

54A:6-26

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2001 **CHAPTER:** 84
NJSA: 54A:6-26 (Veterans—tax exemption)
BILL NO: A1256 (Substituted for S847)
SPONSOR(S): Cottrell and Malone
DATE INTRODUCED: Pre-filed
COMMITTEE: **ASSEMBLY:** Commerce, Tourism...; Appropriations
SENATE: ----

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** March 8, 2001
SENATE: March 29, 2001

DATE OF APPROVAL: May 7, 2001

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (1st reprint enacted)

(Amendments during passage denoted by superscript numbers)

A1256

SPONSORS STATEMENT: (Begins on page 2 of original bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes 5-1-2000
(Commerce)

1-18-2001 (Approp.)

SENATE: No

FLOOR AMENDMENT STATEMENT: Yes

LEGISLATIVE FISCAL NOTE: Yes

S847

SPONSORS STATEMENT: (Begins on page 2 of original bill) Yes

Bill and Sponsors Statement identical to A1256

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes 5-22-00 (Senior

Cit.)

Identical to Assembly Commerce Statement for

A1256

2-26-2001 (Budget)

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL NOTE: Yes

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

"Law exempts vet benefits from state income taxes," 5-8-2001 The Record, p.A4

"DiFrancesco signs income tax break for vet benefits," 5-8-2001 Star-Ledger, p38

ASSEMBLY, No. 1256

STATE OF NEW JERSEY 209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

Sponsored by:

Assemblyman MELVIN COTTRELL

District 30 (Burlington, Monmouth and Ocean)

Assemblyman JOSEPH R. MALONE, III

District 30 (Burlington, Monmouth and Ocean)

Co-Sponsored by:

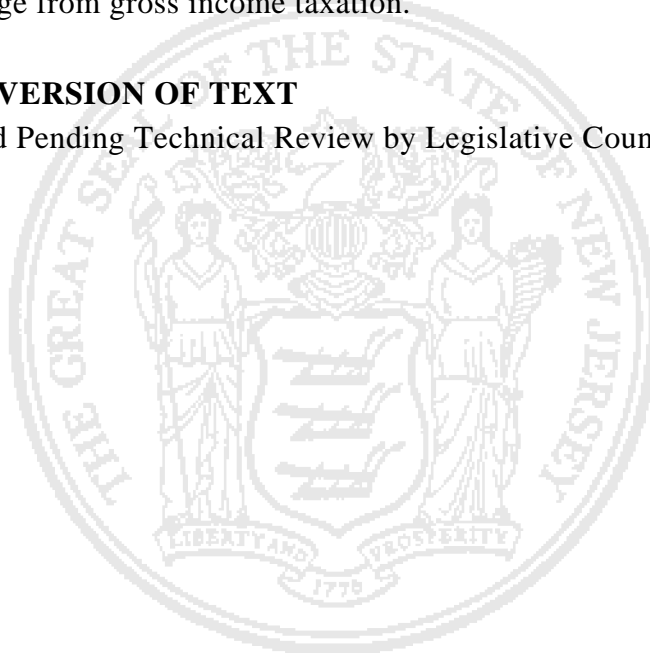
**Assemblymen Moran, Conaway, Connors, Greenwald, Assemblywoman
Previte, Assemblymen Connors, Wolfe, LeFevre and Assemblywoman
Crecco**

SYNOPSIS

Excludes U.S. military pensions and survivor's benefits of persons less than 62 years of age from gross income taxation.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 5/2/2000)

A1256 COTTRELL, MALONE

2

1 AN ACT concerning the exclusion of certain persons' military pension
2 payments and survivor's benefits from gross income subject to the
3 gross income tax, amending P.L.1997, c.409.

4

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

7

8 1. Section 1 of P.L.1997, c.409 (C.54A:6-26) is amended to read
9 as follows:

10 1. Gross income shall not include military pension payments or
11 military survivor's benefit payments paid to individuals by the United
12 States with respect to service in the Armed Forces of the United States
13 [by a person who is 62 years of age or older or who, by virtue of
14 disability, is or would be eligible to receive payments under the Federal
15 Social Security Act at any point during the taxable year for which the
16 military pension payment or the military survivor's benefit payments
17 would otherwise be included as income].

