

54A:4-14 & 54A:4-15
LEGISLATIVE HISTORY CHECKLIST
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LAWS OF: 2017 **CHAPTER:** 67

NJSA: 54A:4-14 & 54A:4-15 (Wounded Warrior Caregivers Relief Act; Provides income tax credit to family caregivers of certain armed service members with physical disabilities.)

BILL NO: A450 (Substituted for S750)

SPONSOR(S) Mazzeo and others

DATE INTRODUCED: 1/27/2016

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

SENATE: Budget and Appropriations

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** 6/27/2016

SENATE: 2/13/2017

DATE OF APPROVAL: 5/11/2017

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Introduced version of bill enacted) Yes

A450

SPONSOR'S STATEMENT: (Begins on page 3 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)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: Yes

S750

SPONSOR'S STATEMENT: (Begins on page 3 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)

(Continued)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: Yes

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS: Yes

HEARINGS: Yes

NEWSPAPER ARTICLES: Yes

"Christie vetoes child marriage ban, approves tax credit for caregivers," Burlington County Times, May 12, 2017

RWH/JA

P.L.2017, CHAPTER 67, *approved May 11, 2017*
Assembly, No. 450

1 AN ACT establishing the Wounded Warrior Caregivers Relief Act to
2 provide income tax relief to family caregivers of certain armed
3 service members by supplementing Title 54A of the New Jersey
4 Statutes.

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

8
9 1. This act shall be known and may be cited as the “Wounded
10 Warrior Caregivers Relief Act.”

11
12 2. a. A qualified family caregiver shall be allowed a qualified
13 veteran care credit against the tax otherwise due for the taxable year
14 under the “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et
15 seq., in an amount equal to 100 percent of the federal veteran
16 disability compensation of a qualified armed service member for
17 which the qualified family caregiver renders care or \$675,
18 whichever is less.

19 b. If two or more qualified family caregivers qualify for the
20 qualified veteran care credit for the same qualified armed service
21 member, the amount of the credit allowed shall be allocated in
22 proportion to each qualified family caregiver’s share of total care
23 expenses provided for the taxable year.

24 c. If the qualified veteran care credit allowed pursuant to this
25 section, together with any other payments, credits, deductions, and
26 adjustments allowed by law, reduces a qualified family caregiver’s
27 tax liability otherwise due for the taxable year under N.J.S.54A:1-1
28 et seq. to zero, the amount of the credit remaining shall be paid to
29 the taxpayer as a refund of an overpayment of tax in accordance
30 with N.J.S.54A:9-7; provided however, that subsection (f) of that
31 section, concerning the allowance of interest, shall not apply.

32 d. A qualified family caregiver that is not subject to tax in
33 accordance with N.J.S.54A:2-4 for a taxable year may apply for a
34 qualified veteran care credit using an application to be made
35 available by the director. The due date for a qualified veteran care
36 credit application shall coincide with the due date for annual gross
37 income tax returns.

38 e. As used in this section:

39 “Qualified armed service member” means an individual who has
40 a disability arising out of service in the active military or naval
41 service of the United States in any war or conflict on or after

1 September 11, 2001, has been honorably discharged or released
2 under conditions other than dishonorable, meets the requirements
3 for total disability ratings for compensation based upon
4 unemployability of the individual as determined by the United
5 States Department of Veterans Affairs, and has resided with the
6 qualified family caregiver in this State for not less than six months
7 of the taxable year.

8 “Qualified family caregiver” means an individual resident of this
9 State with gross income for the taxable year not in excess of
10 \$100,000 if filing jointly, as a head of household, or as a surviving
11 spouse, or not in excess of \$50,000 if filing separately or unmarried,
12 that provides care and support to a qualifying armed service
13 member to whom the caregiver is a relative.

14 “Relative” means an individual related by consanguinity within
15 the third degree by law or blood.

16

17 3. This act shall take effect immediately and apply to taxable
18 years beginning on or after January 1 next following the date of
19 enactment.

20

21

22

23

24 _____
25 Wounded Warrior Caregivers Relief Act; Provides income tax
26 credit to family caregivers of certain armed service members with
physical disabilities.

