   ) (pending before the Legislature as this  
31 bill). The amount of annual tax credit shall be determined by the  
32 department as the sum of the hours of donated counseling provided  
33 to the Gold Star family member multiplied by the documented  
34 compensation rate applied to these hours. To determine the  
35 compensation rate, the department shall use the calendar year  
36 TRICARE rate for the service provided in the geographic location  
37 in which the service is provided. The department shall limit the  
38 cumulative hours which are authorized for the annual tax credit to a  
39 minimum of 20 hours and a maximum of 40 hours per year, per  
40 professional.

41  
42       4. All mental health care professionals volunteering for the  
43 "Gold Star Family Counseling Program" established pursuant to  
44 P.L.   c. (C.   ) (pending before the Legislature as this bill) shall  
45 be immune from civil liability as provided in P.L.1991, c.270  
46 (C.2A:62A-16 et seq.).

1       5. The Adjutant General may apply for and accept on behalf of  
2 the State any grants from the federal government or any agency  
3 thereof, or from any foundation, corporation, association or  
4 individual, except for education grants or federal funds for  
5 education grants, and may comply with the terms, conditions and  
6 limitations thereof, to develop and implement the “Gold Star Family  
7 Counseling Program” established pursuant to P.L. , c. (C. )  
8 (pending before the legislature as this bill). Any money so received  
9 may be expended by the department, subject to any limitations  
10 imposed in such grants, upon warrant of the Director of the  
11 Division of Budget and Accounting of the Department of the  
12 Treasury.

13  
14       6. a. For taxable years beginning on or after January 1, next  
15 following the effective date of P.L. c. (C. ) (pending before  
16 the Legislature as this bill), a taxpayer shall be allowed a credit  
17 against the tax otherwise due for the taxable year under the “New  
18 Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et seq., in an amount  
19 equal to the amount documented annually by the Department of  
20 Military and Veterans Affairs for the Gold Star Family Counseling  
21 Program as established pursuant to section 3 of P.L. c. (C)  
22 (pending before the Legislature as this bill.).

23       b. The order of priority of the application of the credit allowed  
24 pursuant to this section and any other credits allowed against the  
25 New Jersey gross income tax due pursuant to N.J.S.54A:1-1 et seq.  
26 for a taxable year shall be as prescribed by the director.

27       The amount of the credit applied against the New Jersey gross  
28 income tax due pursuant to N.J.S.54A:1-1 et seq. shall not reduce a  
29 taxpayer’s New Jersey gross income tax liability to an amount less  
30 than zero.

31       c. A business entity that is classified as a partnership for  
32 federal income tax purposes shall not be allowed a credit directly,  
33 but the amount of credit of a taxpayer in respect of a distributive  
34 share of entity income, shall be determined by allocating to the  
35 taxpayer that proportion of the credit acquired by the entity that is  
36 equal to the taxpayer's share, whether or not distributed, of the total  
37 distributive income or gain of the entity for its taxable year ending  
38 within or with the taxpayer's taxable year.

39       A New Jersey S Corporation shall not be allowed a credit  
40 directly under the gross income tax, but the amount of credit of a  
41 taxpayer in respect of a pro rata share of S Corporation income,  
42 shall be determined by allocating to the taxpayer that proportion of  
43 the credit acquired by the New Jersey S Corporation that is equal to  
44 the taxpayer's share, whether or not distributed, of the total pro rata  
45 share of S Corporation income of the New Jersey S Corporation for  
46 its privilege period ending within or with the taxpayer's taxable  
47 year.

1       7. The Adjutant General shall, in accordance with the  
2 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
3 seq.), adopt any rules and regulations necessary to carry out the  
4 provisions of this act.

5

6       8. This act shall take effect on or after January 1 next following  
7 enactment, except the Adjutant General may take any anticipatory  
8 administrative action in advance as shall be necessary for the  
9 implementation of this act.

10

11

12

STATEMENT

13

14       This bill would establish the "Gold Star Family Counseling  
15 Program" in the Department of Military and Veterans Affairs  
16 (DMVA).

17       Throughout history, New Jersey residents have answered the call  
18 and defended the United States as members of the United States  
19 military and as members of the New Jersey National Guard.  
20 Unfortunately, some of these brave New Jersey residents have made  
21 the ultimate sacrifice for their country and have given their life for  
22 our freedom.

23       The family members left behind after the untimely deaths of  
24 these brave service members, known as Gold Star family members,  
25 are often left with emotional wounds who need the caring  
26 intervention of a mental health professional to grieve and learn to  
27 live with the new reality of their loved one's passing.