18 (cf: P.L.1997, c.409, s.1)

19

20 2. This act shall take effect immediately and apply to taxable years
21 beginning on or after January 1 following enactment.

22

23

24

STATEMENT

25

26 This bill excludes U.S. military pensions and survivor's benefits of
27 persons less than 62 years of age from gross income taxation.

28 The Legislature passed Assembly Bill No. 229 of 1996 to exclude
29 military pensions and military survivor's benefits from taxation under
30 the New Jersey gross income tax. The Governor conditionally vetoed
31 the bill, and amendments were adopted in accordance with the
32 Governor's recommendation that application of the exclusion be
33 limited to persons 62 years of age or older and the disabled. This bill
34 amends the current limited exclusion to allow *all* recipients of military
35 pensions and survivors benefits to exclude those payments from
36 taxable gross income.

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

Matter underlined thus is new matter.

ASSEMBLY COMMERCE, TOURISM, GAMING AND
MILITARY AND VETERANS' AFFAIRS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1256

STATE OF NEW JERSEY

DATED: MAY 1, 2000

The Assembly Commerce, Tourism, Gaming and Military and Veterans' Affairs Committee reports favorably Assembly, No. 1256.

This bill excludes U.S. military pensions and survivor's benefits of persons less than 62 years of age from gross income taxation.

The Legislature passed Assembly Bill No. 229 of 1996 to exclude military pensions and military survivor's benefits from taxation under the New Jersey gross income tax. The Governor conditionally vetoed the bill, and amendments were adopted in accordance with the Governor's recommendation and the bill was enacted into law as P.L.1997, c.409.

Under current law, pursuant to P.L.1997, c.409, the military pensions of the following groups are exempt from income taxation:

- C veterans aged 62 or over;
- C disabled veterans regardless of age; and
- C surviving spouses of disabled veterans or veterans over the age of 62 regardless of the age of the surviving spouse.

This bill amends the current exemption to allow all recipients of military pensions and survivors benefits to exclude those payments from taxable gross income.

This bill was prefiled for introduction in the 2000-2001 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.

FISCAL NOTE
ASSEMBLY, No. 1256
STATE OF NEW JERSEY
209th LEGISLATURE

DATED: JANUARY 10, 2001

SUMMARY

Synopsis: Excludes U.S. military pensions and survivor's benefits of persons less than 62 years of age from gross income taxation.

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

Agencies Affected: Department of Treasury.

Executive Estimate

Fiscal Impact	Year 1	Year 2	Year 3
State Revenue	(\$5.1 million)	(\$5.1 million)	Not addressed

Office of Legislative Services Estimate

Fiscal Impact	Year 1	Year 2	Year 3
State Revenue	(\$5.1 million)	(\$5.1 million)	(\$5.3 million)

- ! The Department of Treasury indicates that precise figures are not available. However, the department estimates an annual loss of revenue to the Property Tax Relief Fund.
- ! The Office of Legislative Services (OLS) agrees that precise data are not available and **concurs** with the estimated loss of revenue for the first two years.

BILL DESCRIPTION

Assembly Bill No. 1256 of 2000 provides for an exclusion of U.S. military pensions and survivor's benefits of persons less than 62 years of age from the New Jersey gross income tax.