ASSEMBLY, No. 450

STATE OF NEW JERSEY

217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

Sponsored by:

Assemblyman VINCENT MAZZEO
District 2 (Atlantic)
Assemblyman BOB ANDRZEJCZAK
District 1 (Atlantic, Cape May and Cumberland)
Assemblyman RAJ MUKHERJI
District 33 (Hudson)
Assemblyman PAUL D. MORIARTY
District 4 (Camden and Gloucester)
Assemblyman DANIEL R. BENSON
District 14 (Mercer and Middlesex)
Assemblyman JOE DANIELSEN
District 17 (Middlesex and Somerset)

Co-Sponsored by:

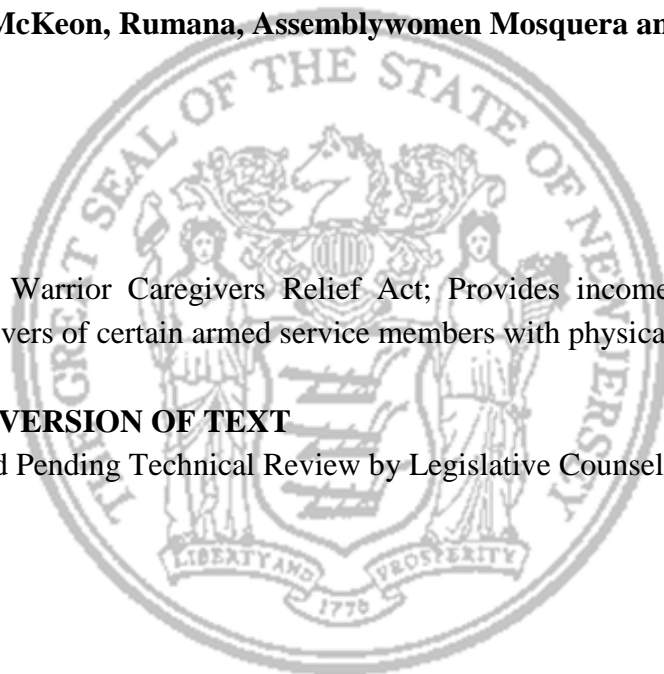
Assemblymen Giblin, Caputo, Singleton, Lagana, Conaway, Eustace,
Assemblywomen Vainieri Huttle, Tucker, Assemblymen Johnson,
DeAngelo, Assemblywomen Spencer, Jimenez, Lampitt, Assemblymen
Webber, Diegnan, Assemblywoman Gove, Assemblymen Rumpf,
Wimberly, McKeon, Rumana, Assemblywomen Mosquera and Muoio

SYNOPSIS

Wounded Warrior Caregivers Relief Act; Provides income tax credit to family caregivers of certain armed service members with physical disabilities.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT establishing the Wounded Warrior Caregivers Relief Act to
2 provide income tax relief to family caregivers of certain armed
3 service members by supplementing Title 54A of the New Jersey
4 Statutes.

5

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

8

9 1. This act shall be known and may be cited as the “Wounded
10 Warrior Caregivers Relief Act.”

11

12 2. a. A qualified family caregiver shall be allowed a qualified
13 veteran care credit against the tax otherwise due for the taxable year
14 under the “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et
15 seq., in an amount equal to 100 percent of the federal veteran
16 disability compensation of a qualified armed service member for
17 which the qualified family caregiver renders care or \$675,
18 whichever is less.

19 b. If two or more qualified family caregivers qualify for the
20 qualified veteran care credit for the same qualified armed service
21 member, the amount of the credit allowed shall be allocated in
22 proportion to each qualified family caregiver’s share of total care
23 expenses provided for the taxable year.

24 c. If the qualified veteran care credit allowed pursuant to this
25 section, together with any other payments, credits, deductions, and
26 adjustments allowed by law, reduces a qualified family caregiver’s
27 tax liability otherwise due for the taxable year under N.J.S.54A:1-1
28 et seq. to zero, the amount of the credit remaining shall be paid to
29 the taxpayer as a refund of an overpayment of tax in accordance
30 with N.J.S.54A:9-7; provided however, that subsection (f) of that
31 section, concerning the allowance of interest, shall not apply.

32 d. A qualified family caregiver that is not subject to tax in
33 accordance with N.J.S.54A:2-4 for a taxable year may apply for a
34 qualified veteran care credit using an application to be made
35 available by the director. The due date for a qualified veteran care
36 credit application shall coincide with the due date for annual gross
37 income tax returns.

38 e. As used in this section:

39 “Qualified armed service member” means an individual who has
40 a disability arising out of service in the active military or naval
41 service of the United States in any war or conflict on or after
42 September 11, 2001, has been honorably discharged or released
43 under conditions other than dishonorable, meets the requirements
44 for total disability ratings for compensation based upon
45 unemployability of the individual as determined by the United
46 States Department of Veterans Affairs, and has resided with the
47 qualified family caregiver in this State for not less than six months
48 of the taxable year.

