

54A:7-2

LEGISLATIVE HISTORY CHECKLIST

(Income tax credit for those eligible for refund for contributions toward unemployment & temporary disability insurance)

NJSA 54A:7-2; 54A:4-4 and 54A:4-5

LAWS 1981

CHAPTER 453

Bill No. A1491

Sponsor(s) Zangari

Date Introduced April 17, 1980

Committee: Assembly Revenue, Finance & Appropriations

Senate Revenue, Finance & Appropriations

Amended during passage Yes

~~XX~~ Amendments during passage denoted by asterisks

Date of Passage: Assembly May 14, 1981

Senate June 25, 1981

Date of approval Jan. 11, 1982

Following statements are attached if available:

Sponsor statement Yes ~~XX~~

Committee Statement: Assembly Yes ~~XX~~

Senate Yes ~~XX~~

Fiscal Note ~~XX~~ No

Veto Message ~~XX~~ No

Message on signing ~~XX~~ No

Following were printed:

Reports ~~XX~~ No

Hearings ~~XX~~ No

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ASSEMBLY, No. 1491

STATE OF NEW JERSEY

INTRODUCED APRIL 17, 1980

By Assemblyman ZANGARI

Referred to Committee on Revenue, Finance and Appropriations

AN ACT concerning New Jersey Gross Income Tax credit for excess contributions to the State Disability Benefits Fund and the Unemployment Compensation Fund, amending N. J. S. 54A:7-2 and supplementing Title 54A of the New Jersey Statutes.

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

1 1. N. J. S. 54A:7-2 is amended to read as follows:

2 54A:7-2. Information statement for employee. Every employer
3 required to deduct and withhold tax under this act from the wages
4 of an employee, or who would have been required so to deduct
5 and withhold tax if the employee had claimed no more than one
6 withholding exemption, shall furnish to each such employee in
7 respect of the wages paid by such employer to such employee during
8 the calendar year on or before February 15 of the succeeding year,
9 or, if his employment is terminated before the close of such calendar
10 year, within 30 days from the date on which the last payment of
11 the wages is made, a written statement as prescribed by the director
12 showing the amount of wages paid by the employer to the employee,
13 the amount deducted and withheld as tax, *the amount deducted and*
14 *withheld as contribution to the Unemployment Compensation Fund*
15 *and the State Disability Benefits Fund*, and such other information
16 as the director shall prescribe.

1 2. (New section) a. Any employee who is a taxpayer and entitled,
2 pursuant to the provisions of R. S. 43:21-7 (d) (3) or section 1
3 of P. L. 1944, c. 81 (C. 43:21-14.1), to a refund of contributions
4 deducted during a tax year from his wages and paid to the Division
5 of Unemployment and Temporary Disability Insurance in the
6 Department of Labor and Industry shall, in lieu of such refund,
7 be entitled to a credit in the full amount thereof against the tax
8 otherwise due on his New Jersey gross income for that tax year
9 if he submits his claim for the credit on or before the date on which

10 the full amount of that tax becomes due and payable and accom-
11 panies that claim with evidence of his right to the credit in such
12 maner as the director of the Division of Taxation may by regulation
13 provide. In any case in which the amount, or any portion thereof,
14 of any credit allowed hereunder results in or increases an excess
15 of income tax payment over income tax liability, the amount of
16 such new or increased excess shall be considered an overpayment
17 and shall be refunded to the taxpayer in the manner provided by
18 subsection (a) of N. J. S. 54A:9-7.

19 b. On the first day of each month, the director shall forward to
20 the Division of Unemployment and Temporary Disability Insur-
21 ance a statement of the total amount of credits actually allowed
22 pursuant to subsection a. of this section during the preceding
23 month. Such statement shall indicate separately the totals of
24 credits allowed on claims in connection with contributions deposited
25 in the State Disability Benefits Fund and in the Unemployment
26 Compensation Fund. Moneys reimbursed by the Division of Un-
27 employment and Temporary Disability Insurance to the director
28 shall be treated as taxes collected under the provisions of this
29 Title.

1 3. (New section) Upon receipt from the director of a statement
2 of the total amount of State income tax credits allowed during the
3 preceding month on claims in connection with contributions de-
4 posited in the State Disability Benefits Fund and Unemployment
5 Compensation Fund, the Division of Unemployment and Temporary
6 Disability Insurance shall within 5 days reimburse to the director
7 from the respective funds sums equal to the amounts so allowed.
8 No interest shall be paid with respect to the sums reimbursed.

1 4. This act shall take effect immediately and be applicable to
2 the tax years commencing with the first full tax year succeeding
3 enactment.

STATEMENT

The purpose of this bill is to permit a taxpayer eligible for a refund of contributions toward unemployment and temporary disability insurance to receive, in lieu of such refund, a credit of the amount thereof against his State income tax liability. The amount of the credits allowed shall be reimbursed on a monthly basis from the Unemployment Compensation and State Disability Benefits Funds to the Division of Taxation.

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ASSEMBLY REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 1491

with committee amendments

STATE OF NEW JERSEY

DATED: APRIL 27, 1981

This bill is to permit a taxpayer eligible for refund of contributions toward unemployment and temporary disability insurance to receive, in lieu of such refund, a credit of the amount thereof against his State income tax liability. The amount of the credits allowed shall be reimbursed on a monthly basis or at such other time as the Director determines, from the Unemployment Compensation Fund and the State Disability Benefits Fund to the Division of Taxation.