The Legislature passed Assembly Bill No. 229 of 1996 to exclude these categories of income from gross income taxation. However, the Governor conditionally vetoed that bill, and amendments were adopted, in accordance with the Governor's recommendations, to apply the law to veterans aged 62 or over, disabled veterans regardless of age, and surviving spouses of disabled veterans or veterans over the age of 62 regardless of the age of the surviving spouse. This bill amends the current law, P.L. 1997, c.409, to allow all recipients of military pensions and survivors benefits to exclude those payments from taxable income.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The Department of Treasury states that precise data are not available. However, it does estimate an annual loss in the amount of \$5.1 million in each of the first two years. This was based on information that there were 11,300 New Jersey retired military personnel under age 62 receiving \$179 million in benefits. The department projected this to be \$209 million in 2000. By applying the average gross income tax rate for 1998 of 2.465 percent to the exclusion, the result would be a loss of revenue in the amount of \$5.1 million. The department stated that there may be some reductions in estimated tax payments during the first year which cannot be determined, however the full effect will occur in the second year.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) agrees that precise data are not available and **concurs** with the estimated loss of revenue to the Property Tax Relief Fund for the first two years. In addition, the OLS used the growth factor of 4.18 percent for the estimated loss in year three amounting to \$5.3 million. This was the average growth rate used by the department for the years 1996 to 2000.

Section: *Revenue, Finance and Appropriations*

Analyst: *Michael J. Basarab*
Senior Fiscal Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

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

ASSEMBLY, No. 1256

STATE OF NEW JERSEY 209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

Sponsored by:

Assemblyman MELVIN COTTRELL

District 30 (Burlington, Monmouth and Ocean)

Assemblyman JOSEPH R. MALONE, III

District 30 (Burlington, Monmouth and Ocean)

Co-Sponsored by:

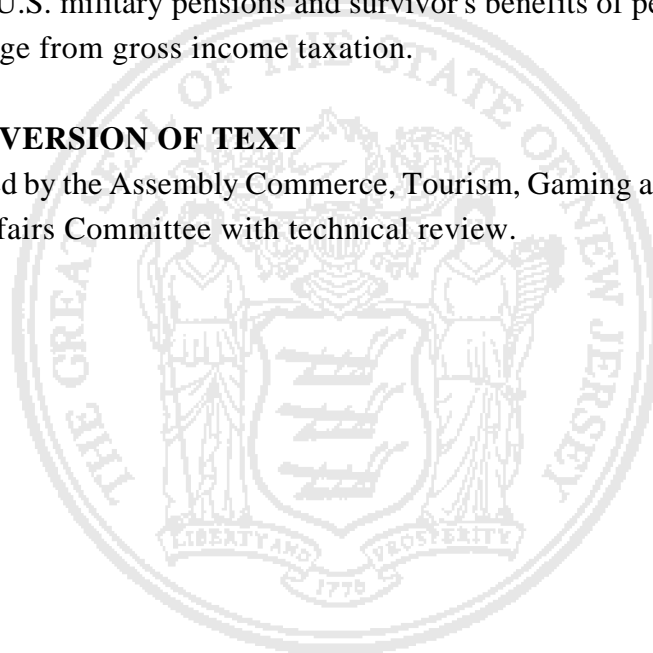
**Assemblymen Moran, Conaway, Connors, Greenwald, Assemblywoman
Previte, Assemblymen Connors, Wolfe, LeFevre, Assemblywomen Crecco,
Farragher, Assemblymen Arnone, Asselta, Geist, R.Smith and
Assemblywoman Greenstein**

SYNOPSIS

Excludes U.S. military pensions and survivor's benefits of persons less than 62 years of age from gross income taxation.

CURRENT VERSION OF TEXT

As reported by the Assembly Commerce, Tourism, Gaming and Military and Veterans' Affairs Committee with technical review.



(Sponsorship Updated As Of: 2/23/2001)

A1256 COTTRELL, MALONE

2

1 AN ACT concerning the exclusion of certain persons' military pension
2 payments and survivor's benefits from gross income subject to the
3 gross income tax, amending P.L.1997, c.409.

4

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

7

8 1. Section 1 of P.L.1997, c.409 (C.54A:6-26) is amended to read
9 as follows:

10 1. Gross income shall not include military pension payments or
11 military survivor's benefit payments paid to individuals by the United
12 States with respect to service in the Armed Forces of the United States
13 [by a person who is 62 years of age or older or who, by virtue of
14 disability, is or would be eligible to receive payments under the Federal
15 Social Security Act at any point during the taxable year for which the
16 military pension payment or the military survivor's benefit payments
17 would otherwise be included as income].