28       The Gold Star Family Counseling Program is intended to help  
29 provide Gold Star family members with mental health care. The  
30 program would consist of the recruitment of health care  
31 professionals to provide mental health counseling to Gold Star  
32 family members free of charge. Specifically, DMVA is directed to  
33 recruit psychologists, psychiatrists, psychoanalysts, social workers,  
34 and family counselors to provide counseling to Gold Star family  
35 members. In exchange for the counseling, the mental health care  
36 professionals could receive an annual tax credit equal to the  
37 compensation foregone for a minimum of 20 and a maximum of 40  
38 hours of donated counseling time each year.

39       Currently, Gold Star family members who are the spouse, child  
40 or parent of the deceased service member can receive mental health  
41 counseling through their health care benefits. However, siblings of  
42 adult deceased service members and other family members may not  
43 qualify for the counseling sessions that are integral to the family  
44 members' emotional healing. This bill will provide mental health  
45 professionals with greater ability to assist those individuals in New  
46 Jersey who have endured the ultimate sacrifice.

SENATE MILITARY AND VETERANS' AFFAIRS  
COMMITTEE

STATEMENT TO  
**SENATE, No. 2858**

with committee amendments

**STATE OF NEW JERSEY**

DATED: JANUARY 23, 2017

The Senate Military and Veterans' Affairs Committee reports favorably and with committee amendments Senate Bill No. 2858.

As amended, this bill would establish the "Gold Star Family Counseling Program" in the Department of Military and Veterans' Affairs (DMVA).

Throughout history, New Jersey residents have answered the call and defended the United States as members of the United States military and as members of the New Jersey National Guard. Unfortunately, some of these brave New Jersey residents have made the ultimate sacrifice for their country and have given their life for our freedom.

The family members left behind after the untimely deaths of these brave service members, known as Gold Star family members, are often left with emotional wounds who need the caring intervention of a mental health professional to grieve and learn to live with the new reality of their loved one's passing.

The Gold Star Family Counseling Program is intended to help provide Gold Star family members with mental health care. The program would consist of the recruitment of licensed health care professionals to provide mental health counseling to Gold Star family members free of charge. Specifically, DMVA is directed to recruit psychologists, psychiatrists, psychoanalysts, social workers, and family counselors to provide counseling to Gold Star family members. In exchange for the counseling, the mental health care professionals could receive an annual tax credit equal to the compensation foregone for a minimum of 20 and a maximum of 40 hours of donated counseling time each year.

Currently, Gold Star family members who are the spouse, child or parent of the deceased service member can receive mental health counseling through their health care benefits. However, siblings of adult deceased service members and other family members may not qualify for the counseling sessions that are integral to the family members' emotional healing. This bill will provide mental health professionals with greater ability to assist those individuals in New Jersey who have endured the ultimate sacrifice.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

**SENATE, No. 2858**

# **STATE OF NEW JERSEY**

DATED: JUNE 1, 2017

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2858 (1R).

This bill establishes the “Gold Star Family Counseling Program” in the Department of Military and Veterans Affairs (DMVA).

The Gold Star Family Counseling Program is intended to help provide Gold Star family members with mental health care. The program consists of the recruitment of health care professionals to provide mental health counseling to Gold Star family members free of charge. Specifically, DMVA is directed to recruit psychologists, psychiatrists, psychoanalysts, social workers, and family counselors to provide counseling to Gold Star family members. In exchange for the counseling, the mental health care professionals will receive an annual tax credit equal to the compensation foregone for a minimum of 20 and a maximum of 40 hours of donated counseling time each year.

Currently, only the spouse, child or parent of a deceased service member can receive mental health counseling through their health care benefits. This bill ensures that siblings and other family members of the deceased service member can qualify for the counseling sessions that are integral to the family members’ emotional healing. This bill will provide mental health professionals with greater ability to assist those individuals in New Jersey who have endured the ultimate sacrifice.

The bill will take effect on or after January 1 next following the date of enactment. The tax credit will be available for taxable years beginning on or after January 1 next following the effective date.

As reported, this bill is identical to Assembly Bill No. 4399 (2R), as also reported by the committee.

### FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that an indeterminate annual State revenue reduction will result from the enactment of this bill. The OLS has insufficient data with which to estimate the amount of this revenue reduction, which will comprise tax credits against gross income tax liabilities of eligible mental health care professionals who donate professional counseling hours to

provide mental health counseling to Gold Star family members through the “Gold Star Family Counseling Program.”

