

54:8A-122 and 123

LEGISLATIVE HISTORY CHECKLIST

NJSA 54:8A-122 and 54:8A-123 (Reciprocal income tax agreements)

Laws of 1976 Chapter 126

Bill No. A2355

Sponsor(s) Gewertz & others

Date Introduced November 22, 1976

Committee: Assembly -

Senate -

Amended during passage Yes No

Date of passage: Assembly Nov. 22, 1976

Senate December 14, 1976

Date of approval December 20, 1976

Following statements are attached if available:

Sponsor statement Yes ~~No~~

Committee Statement: Assembly Yes No

Senate Yes No

Fiscal Note Yes No

Veto message Yes No

Message on signing Yes No

Following were printed:

Reports Yes No

Hearings Yes No

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ASSEMBLY, No. 2355

STATE OF NEW JERSEY

INTRODUCED NOVEMBER 22, 1976

By Assemblymen GEWERTZ, GORMAN, Assemblywoman CROCE
Assemblymen HERMAN, RAND and SCHUCK

(Without Reference)

A SUPPLEMENT to "An act concerning tax liability under the New Jersey Gross Income Tax Act and the Emergency Transportation Tax Act or the Transportation Benefits Tax Act and for the disposition of taxes collected thereunder", approved August 17, 1976 (P. L. 1976, c. 66).

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

1 1. Notwithstanding any provision to the contrary, in the event
2 that the State enters into an agreement pursuant to N. J. S.
3 54A:9-17(e), with a "critical area state" as defined in P. L. 1961,
4 c. 32 (C. 54:8A-1 et seq.) or P. L. 1971, c. 222 (C. 54:8A-58 et seq.),
5 an individual who would otherwise be subject to the provisions of
6 the act to which this act is a supplement shall not be subject to the
7 provisions of P. L. 1961, c. 32 (C. 54:8A-1 et seq.) or P. L. 1971,
8 c. 222 (C. 54:8A-58 et seq.).

1 2. This act shall take effect immediately and shall be applicable
2 to income received or accrued subject to taxation by virtue of P. L.
3 1976, c. 66.

STATEMENT

Section 54A:9-17(e) authorizes the State to enter into reciprocal income tax agreements with other states which impose taxes on income received by New Jersey residents in those states and whose residents are subject to the New Jersey Gross Income Tax. In enacting this provision, the Legislature clearly intended that New Jersey be given the flexibility necessary to administer the income tax in a manner most advantageous to the State and to taxpayers. By authorizing reciprocal agreements, the Legislature further recognized the equity and fairness of each party State to tax its

own residents. It also recognized that taxpayers of the party states should not be taxed doubly upon their personal income. Enactment of this bill confirms the legislative intent that the State should be able to enter into reciprocal agreements with respect to all taxes on compensation received in this State and neighboring states and that in the event of such agreement taxpayers of the respective states shall not be exposed to double taxation. In the event that a reciprocal agreement is not entered into between New Jersey and a critical area state, individuals shall remain subject to taxation under the New Jersey Gross Income Tax or the applicable commuter tax in accordance with the provisions of P. L. 1976, c. 66.