18 (cf: P.L.1997, c.409, s.1)

19

20 2. This act shall take effect immediately and apply to taxable years
21 beginning on or after January 1 following enactment.

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

Matter underlined thus is new matter.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1256

STATE OF NEW JERSEY

DATED: JANUARY 18, 2001

The Assembly Appropriations Committee reports favorably Assembly Bill No. 1256.

Assembly Bill No. 1256 excludes U.S. military pensions and survivor's benefits of persons less than 62 years of age from the New Jersey gross income tax.

The Legislature passed Assembly Bill No. 229 of 1996 to exclude military pensions and military survivor's benefits from taxation under the New Jersey gross income tax. The Governor conditionally vetoed the bill, and amendments were adopted in accordance with the Governor's recommendation and the bill was enacted into law as P.L.1997, c.409.

Under current law, pursuant to P.L.1997, c.409, the military pensions of the following groups are exempt from income taxation:

- C veterans aged 62 or over;
- C disabled veterans regardless of age; and
- C surviving spouses of disabled veterans or veterans over the age of 62 regardless of the age of the surviving spouse.

This bill amends the current exemption to allow all recipients of military pensions and survivors benefits to exclude those payments from taxable gross income.

FISCAL IMPACT:

According to the Department of Treasury, the estimated cost to the State for this income exclusion would be approximately \$5.1 million for the 11,300 New Jersey retired military personnel under age 62.

STATEMENT TO
ASSEMBLY, No. 1256

with Assembly Floor Amendments
(Proposed By Assemblymen COTTRELL and MALONE)

ADOPTED: FEBRUARY 22, 2001

This amendment ensures that the exclusion is allowed for all recipients of U.S. military pensions and survivor's benefits throughout the current tax year.

[First Reprint]

ASSEMBLY, No. 1256

STATE OF NEW JERSEY
209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

Sponsored by:

Assemblyman MELVIN COTTRELL

District 30 (Burlington, Monmouth and Ocean)

Assemblyman JOSEPH R. MALONE, III

District 30 (Burlington, Monmouth and Ocean)

Co-Sponsored by:

**Assemblymen Moran, Conaway, Connors, Greenwald, Assemblywoman
Previte, Assemblymen Connors, Wolfe, LeFevre, Assemblywomen Crecco,
Farragher, Assemblymen Arnone, Asselta, Geist, R.Smith,
Assemblywoman Greenstein, Senators Bucco, Kyrillos, Cardinale,
Robertson, Allen, Singer, Rice, Cafiero, Connors, Adler, Matheussen,
Sinagra, Kosco, Palaia, Inverso, McNamara, Littell, Bark, Kavanaugh,
Bryant, James and Kenny**

SYNOPSIS

Excludes U.S. military pensions and survivor's benefits of persons less than 62 years of age from gross income taxation.

CURRENT VERSION OF TEXT

As amended by the General Assembly on February 22, 2001.

(Sponsorship Updated As Of: 3/30/2001)

1 AN ACT concerning the exclusion of certain persons' military pension
2 payments and survivor's benefits from gross income subject to the
3 gross income tax, amending P.L.1997, c.409.

4

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

7

8 1. Section 1 of P.L.1997, c.409 (C.54A:6-26) is amended to read
9 as follows:

10 1. Gross income shall not include military pension payments or
11 military survivor's benefit payments paid to individuals by the United
12 States with respect to service in the Armed Forces of the United States
13 [by a person who is 62 years of age or older or who, by virtue of
14 disability, is or would be eligible to receive payments under the Federal
15 Social Security Act at any point during the taxable year for which the
16 military pension payment or the military survivor's benefit payments
17 would otherwise be included as income].

18 (cf: P.L.1997, c.409, s.1)

19

20 2. This act shall take effect immediately and apply ¹retroactively¹
21 to taxable years beginning on or after January 1 ¹[following
22 enactment] ,2001¹.

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly floor amendments adopted February 22, 2001.

SENATE, No. 847

STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED JANUARY 31, 2000

Sponsored by:

Senator ANTHONY R. BUCCO

District 25 (Morris)

Senator JOSEPH M. KYRILLOS, JR.