1 “Qualified family caregiver” means an individual resident of this
2 State with gross income for the taxable year not in excess of
3 \$100,000 if filing jointly, as a head of household, or as a surviving
4 spouse, or not in excess of \$50,000 if filing separately or unmarried,
5 that provides care and support to a qualifying armed service
6 member to whom the caregiver is a relative.

7 “Relative” means an individual related by consanguinity within
8 the third degree by law or blood.

9

10 3. This act shall take effect immediately and apply to taxable
11 years beginning on or after January 1 next following the date of
12 enactment.

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STATEMENT

16

17

18 This bill, entitled the Wounded Warrior Caregivers Relief Act,
19 provides a gross income tax credit to family caregivers of certain
20 former armed service members with service-connected disabilities.
21 The purpose of the bill is to help family caregivers support the quality
22 of life of former military personnel suffering from a complete
23 disability arising out of active duty service.

24 The bill sets the refundable credit at 100 percent of the service
25 member’s disability compensation or \$675, whichever is less. The
26 credit’s \$675 limit applies per service member.

27 To qualify for a credit, the bill requires a caregiver to be related to
28 the service member within the third degree or closer and to be an
29 individual resident of this State. The caregiver’s gross income may
30 not exceed \$100,000 as a joint filer or \$50,000 as a single or separate
31 filer.

32 The bill requires the service member to be an individual who:

33 -- has a disability arising out of service in the active military or
34 naval service of the United States in any war or conflict on or after
35 September 11, 2001,

36 -- has been honorably discharged or released under conditions
37 other than dishonorable,

38 -- meets the requirements for total disability ratings for
39 compensation based upon unemployability of the individual as
40 determined by the federal Department of Veterans Affairs, and

41 -- has resided with the caregiver in this State for not less than six
42 months of the year.

43 The bill takes effect immediately and provides for the credit to
44 apply to taxable years beginning on or after January 1 next following
45 the date of enactment.

ASSEMBLY MILITARY AND VETERANS' AFFAIRS
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 450

STATE OF NEW JERSEY

DATED: APRIL 4, 2016

The Assembly Military and Veterans' Affairs Committee reports favorably Assembly, No. 450.

This bill, entitled the Wounded Warrior Caregivers Relief Act, provides a gross income tax credit to family caregivers of certain former armed service members with service-connected disabilities. The purpose of the bill is to help family caregivers support the quality of life of former military personnel suffering from a complete disability arising out of active duty service.

The bill sets the refundable credit at 100 percent of the service member's disability compensation or \$675, whichever is less. The credit's \$675 limit applies per service member.

To qualify for a credit, the bill requires a caregiver to be related to the service member within the third degree or closer and to be an individual resident of this State. The caregiver's gross income may not exceed \$100,000 as a joint filer or \$50,000 as a single or separate filer.

The bill requires the service member to be an individual who:

-- has a disability arising out of service in the active military or naval service of the United States in any war or conflict on or after September 11, 2001,

-- has been honorably discharged or released under conditions other than dishonorable,

-- meets the requirements for total disability ratings for compensation based upon unemployability of the individual as determined by the federal Department of Veterans Affairs, and

-- has resided with the caregiver in this State for not less than six months of the year.

The bill takes effect immediately and provides for the credit to apply to taxable years beginning on or after January 1 next following the date of enactment.

Assembly Bill No. 450 is identical to Senate Bill No. 750 of 2016-2017.

This bill was pre-filed for introduction in the 2016-2017 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 450

STATE OF NEW JERSEY

DATED: JUNE 20, 2016

The Assembly Appropriations Committee reports favorably Assembly Bill No. 450.

This bill, the Wounded Warrior Caregivers Relief Act, provides a gross income tax credit to family caregivers of certain former armed service members with service-connected disabilities, to help family caregivers support the quality of life of former military personnel suffering from a complete disability arising out of active duty service.

The bill sets the refundable credit at 100 percent of the service member's disability compensation or \$675, whichever is less. The credit's \$675 limit applies per service member.

To qualify for a credit, the bill requires a caregiver to be related to the service member within the third degree or closer and to be an individual resident of this State. The caregiver's gross income may not exceed \$100,000 as a joint filer or \$50,000 as a single or separate filer.