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SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1491

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

DATED: JUNE 22, 1981

This bill is to permit a taxpayer eligible for refund of contributions toward unemployment and temporary disability insurance to receive, in lieu of such refund, a credit of the amount thereof against his State income tax liability. The amount of the credits allowed shall be reimbursed on a monthly basis or at such other time as the Director determines, from the Unemployment Compensation Fund and the State Disability Benefits Fund to the Division of Taxation.

The Unemployment Compensation Fund presently taxes the first \$7,500.00 of a covered employee's wages by 1/2%. The State Disability Benefits Fund also taxes the first \$7,500.00 of a covered employee's wage by 1/2%. The annual obligation of a wage earner is hence limited to \$75.00. Because these taxes are collected by employee payroll deduction an employee who changes jobs or holds more than one job may have combined payroll deduction in excess of the \$75.00 limit per year. The Department of Labor and Industry is presently refunding \$48.00 on average to approximately 20,000 taxpayers. The intent of this bill is to administratively simplify the refund process and to facilitate the refund process for the taxpayer.

1-11-82

[OFFICIAL COPY REPRINT]

ASSEMBLY, No. 1491

STATE OF NEW JERSEY

INTRODUCED APRIL 17, 1980

By Assemblyman ZANGARI

Referred to Committee on Revenue, Finance and Appropriations

AN ACT concerning New Jersey Gross Income Tax credit for excess contributions to the State Disability Benefits Fund and the Unemployment Compensation Fund, amending N. J. S. 54A:7-2 and supplementing Title 54A of the New Jersey Statutes.

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

1 1. N. J. S. 54A:7-2 is amended to read as follows:

2 54A:7-2. Information statement for employee. Every employer
3 required to deduct and withhold tax under this act from the wages
4 of an employee, or who would have been required so to deduct
5 and withhold tax if the employee had claimed no more than one
6 withholding exemption, shall furnish to each such employee in
7 respect of the wages paid by such employer to such employee during
8 the calendar year on or before February 15 of the succeeding year,
9 or, if his employment is terminated before the close of such calendar
10 year, within 30 days from the date on which the last payment of
11 the wages is made, a written statement as prescribed by the director
12 showing the amount of wages paid by the employer to the employee,
13 the amount deducted and withheld as tax, *the amount deducted and*
14 *withheld as* ***[contribution to the Unemployment Compensation**
15 **Fund and the State Disability Benefits Fund,]*** *worker contribu-*
16 *tions for unemployment and disability insurance as provided under*
17 *the New Jersey Unemployment Compensation Law,** and such
18 other information as the director shall prescribe.

1 2. (New section) a. Any employee who is a taxpayer and entitled,
2 pursuant to the provisions of R. S. 43:21-7 (d) (3) or section 1
3 of P. L. 1944, c. 81 (C. 43:21-14.1), to a refund of contributions
4 deducted during a tax year from his wages ***[and paid to the Divi-**
5 **sion of Unemployment and Temporary Disability Insurance in the**
6 **Department of Labor and Industry]*** shall, in lieu of such refund,

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

7 be entitled to a credit in the full amount thereof against the tax
 8 otherwise due on his New Jersey gross income for that tax year
 9 if he submits his claim for the credit ***[on or before the date on**
 10 **which the full amount of that tax becomes due and payable]*** and
 11 accompanies that claim with evidence of his right to the credit in
 12 such manner as the Director of the Division of Taxation may by
 13 regulation provide. In any case in which the amount, or any portion
 14 thereof, of any credit allowed hereunder results in or increases an
 15 excess of income tax payment over income tax liability, the amount
 16 of such new or increased excess shall be considered an overpayment
 17 and shall be refunded to the taxpayer in the manner provided by
 18 subsection (a) of N. J. S. 54A :9-7.

19 b. On the first day of each month, **or at such other time as the*
 20 *director shall determine,** the director shall forward to the Division
 21 of Unemployment and Temporary Disability Insurance a statement
 22 of the total amount of credits actually allowed pursuant to sub-
 23 section a. of this section during the preceding month **or period*
 24 *covered by the statement**. Such statement shall indicate ***[sepa-**
 25 **rately]*** the totals of credits allowed on claims ***[in connection**
 26 **with contributions deposited in the State Disability Benefits Fund**
 27 **and in the Unemployment Compensation Fund]*** **and shall be*
 28 *accompanied by such documents as the director and the Director*
 29 *of the Division of Unemployment and Disability Insurance shall*
 30 *prescribe**. Moneys reimbursed by the Division of Unemployment
 31 and Temporary Disability Insurance to the director shall be treated
 32 as taxes collected under the provisions of this Title.

1 3. (New section) Upon receipt from the director of a statement
 2 of the total amount of State income tax credits allowed ***[during**
 3 **the preceding month]*** on claims ***[in connection with contributions**
 4 **deposited in the State Disability Benefits Fund and Unemployment**
 5 **Compensation Fund]***, the Division of Unemployment and Tempo-
 6 rary Disability Insurance shall within 5 days reimburse to the
 7 director from the respective funds sums equal to the amounts so
 8 allowed. No interest shall be paid with respect to the sums reim-
 9 bursed.

1 4. This act shall take effect immediately and be applicable to
 2 the tax years commencing with the first full tax year succeeding
 3 enactment.