District 13 (Middlesex and Monmouth)

Co-Sponsored by:

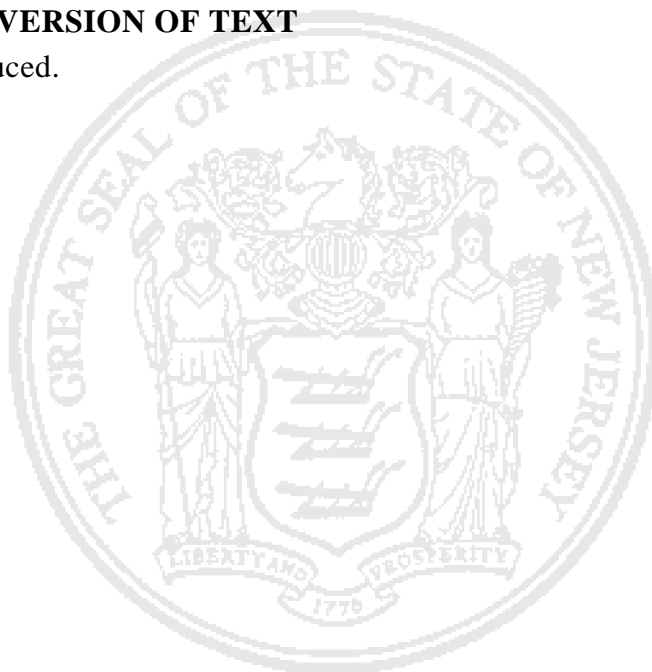
**Senators Cardinale, Robertson, Allen, Singer, Rice, Cafiero, Connors,
Adler, Matheussen, Sinagra, Kosco, Palaia and Inverso**

SYNOPSIS

Excludes U.S. military pensions and survivor's benefits of persons less than 62 years of age from gross income taxation.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/16/2001)

S847 BUCCO, KYRILLOS

2

1 AN ACT concerning the exclusion of certain persons' military pension
2 payments and survivor's benefits from gross income subject to the
3 gross income tax, amending P.L.1997, c.409.

4

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

7

8 1. Section 1 of P.L.1997, c.409 (C.54A:6-26) is amended to read
9 as follows:

10 1. Gross income shall not include military pension payments or
11 military survivor's benefit payments paid to individuals by the United
12 States with respect to service in the Armed Forces of the United States
13 [by a person who is 62 years of age or older or who, by virtue of
14 disability, is or would be eligible to receive payments under the Federal
15 Social Security Act at any point during the taxable year for which the
16 military pension payment or the military survivor's benefit payments
17 would otherwise be included as income].

18 (cf: P.L.1997, c.409, s.1)

19

20 2. This act shall take effect immediately and apply to taxable years
21 beginning on or after January 1 following enactment.

22

23

24

STATEMENT

25

26 This bill excludes U.S. military pensions and survivor's benefits of
27 persons less than 62 years of age from gross income taxation.

28 The Legislature passed Assembly Bill No. 229 of 1996 to exclude
29 military pensions and military survivor's benefits from taxation under
30 the New Jersey gross income tax. The Governor conditionally vetoed
31 the bill, and amendments were adopted in accordance with the
32 Governor's recommendation that application of the exclusion be
33 limited to persons 62 years of age or older and the disabled. This bill
34 amends the current limited exclusion to allow *all* recipients of military
35 pensions and survivors benefits to exclude those payments from
36 taxable gross income.

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

Matter underlined thus is new matter.

SENATE SENIOR CITIZENS, VETERANS' AFFAIRS AND
HUMAN SERVICES COMMITTEE

STATEMENT TO

SENATE, No. 847

STATE OF NEW JERSEY

DATED: MAY 22, 2000

The Senate Senior Citizens, Veterans' Affairs and Human Services Committee reports favorably Senate Bill No. 847.

This bill excludes U.S. military pensions and survivor's benefits of persons less than 62 years of age from gross income taxation.

