

May-06-07 Acting Governor Signs Legislation Expanding Neighborhood Revitalization Tax Credit Program

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ACTING GOVERNOR SIGNS LEGISLATION EXPANDING NEIGHBORHOOD REVITALIZATION TAX CREDIT PROGRAM

Also signs bills providing short-term tax exemptions for homes renovated by charitable entities

TRENTON – Acting Governor Richard J. Codey today signed legislation expanding the Neighborhood Revitalization Tax Credit (NRTC) program. He also signed two bills, A-3768/S-2419 and A-3334/S-2131, authorizing short-term tax exemptions for families whose homes are modified by charitable entities.

"Revitalizing our communities needs to be a team effort, and we should be doing everything we can to encourage the private sector to invest in these areas," Acting Governor Codey said. "This legislation will jumpstart the NRTC program and lead to an influx of much needed private money into neighborhoods that are in need of economic opportunity."

The NRTC program was designed to provide tax incentives for businesses to invest in revitalization projects in low- and moderate-income neighborhoods. The program currently provides a tax credit to a participating corporation equivalent to 50% of the assistance that corporation provides to a non-profit organization to implement a neighborhood revitalization project; this legislation increases that to 100% of the assistance provided. The legislation also raises the dollar limit of the tax credit from \$500,000 to \$1 million.

"In many of our State's urban communities, we need to attract private interest to make redevelopment a reality," said Senator Doria (D-Hudson), a Senate sponsor. "By expanding New Jersey's 'Neighborhood Revitalization State Tax Credit,' we can give our poorer municipalities the tools to develop necessary public-private partnerships. We need to do everything in our power to attract private investment in our State's urban redevelopment projects."

S-2095/A3789 was sponsored in the Assembly by Assemblymembers Watson Coleman (D-Mercer) and Vainieri Huttie (D-Bergen).

A-3768/S-2419 and A-3334/S-2131 permit municipalities to create tax exemptions for up to five years for houses that have been renovated or reconstructed by charitable entities or by for-profit entities using exclusively volunteer labor. Both bills allow municipalities to assess taxes on the value of the property before the reconstruction or renovation, not the increased value resulting from the reconstruction or renovation.

A-3768/S-2419 permits exemptions for renovations and improvements carried out to accommodate totally disabled persons, and A-3334/S-2131 permits exemptions for houses which are re-built or renovated after being destroyed by fire.

"Families that have been blessed by the good works of friends and neighbors should not see those blessings turned into a burden," Acting Governor Codey said. "Whether a family is rebuilding after a fire or accommodating the needs of a disabled loved one, this bill will ensure they can receive assistance without having to worry about receiving an unaffordable tax bill the next day."

"Whenever a charity steps in to help a family that's lost it all due to fire, government should do everything it can to help," said Senator Rice, (D-Essex), who sponsored A-3334/S-2131 in the Senate. "However, in many instances, government officials' hands are tied, and major charitable renovations often come with unforeseen tax hikes. This new law ensures that the spirit of charity is not lost when these sort of projects take place."

"When groups like the television show "Extreme Makeover: Home Edition" come in and make millions of dollars of renovations, homeowners receive wonderful home improvements, as well as a sky-high property tax bill," said Senator Weinberg, (D-Bergen), who sponsored A-3768/S-2419 in the Senate. "This legislation will allow them to live in and enjoy their newly renovated home, without the undue burden of not being able to cover the cost of increased property taxes."

"This legislation will allow a family faced with unfortunate circumstances to remain comfortably in their home, which is a cornerstone of the American dream," said Assemblyman Gordon M. Johnson (D-Bergen), an Assembly sponsor of A-3768/S-2419. "It would be unfair for them to be made to pay taxes at a higher rate at this time because of the generosity of Extreme Home Makeover. I appreciate the Acting Governor signing this bill, which will improve the quality of life for this family, for the city of Bergenfield and for the state."

"When volunteer and non-profit organizations help needy owners renovate a home so they can enjoy a productive lifestyle, their good work should be promoted and praised, not taxed," said Assemblywoman Valerie Vainieri Huttie (D-Bergen), an Assembly sponsor of A-3768/S-2419.

"Today, we are encouraging continued public and private investment in New Jersey communities by removing roadblocks from the path of organizations looking to help rebuild our neighborhoods," said Assemblyman Craig A. Stanley (D-Essex), who sponsored A-3334/S-2131. "And we are ensuring beneficiaries of charitable home improvement aid are able to reap the benefits without having to worry about the financial repercussions."

"This measure goes a long way toward protecting owners of renovated homes, like Beverly Turner, who may otherwise be forced to move due to a significantly higher property tax bill," said Assemblywoman Oadline D. Truitt (D-Essex), who also sponsored A-3334/S-2131. "It is a common-sense solution that helps the incredible families who make our communities better places to live."