The bill requires the service member to be an individual who:

- has a disability arising out of service in the active military or naval service of the United States in any war or conflict on or after September 11, 2001,

- has been honorably discharged or released under conditions other than dishonorable,

- meets the requirements for total disability ratings for compensation based upon unemployability of the individual as determined by the federal Department of Veterans Affairs, and

- has resided with the caregiver in this State for not less than six months of the year.

The bill takes effect immediately and provides for the credit to apply to taxable years beginning on or after January 1 next following the date of enactment.

FISCAL IMPACT:

The OLS expects the bill will produce an annual loss of gross income tax revenue deposited into the Property Tax Relief Fund, but lacks sufficient information to quantify the magnitude of the annual State revenue loss. The OLS notes that available federal data indicate there may be in excess of 6,000 veterans residing in this State who are totally and permanently disabled. Assuming 6,000 of those disabled

veterans had a family caretaker who qualified for the maximum credit allowed under the bill (\$675), the State may incur revenue losses of about \$4.0 million per year.

However, the OLS notes that actual annual losses may be significantly less. Not all of the totally and permanently disabled veterans who reside in this State are eligible to be treated as a qualified armed service member, and not all of the totally and permanently disabled veterans who reside in this State and are eligible to be treated as a qualified armed service member will receive care and support from a qualified family caregiver who is eligible to claim the credit. For every 1,000 veterans whose caregivers qualify for the tax credit, the maximum aggregate revenue loss to the State, or maximum aggregate tax savings for the caregivers, would be \$675,000 annually.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 450

STATE OF NEW JERSEY

DATED: JANUARY 30, 2017

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 450.

This bill, entitled the “Wounded Warrior Caregivers Relief Act,” provides a gross income tax credit to family caregivers of certain former armed service members with service-connected disabilities.

The bill sets the refundable qualified veteran care credit at 100 percent of the service member’s federal disability compensation or \$675, whichever is less. The credit is refundable and may be claimed for each taxable year a family caregiver qualifies. The credit’s \$675 limit applies per service member.

Several prerequisites are required to be met in order for a family caregiver to qualify for a credit under the bill:

- the family caregiver must be related to the service member within the third degree (*e.g.*, great-grandparent/great-grandchild, aunt/uncle, or niece/nephew) or closer, and must be a resident of this State;

- the family caregiver’s gross income may not exceed \$100,000 as a joint filer, or \$50,000 as a single or separate filer, in the taxable year for which the credit is claimed;

- the service member must have resided with the family caregiver, in this State, for at least six months of the taxable year for which the credit is claimed;

- the service member must have a disability arising out of service in the active military or naval service of the United States in any war or conflict on or after September 11, 2001, and meet the requirements for total disability ratings for compensation based upon unemployability of the individual as determined by the United States Department of Veterans Affairs; and

- the service member must have been honorably discharged, or released under conditions other than dishonorable, from service.

The credit applies to taxable years beginning on or after January 1st next following the date the bill is enacted into law.

As reported, this bill is identical to Senate Bill No. 750, as also reported by this committee.

FISCAL IMPACT:

The Office of Legislative Services (“OLS”) expects the bill will produce an annual loss of gross income tax revenue deposited into the Property Tax Relief Fund. However, the magnitude of annual State revenue loss cannot be determined because: (1) of uncertainties as to the number of family caregivers of veterans who are eligible to qualify for, and will claim, the credit; and (2) OLS has no means to project the number of service members who will become totally and permanently disabled.

Federal data suggests that more than 6,000 veterans who are totally and permanently disabled reside in this State. Assuming 6,000 of those veterans have a family caretaker who qualifies for the maximum credit allowed under the bill (*i.e.*, \$675), the State may incur revenue losses of about \$4.0 million per taxable year. In other words, for each 1,000 veterans whose family caregiver qualifies for the credit, the maximum aggregate revenue loss to the State would be \$675,000 annually. The actual annual losses, however, may be significantly less; not all totally and permanently disabled veterans in this State are eligible to be treated as a qualified armed service member or receive care and support from a family caregiver.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 450
STATE OF NEW JERSEY
217th LEGISLATURE

DATED: JUNE 7, 2016

SUMMARY

Synopsis: Wounded Warrior Caregivers Relief Act; Provides income tax credit to family caregivers of certain armed service members with physical disabilities.

Type of Impact: Annual loss of gross income tax revenue from the Property Tax Relief Fund.