The Legislature passed Assembly Bill No. 229 of 1996 to exclude military pensions and military survivor's benefits from taxation under the New Jersey gross income tax. The Governor conditionally vetoed the bill, and amendments were adopted in accordance with the Governor's recommendation and the bill was enacted into law as P.L.1997, c.409.

Under current law, pursuant to P.L.1997, c.409, the military pensions of the following groups are exempt from income taxation:

- C veterans aged 62 or over;
- C disabled veterans regardless of age; and
- C surviving spouses of disabled veterans or veterans over the age of 62 regardless of the age of the surviving spouse.

This bill amends the current exemption to allow all recipients of military pensions and survivors benefits to exclude those payments from taxable gross income.

FISCAL NOTE
SENATE, No. 847
STATE OF NEW JERSEY
209th LEGISLATURE

DATED: JANUARY 10, 2001

SUMMARY

Synopsis: Excludes U.S. military pensions and survivor's benefits of persons less than 62 years of age from gross income taxation.

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

Agencies Affected: Department of Treasury.

Executive Estimate

Fiscal Impact	Year 1	Year 2	Year 3
State Cost	(\$5.1 million)	(\$5.1 million)	Not addressed

Office of Legislative Services Estimate

Fiscal Impact	Year 1	Year 2	Year 3
State Cost	(\$5.1 million)	(\$5.1 million)	(\$5.3 million)

- ! The Department of Treasury indicates that precise figures are not available. However, the department estimates an annual loss of revenue to the Property Tax Relief Fund.
- ! The Office of Legislative Services (OLS) agrees that precise data are not available and **concurs** with the estimated loss of revenue for the first two years.

BILL DESCRIPTION

Senate Bill No. 847 of 2000 provides for an exclusion of U.S. military pensions and survivor's benefits of persons less than 62 years of age from the New Jersey gross income tax.

The Legislature passed Assembly Bill No. 229 of 1996 to exclude these categories of income from gross income taxation. However, the Governor conditionally vetoed that bill, and amendments were adopted, in accordance with the Governor's recommendations, to apply the law to veterans aged 62 or over, disabled veterans regardless of age, and surviving spouses of disabled veterans or veterans over the age of 62 regardless of the age of the surviving spouse. This bill amends the current law, P.L.1997, c.409, to allow all recipients of military pensions and survivors benefits to exclude those payments from taxable income.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The Department of Treasury states that precise data are not available. However, it does estimate an annual loss in the amount of \$5.1 million in each of the first two years. This was based on information that there were 11,300 New Jersey retired military personnel under age 62 receiving \$179 million in benefits. The department projected this to be \$209 million in 2000. By applying the average gross income tax rate for 1998 of 2.465 percent to the exclusion, the result would be a loss of revenue in the amount of \$5.1 million. The department stated that there may be some reductions in estimated tax payments during the first year which cannot be determined, however the full effect will occur in the second year.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) agrees that precise data are not available and **concurs** with the estimated loss of revenue to the Property Tax Relief Fund for the first two years. In addition, the OLS used the growth factor of 4.18 percent for the estimated loss in year three amounting to \$5.3 million. This was the average growth rate used by the department for the years 1996 to 2000.

Section: *Revenue, Finance and Appropriations*

Analyst: *Michael J. Basarab*
Senior Fiscal Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

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

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 847

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 26, 2001

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 847.

This bill extends eligibility for the exclusion of U.S. military pensions and survivor's benefits from gross income taxation to persons who are neither disabled nor at least 62 years of age.

Under a recent revision (P.L.1997, c.409) to the "New Jersey Gross Income Tax Act", the military pensions of the following groups are exempt from income taxation:

- < veterans age 62 or over;
- < disabled veterans regardless of age; and
- < veterans' surviving spouses who are age 62 or over or disabled.

This bill amends the exemption to delete the age-or-disability requirement, thus allowing all recipients of military pensions and military survivor's benefits to exclude those payments from taxable gross income.

COMMITTEE AMENDMENTS

Committee amendments to this bill provide that the exclusion shall be effective for the 2001 tax year, rather than being delayed in its application at least until tax year 2002. As amended, the provisions of the bill are identical to those of Assembly Bill No. 1256 (1R).