Based on the TRICARE rates and cumulative hour restrictions provided for in the bill, the minimum tax credit amount that may be claimed would be \$1,671 (\$83.53 per 60 minute session multiplied by 20 cumulative hours) and the maximum tax credit amount that may be claimed would be \$4,455 (\$111.37 per 60 minute session multiplied by 40 cumulative hours) for the most recent year during which these TRICARE rates apply. Thus, for every 25 mental health care professionals who donate 40 cumulative hours of professional counseling and claim the non-physician’s rate of \$83.53 per 60 minute session, the State would provide approximately \$41,775 in tax credits. For every 25 mental health care professionals who donate 40 cumulative hours of professional counseling and claim the physician’s rate of \$111.37 per 60 minute session the State would provide approximately \$111,375 in tax credits.

According to the Motor Vehicle Commission, 450 Gold Star family license plates have been issued since the passage of P.L.2011, c.17 (C.39:3-27.141 et seq.), which authorizes the distribution of Gold Star family license plates. The OLS is unable to determine how many, if any, additional individuals reside in New Jersey that would qualify as Gold Star family members but have not applied for a license plate. Further, no information is available that indicates the demand for mental health counseling by Gold Star family members.

STATEMENT TO  
[First Reprint]  
**SENATE, No. 2858**

with Senate Floor Amendments  
(Proposed by Senators BEACH and MADDEN)

ADOPTED: JUNE 22, 2017

These floor amendments add the Alcohol and Drug Counselor Committee and the Professional Counselor Examiners Committee to the definition of “mental health care professional” in the bill.

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## SENATE, No. 2858 STATE OF NEW JERSEY 217th LEGISLATURE

DATED: JUNE 1, 2017

### SUMMARY

- Synopsis:** Establishes Gold Star Family Counseling Program in DMVA; creates tax credit for certain health care professionals.
- Type of Impact:** State revenue reduction, Property Tax Relief Fund.
- Agencies Affected:** Department of Military and Veterans' Affairs; and Department of the Treasury.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020 and thereafter</u></b>
<b>State Revenue</b>	Indeterminate Decrease – See comments below.		

- The Office of Legislative Services (OLS) estimates that an indeterminate annual State revenue reduction will result from the enactment of this bill. The OLS has insufficient data with which to estimate the amount of this revenue reduction, which will comprise tax credits against gross income tax liabilities of eligible mental health care professionals who donate professional counseling hours to provide mental health counseling to Gold Star family members through the “Gold Star Family Counseling Program.”
- Based on the TRICARE rates and cumulative hour restrictions provided for in the legislation, the minimum tax credit amount that may be claimed would be \$1,671 (\$83.53 per 60 minute session multiplied by 20 cumulative hours) and the maximum tax credit amount that may be claimed would be \$4,455 (\$111.37 per 60 minute session multiplied by 40 cumulative hours) for the most recent year during which these TRICARE rates apply. Thus, for every 25 mental health care professionals who donate 40 cumulative hours of professional counseling and claim the non-physician’s rate of \$83.53 per 60 minute session the State would provide approximately \$41,775 in tax credits. For every 25 mental health care professionals who donate 40 cumulative hours of professional counseling and claim the physician’s rate of \$111.37 per 60 minute session the State would provide approximately \$111,375 in tax credits.
- According to the Motor Vehicle Commission, 450 Gold Star family license plates have been issued since the passage of P.L.2011, c.17 (C.39:3-27.141 et seq.), which authorizes the

distribution of Gold Star family license plates. The OLS is unable to determine how many, if any, additional individuals reside in New Jersey that would qualify as Gold Star family members but have not applied for a license plate. Further, no information is available that indicates the demand for mental health counseling by Gold Star family members.

## **BILL DESCRIPTION**

Senate Bill No. 2858 (1R) of 2016 would establish the “Gold Star Family Counseling Program” in the Department of Military and Veterans Affairs (DMVA).

The Gold Star Family Counseling Program is intended to help provide Gold Star family members with mental health care. The program would consist of the recruitment of health care professionals to provide mental health counseling to Gold Star family members free of charge. Specifically, DMVA is directed to recruit psychologists, psychiatrists, psychoanalysts, social workers, and family counselors to provide counseling to Gold Star family members. In exchange for the counseling, the mental health care professionals could receive an annual tax credit equal to the compensation forgone for a minimum of 20 and a maximum of 40 hours of donated counseling time each year.

Currently, Gold Star family members who are the spouse, child or parent of the deceased service member can receive mental health counseling through their health care benefits. However, siblings of adult deceased service members and other family members may not qualify for the counseling sessions that are integral to the family members’ emotional healing. This bill will provide mental health professionals with greater ability to assist those individuals in New Jersey who have endured the ultimate sacrifice.