Agencies Affected: Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2018 and Annually Thereafter</u>
State Revenue	Indeterminate recurring loss

- The Office of Legislative Services (OLS) expects the bill will produce an annual loss of gross income tax revenue deposited into the Property Tax Relief Fund, but lacks sufficient information to quantify the magnitude of the annual State revenue loss.
- According to federal data, there may be more than 6,000 veterans residing in New Jersey who are totally and permanently disabled. If 6,000 veterans and their caregivers met all of the conditions to qualify the veterans' caregivers for the bill's maximum refundable gross income tax credit of \$675, the State would experience an annual revenue loss of about \$4.0 million. The OLS notes, however, that the annual revenue loss may be significantly less than \$4.0 million, given that many totally and permanently disabled veterans and their caregivers will not meet all tax credit eligibility criteria.

BILL DESCRIPTION

Assembly Bill No. 450 of 2016 provides a refundable gross income tax credit to certain family caregivers of certain former armed service members with service-connected disabilities. The bill sets the refundable credit at 100 percent of the service member's disability compensation or \$675, whichever is less. The credit's \$675 limit applies per service member.

To qualify for a credit, the bill requires a caregiver to be related to the service member within the third degree or closer and to be a resident of this State. The caregiver's gross income may not exceed \$100,000 as a joint filer or \$50,000 as a single or separate filer.

The bill requires the service member to be an individual who:

- has a disability arising out of service in the active military or naval service of the United States in any war or conflict on or after September 11, 2001,
- has been honorably discharged or released under conditions other than dishonorable,
- meets the requirements for total disability ratings for compensation based upon unemployability of the individual as determined by the federal Department of Veterans Affairs, and
- has resided with the caregiver in this State for not less than six months of the year.

The bill takes effect immediately and provides for the credit to apply to taxable years beginning on or after January 1 next following the date of enactment.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS expects the bill will produce an annual loss of gross income tax revenue deposited into the Property Tax Relief Fund, but lacks sufficient information to quantify the magnitude of the annual State revenue loss. Assuming enactment of the legislation in 2016, the tax credit will first be available for taxable year 2017 and will first affect State revenue collections in FY 2018.

The OLS notes that available federal data indicate there may be in excess of 6,000 veterans residing in this State who are totally and permanently disabled. Assuming 6,000 of those disabled veterans had a family caretaker who qualified for the maximum credit allowed under the bill (\$675), the State may incur revenue losses of about \$4.0 million per year.

However, the OLS notes that actual annual losses may be significantly less. Not all of the totally and permanently disabled veterans who reside in this State are eligible to be treated as a qualified armed service member, and not all of the totally and permanently disabled veterans who reside in this State and are eligible to be treated as a qualified armed service member will receive care and support from a qualified family caregiver who is eligible to claim the credit. For each 1,000 veterans whose caregivers qualify for the tax credit, the maximum aggregate revenue loss to the State, or maximum aggregate tax savings for the caregivers, would be \$675,000 annually.

The OLS has no means to project future armed conflicts or the number of veterans who may become permanently disabled as a result.

Section: Revenue, Finance and Appropriations

*Analyst: Martin Poethke
Principal Revenue Analyst*

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

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

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

SENATE, No. 750

STATE OF NEW JERSEY 217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

Sponsored by:

Senator JAMES BEACH

District 6 (Burlington and Camden)

Senator JEFF VAN DREW

District 1 (Atlantic, Cape May and Cumberland)

Co-Sponsored by:

Senators Cruz-Perez and Beck

SYNOPSIS

Wounded Warrior Caregivers Relief Act; Provides income tax credit to family caregivers of certain armed service members with physical disabilities.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT establishing the Wounded Warrior Caregivers Relief Act to
2 provide income tax relief to family caregivers of certain armed
3 service members by supplementing Title 54A of the New Jersey
4 Statutes.

5

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

8

9 1. This act shall be known and may be cited as the “Wounded
10 Warrior Caregivers Relief Act.”

11

12 2. a. A qualified family caregiver shall be allowed a qualified
13 veteran care credit against the tax otherwise due for the taxable year
14 under the “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et
15 seq., in an amount equal to 100 percent of the federal veteran
16 disability compensation of a qualified armed service member for
17 which the qualified family caregiver renders care or \$675,
18 whichever is less.

19 b. If two or more qualified family caregivers qualify for the
20 qualified veteran care credit for the same qualified armed service
21 member, the amount of the credit allowed shall be allocated in
22 proportion to each qualified family caregiver’s share of total care
23 expenses provided for the taxable year.