FISCAL IMPACT

The Department of the Treasury estimates the annual loss in income tax revenue that would result from enactment of this bill at \$5.1 million in each of the first two years. This estimate is based on information that in 1996, there were 11,300 New Jersey retired military personnel under age 62 receiving \$179 million in benefits. The department projected the amount of these benefits to grow to \$209 million in 2000. Applying the average marginal gross income tax rate for a recent year (1998) of 2.465 percent to this income estimate, the result would be a loss of revenue in the amount of \$5.1 million.

[First Reprint]

SENATE, No. 847

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED JANUARY 31, 2000

Sponsored by:

Senator ANTHONY R. BUCCO

District 25 (Morris)

Senator JOSEPH M. KYRILLOS, JR.

District 13 (Middlesex and Monmouth)

Co-Sponsored by:

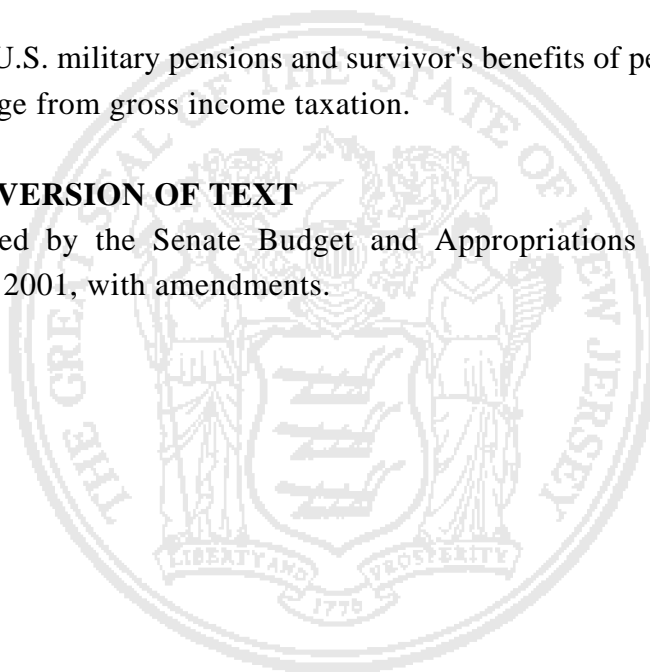
**Senators Cardinale, Robertson, Allen, Singer, Rice, Cafiero, Connors,
Adler, Matheussen, Sinagra, Kosco, Palaia, Inverso, McNamara, Littell,
Bark, Kavanaugh, Bryant, James and Kenny**

SYNOPSIS

Excludes U.S. military pensions and survivor's benefits of persons less than 62 years of age from gross income taxation.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on February 26, 2001, with amendments.



(Sponsorship Updated As Of: 3/30/2001)

S847 [1R] BUCCO, KYRILLOS

2

1 AN ACT concerning the exclusion of certain persons' military pension
2 payments and survivor's benefits from gross income subject to the
3 gross income tax, amending P.L.1997, c.409.

4

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

7

8 1. Section 1 of P.L.1997, c.409 (C.54A:6-26) is amended to read
9 as follows:

10 1. Gross income shall not include military pension payments or
11 military survivor's benefit payments paid to individuals by the United
12 States with respect to service in the Armed Forces of the United States
13 [by a person who is 62 years of age or older or who, by virtue of
14 disability, is or would be eligible to receive payments under the Federal
15 Social Security Act at any point during the taxable year for which the
16 military pension payment or the military survivor's benefit payments
17 would otherwise be included as income].

18 (cf: P.L.1997, c.409, s.1)

19

20 2. This act shall take effect immediately and apply ¹retroactively¹
21 to taxable years beginning on or after January 1 ¹[following
22 enactment] , 2001¹.

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and 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 February 26, 2001.

P.L. 2001, CHAPTER 84, *approved May 7, 2001*
Assembly, No. 1256 (*First Reprint*)

1 **AN ACT** concerning the exclusion of certain persons' military pension
2 payments and survivor's benefits from gross income subject to the
3 gross income tax, amending P.L.1997, c.409.