This bill would take effect on or after January 1 of the first year following enactment.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

#### **Gold Star Family Counseling Program**

According to the Motor Vehicle Commission, 450 Gold Star family license plates have been issued since the passage of P.L.2011, c.17 (C.39:3-27.141 et seq.), which authorizes the distribution of Gold Star family license plates. The OLS is unable to determine, how many, if any, additional individuals reside in New Jersey that would qualify as Gold Star family members but have not applied for a license plate. Further, no information is available that indicates the demand for mental health counseling by Gold Star family members.

#### **Tax Credit**

The OLS has insufficient data with which to estimate the amount by which gross income tax revenues, which are deposited into the Property Tax Relief Fund, may be reduced as a result of the legislation’s annual non-refundable tax credit.

The legislation's non-refundable tax credit would be paid through the State's gross income tax to eligible mental health care professionals who donate professional counseling hours to provide mental health counseling to Gold Star family members through the "Gold Star Family Counseling Program." The formula for calculating the tax credit a mental health care professional may be eligible to receive would be based on two components: 1) the calendar year TRICARE rate for the service provided in the geographic location in which the service is provided; and 2) the cumulative hours donated by the mental health care professional for providing the service to the Gold Star family members.

**TRICARE Rate:** According to the official website of the Military Health System and the Defense Health Agency, [www.health.mil](http://www.health.mil), the current maximum amount TRICARE is allowed to pay for "family psychotherapy with patient present," a service provided by a physician in an office setting, is \$111.37 per 60 minute session<sup>1</sup>. The current maximum amount TRICARE is allowed to pay for the identical service provided by a non-physician in an office setting is \$83.53 per 60 minute session.

**Cumulative Hours:** The legislation provides that a mental health care professional must donate 20 cumulative hours of professional counseling before the mental health care professional is eligible to receive the tax credit. The legislation caps the number of donated hours a mental health care professional may claim at 40 cumulative hours of donated professional counseling.

**Tax Credit Calculation and Limitations:** Based on the TRICARE rates and cumulative hour restrictions provided for in the legislation, the minimum tax credit amount that may be claimed would be \$1,671 (\$83.53 per 60 minute session multiplied by 20 cumulative hours) and the maximum tax credit amount that may be claimed would be \$4,455 (\$111.37 per 60 minute session multiplied by 40 cumulative hours) for the most recent year during which these TRICARE rates apply. Thus, for every 25 mental health care professionals who donate 40 cumulative hours of professional counseling and claim the non-physician's rate of \$83.53 per 60 minute session the State would provide approximately \$41,775 in tax credits. For every 25 mental health care professionals who donate 40 cumulative hours of professional counseling and claim the physician's rate of \$111.37 per 60 minute session the State would provide approximately \$111,375 in tax credits.

The OLS notes that a variety of limitations and unknowns exist which may impact the magnitude of the legislation's tax credit on gross income tax revenues. Specifically, the tax credit is non-refundable which does not allow for a taxpayer's New Jersey gross income tax liability to be reduced to an amount less than zero. For context, a joint filing taxpayer with \$100,000 in gross income and two children who claims personal and property tax deductions has an approximate gross income tax liability of \$2,000. If this taxpayer is eligible to receive the maximum non-refundable tax credit of \$4,455, the taxpayer would only be able to utilize \$2,000 of the \$4,455 tax credit since the remaining \$2,455 of the tax credit would reduce the taxpayer's gross income tax liability to an amount less than zero. The OLS has no data indicating how many taxpayers claiming the non-refundable tax credit under the legislation may be unable to claim the full credit. Generally, taxpayers with higher gross income tax liabilities would derive greater benefit from the non-refundable tax credit.

Several factors prevent the OLS from estimating the overall impact of the tax credit on gross income tax revenues. Specifically, the bill requires that Gold Star family members be residents of the State of New Jersey. The OLS is unable to determine how many Gold Star family members reside in the State and would be likely to utilize the "Gold Star Family Counseling Program." However, the OLS notes that spouses and children are likely to already receive these

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<sup>1</sup> These TRICARE rates reflect the geographic location coded "Rest of NJ." The other geographic location code for New Jersey is "Northern NJ" which varies from the "Rest of NJ" rates by approximately two dollars.

counseling services through their insurance, but may choose to pursue further counseling through the program. Thus, the legislation may have more of an impact on relatives such as brothers and sisters of the deceased veteran. Likewise, the OLS is unable to determine how many mental health care professionals might participate in the program, how many mental health care professionals would claim the physician rate as opposed to the non-physician rate, or how many cumulative hours of professional counseling each mental health care professional would donate. Given the absence of available resources for this information, the OLS is unable to provide an estimate as to the overall impact of the tax credits on gross income tax revenues.

*Section: Revenue, Finance and Appropriations*

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