24 c. If the qualified veteran care credit allowed pursuant to this
25 section, together with any other payments, credits, deductions, and
26 adjustments allowed by law, reduces a qualified family caregiver’s
27 tax liability otherwise due for the taxable year under N.J.S.54A:1-1
28 et seq. to zero, the amount of the credit remaining shall be paid to
29 the taxpayer as a refund of an overpayment of tax in accordance
30 with N.J.S.54A:9-7; provided however, that subsection (f) of that
31 section, concerning the allowance of interest, shall not apply.

32 d. A qualified family caregiver that is not subject to tax in
33 accordance with N.J.S.54A:2-4 for a taxable year may apply for a
34 qualified veteran care credit using an application to be made
35 available by the director. The due date for a qualified veteran care
36 credit application shall coincide with the due date for annual gross
37 income tax returns.

38 e. As used in this section:

39 “Qualified armed service member” means an individual who has
40 a disability arising out of service in the active military or naval
41 service of the United States in any war or conflict on or after
42 September 11, 2001, has been honorably discharged or released
43 under conditions other than dishonorable, meets the requirements
44 for total disability ratings for compensation based upon
45 unemployability of the individual as determined by the United
46 States Department of Veterans Affairs, and has resided with the
47 qualified family caregiver in this State for not less than six months
48 of the taxable year.

1 “Qualified family caregiver” means an individual resident of this
2 State with gross income for the taxable year not in excess of
3 \$100,000 if filing jointly, as a head of household, or as a surviving
4 spouse, or not in excess of \$50,000 if filing separately or unmarried,
5 that provides care and support to a qualifying armed service
6 member to whom the caregiver is a relative.

7 “Relative” means an individual related by consanguinity within
8 the third degree by law or blood.

9
10 3. This act shall take effect immediately and apply to taxable
11 years beginning on or after January 1 next following the date of
12 enactment.

13
14
15 STATEMENT
16

17 Entitled the Wounded Warrior Caregivers Relief Act, this bill
18 provides an income tax credit to family caregivers of certain former
19 armed service members with service-connected disabilities. The
20 purpose of the bill is to help family caregivers support the quality of
21 life of former military personnel suffering from a complete disability
22 owing to active duty service.

23 The bill sets the refundable qualified veteran care credit at 100
24 percent of the service member’s disability compensation or \$675,
25 whichever is less. The credit’s \$675 limit applies per service member.

26 Under the bill, to qualify for a credit, a caregiver must be related to
27 the service member within the third degree or closer and share a
28 residence with the service member for no less than six months of the
29 year. The caregiver’s gross income may not exceed \$100,000 as a
30 joint filer or \$50,000 as a single or separate filer. The service member
31 must be an individual who has a disability arising out of service in the
32 active military or naval service of the United States in any war or
33 conflict on or after September 11, 2001, has been honorably
34 discharged or released under conditions other than dishonorable, meets
35 the requirements for total disability ratings for compensation based
36 upon unemployability of the individual as determined by the United
37 States Department of Veterans Affairs, and has resided with the
38 qualified family caregiver in this State for not less than six months of
39 the taxable year.

SENATE MILITARY AND VETERANS' AFFAIRS
COMMITTEE

STATEMENT TO

SENATE, No. 750

STATE OF NEW JERSEY

DATED: MARCH 10, 2016

The Senate Military and Veterans' Affairs Committee reports favorably Senate Bill No. 750.

Entitled the Wounded Warrior Caregivers Relief Act, this bill provides an income tax credit to family caregivers of certain former armed service members with service-connected disabilities. The purpose of the bill is to help family caregivers support the quality of life of former military personnel suffering from a complete disability owing to active duty service.

The bill sets the refundable qualified veteran care credit at 100 percent of the service member's disability compensation or \$675, whichever is less. The credit's \$675 limit applies per service member.

Under the bill, to qualify for a credit, a caregiver must be related to the service member within the third degree or closer and share a residence with the service member for no less than six months of the year. The caregiver's gross income may not exceed \$100,000 as a joint filer or \$50,000 as a single or separate filer. The service member must be an individual who has a disability arising out of service in the active military or naval service of the United States in any war or conflict on or after September 11, 2001, has been honorably discharged or released under conditions other than dishonorable, meets the requirements for total disability ratings for compensation based upon unemployability of the individual as determined by the United States Department of Veterans Affairs, and has resided with the qualified family caregiver in this State for not less than six months of the taxable year.