4

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

7

8 1. Section 1 of P.L.1997, c.409 (C.54A:6-26) is amended to read
9 as follows:

10 1. Gross income shall not include military pension payments or
11 military survivor's benefit payments paid to individuals by the United
12 States with respect to service in the Armed Forces of the United States
13 [by a person who is 62 years of age or older or who, by virtue of
14 disability, is or would be eligible to receive payments under the Federal
15 Social Security Act at any point during the taxable year for which the
16 military pension payment or the military survivor's benefit payments
17 would otherwise be included as income].

18 (cf: P.L.1997, c.409, s.1)

19

20 2. This act shall take effect immediately and apply ¹retroactively¹
21 to taxable years beginning on or after January 1 ¹[following
22 enactment] , 2001¹.

23

24

25

26

27 Excludes U.S. military pensions and survivor's benefits of persons less
28 than 62 years of age from gross income taxation.

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly floor amendments adopted February 22, 2001.

CHAPTER 84

AN ACT concerning the exclusion of certain persons' military pension payments and survivor's benefits from gross income subject to the gross income tax, amending P.L.1997, c.409.

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

1. Section 1 of P.L.1997, c.409 (C.54A:6-26) is amended to read as follows:

C.54A:6-26 Military pension, survivor's benefit payments excluded from gross income.

1. Gross income shall not include military pension payments or military survivor's benefit payments paid to individuals by the United States with respect to service in the Armed Forces of the United States.

2. This act shall take effect immediately and apply retroactively to taxable years beginning on or after January 1, 2001.

Approved May 7, 2001.

Office of the Governor
NEWS RELEASE

PO BOX 004
TRENTON, NJ 08625

CONTACT: Rae Hutton
609-777-2600

RELEASE: May 7 , 2001

DiFRANCESCO SIGNS BILL EXTENDING VETERANS' TAX EXEMPTION

Breaks Ground for Women's Veterans Garden

Acting Governor Donald T. DiFrancesco signed legislation today extending the tax break on military pensions to all veterans.

The acting Governor signed the bill during today's celebration of Vietnam Veterans' Remembrance Day at the New Jersey Vietnam Veterans' Memorial. After the bill signing, he participated in the groundbreaking of the Women's Veterans' Garden, which will be built beside New Jersey's Vietnam Veterans Memorial in Holmdel.

"New Jersey honors its veterans in many ways, including tax relief. Pensions and survivor benefits should not be treated like other income. They are an acknowledgement of our veterans' contributions to our state and nation and should not be subject to tax regardless of age," said the acting Governor.

The bill, A-1256, excludes the military pensions and survivor's benefits of those under age 62 from being included in gross income for tax purposes. The current gross income tax exemption applies only to those individuals over 62 years of age. This bill takes effect immediately and will be retroactive to January 1, 2001. Senators Anthony Bucco and Joseph Kyrillos and Assemblymembers Melvin Cottrell and Joseph Malone sponsored the legislation.

"This is a day we acknowledge the 200,000 New Jersey residents who served during the Vietnam Era and honor the memory of the 1,556 who did not return from the battlefield," said DiFrancesco.

"That acknowledgment can be expressed a number of ways. It can be a monument like the New Jersey Vietnam Veterans Memorial, a piece of legislation like A-1256 or a garden, like the one we have broken ground for here today honoring contributions of our female Vietnam veterans," said the acting Governor.

Female Vietnam veterans and local garden clubs designed the memorial garden which will be located between the New Jersey Vietnam Veterans Memorial and the Education Center.

The construction of the garden is expected to be finished in August, and all of the flowers and plants should be installed by the fall. The Garden is a joint effort between the Department of Military and Veteran's Affairs (DMAVA) and the Garden State Parkway Authority.

"When this garden is completed we will have a living monument that honors our vets. If every war is a teacher, New Jersey has learned its lesson well. We do not forget our veterans, we honor them," concluded DiFrancesco.