This bill was prefiled for introduction in the 2016-2017 session pending technical review. As reported the bill includes the changes required by technical review, which has been performed.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 750

STATE OF NEW JERSEY

DATED: JANUARY 30, 2017

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 750.

This bill, entitled the “Wounded Warrior Caregivers Relief Act,” provides a gross income tax credit to family caregivers of certain former armed service members with service-connected disabilities.

The bill sets the refundable qualified veteran care credit at 100 percent of the service member’s federal disability compensation or \$675, whichever is less. The credit is refundable and may be claimed for each taxable year a family caregiver qualifies. The credit’s \$675 limit applies per service member.

Several prerequisites are required to be met in order for a family caregiver to qualify for a credit under the bill:

- the family caregiver must be related to the service member within the third degree (*e.g.*, great-grandparent/great-grandchild, aunt/uncle, or niece/nephew) or closer, and must be a resident of this State;

- the family caregiver’s gross income may not exceed \$100,000 as a joint filer, or \$50,000 as a single or separate filer, in the taxable year for which the credit is claimed;

- the service member must have resided with the family caregiver, in this State, for at least six months of the taxable year for which the credit is claimed;

- the service member must have a disability arising out of service in the active military or naval service of the United States in any war or conflict on or after September 11, 2001, and meet the requirements for total disability ratings for compensation based upon unemployability of the individual as determined by the United States Department of Veterans Affairs; and

- the service member must have been honorably discharged, or released under conditions other than dishonorable, from service.

The credit applies to taxable years beginning on or after January 1st next following the date the bill is enacted into law.

As reported, this bill is identical to Assembly Bill No. 450, as also reported by this committee.

FISCAL IMPACT:

The Office of Legislative Services (“OLS”) expects the bill will produce an annual loss of gross income tax revenue deposited into the Property Tax Relief Fund. However, the magnitude of annual State revenue loss cannot be determined because: (1) of uncertainties as to the number of family caregivers of veterans who are eligible to qualify for, and will claim, the credit; and (2) OLS has no means to project the number of service members who will become totally and permanently disabled.

Federal data suggests that more than 6,000 veterans who are totally and permanently disabled reside in this State. Assuming 6,000 of those veterans have a family caretaker who qualifies for the maximum credit allowed under the bill (*i.e.*, \$675), the State may incur revenue losses of about \$4.0 million per taxable year. In other words, for each 1,000 veterans whose family caregiver qualifies for the credit, the maximum aggregate revenue loss to the State would be \$675,000 annually. The actual annual losses, however, may be significantly less; not all totally and permanently disabled veterans in this State are eligible to be treated as a qualified armed service member or receive care and support from a family caregiver.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 750
STATE OF NEW JERSEY
217th LEGISLATURE

DATED: NOVEMBER 1, 2016

SUMMARY

Synopsis: Wounded Warrior Caregivers Relief Act; Provides income tax credit to family caregivers of certain armed service members with physical disabilities.

Type of Impact: Annual loss of gross income tax revenue from the Property Tax Relief Fund.

Agencies Affected: Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2018 and Annually Thereafter</u>
State Revenue	Indeterminate recurring loss

- The Office of Legislative Services (OLS) expects the bill will produce an annual loss of gross income tax revenue deposited into the Property Tax Relief Fund, but lacks sufficient information to quantify the magnitude of the annual State revenue loss.
- According to federal data, there may be more than 6,000 veterans residing in New Jersey who are totally and permanently disabled. If 6,000 veterans and their caregivers met all of the conditions to qualify the veterans' caregivers for the bill's maximum refundable gross income tax credit of \$675, the State would experience an annual revenue loss of about \$4.0 million. The OLS notes, however, that the annual revenue loss may be significantly less than \$4.0 million, given that many totally and permanently disabled veterans and their caregivers will not meet all tax credit eligibility criteria.

BILL DESCRIPTION

Senate Bill No. 750 of 2016 provides a refundable gross income tax credit to certain family caregivers of certain former armed service members with service-connected disabilities. The bill sets the refundable credit at 100 percent of the service member's disability compensation or \$675, whichever is less. The credit's \$675 limit applies per service member.

To qualify for a credit, the bill requires a caregiver to be related to the service member within the third degree or closer and to be a resident of this State. The caregiver's gross income may not exceed \$100,000 as a joint filer or \$50,000 as a single or separate filer.

The bill requires the service member to be an individual who:

-- has a disability arising out of service in the active military or naval service of the United States in any war or conflict on or after September 11, 2001,

-- has been honorably discharged or released under conditions other than dishonorable,

-- meets the requirements for total disability ratings for compensation based upon unemployability of the individual as determined by the federal Department of Veterans Affairs, and

-- has resided with the caregiver in this State for not less than six months of the year.

The bill takes effect immediately and provides for the credit to apply to taxable years beginning on or after January 1 next following the date of enactment.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS expects the bill will produce an annual loss of gross income tax revenue deposited into the Property Tax Relief Fund, but lacks sufficient information to quantify the magnitude of the annual State revenue loss. Assuming enactment of the legislation in 2016, the tax credit will first be available for taxable year 2017 and will first affect State revenue collections in FY 2018.

The OLS notes that available federal data indicate there may be in excess of 6,000 veterans residing in this State who are totally and permanently disabled. Assuming 6,000 of those disabled veterans had a family caretaker who qualified for the maximum credit allowed under the bill (\$675), the State may incur revenue losses of about \$4.0 million per year.

However, the OLS notes that actual annual losses may be significantly less. Not all of the totally and permanently disabled veterans who reside in this State are eligible to be treated as a qualified armed service member, and not all of the totally and permanently disabled veterans who reside in this State and are eligible to be treated as a qualified armed service member will receive care and support from a qualified family caregiver who is eligible to claim the credit. For each 1,000 veterans whose caregivers qualify for the tax credit, the maximum aggregate revenue loss to the State, or maximum aggregate tax savings for the caregivers, would be \$675,000 annually.

The OLS has no means to project future armed conflicts or the number of veterans who may become permanently disabled as a result.

Section: Revenue, Finance and Appropriations

*Analyst: Martin Poethke
Principal Revenue Analyst*

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

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

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

Governor Christie Takes Action On Pending Legislation

Thursday, May 11, 2017 Tags: [Bill Action](#)



Trenton, NJ - Governor Chris Christie today signed into law additional bills to support New Jersey's military members, veterans, and their families and show pride in the state's military history. On May 1, he signed a number of bills impacting veterans and the military, including a law creating a program to divert certain veterans accused of non-violent offenses from the criminal justice system and into appropriate mental health and substance use services.

Today, Governor Christie signed A450/S750 (Mazzeo, Andrzejczak, Mukherji, Moriarty, Benson, Daniels, Houghtaling/Beach, Van Drew) creating the Wounded Warrior Caregivers Relief Act, which provides a gross income tax credit of up to \$675 to family caregivers of totally disabled veterans whose injuries occurred as a result of serving on active duty on or after September 11, 2001.

"We must do all we can do to make it easier for military members who have been left with debilitating injuries in the line of duty and their family members who now care for them," said Governor Christie. "This compassionate new law provides a tax credit to ease some of the financial burden on those families and show our appreciation for the many sacrifices they have made to keep their loved ones safe and at home."

Other military and veterans bills signed by Governor Christie allow active duty members of the U.S. Armed Forces who have completed basic training to wear their dress uniform at their high school graduation and require the Department of Military and Veterans' Affairs to work with the Division of Travel and Tourism and the New Jersey Historical Commission to develop an online list with a historic tour of war battles fought and places of historical military significance in New Jersey and its State waters.

Governor Christie also took action on the following bills:

BILL SIGNINGS:

ACS for A-815/ACS for S-1088 (Land, Andrzejczak, Mosquera, Vainieri Huttle, Bramnick/Van Drew, T. Kean) - Concerns Code Blue alert plans to shelter at-risk individuals

A-837/S-468 (Jimenez, Green, Mukherji, Sumter, Munoz/Sacco, Greenstein) - Establishes "Hazardous Drug Safe Handling Act;" requires promulgation of standards and regulations concerning safe handling of hazardous drugs by certain health care personnel

A-1256/S-1381 (Caride, Singleton, Jasey, Wimberly/Bateman) - Requires State Board of Education regulations regarding school nurse certification to include certain minimum eligibility requirements

A-1649/S-853 (Schaer, Pintor Marin, Wimberly, Mukherji/Stack) - Requires local governments and authorities to obtain financing cost estimate from NJ Environmental Infrastructure Trust for certain projects

ACS for A-1973/SCS for S-2401 (Prieto, Handlin/Diegnan, Stack) - "Appraisal Management Company Registration and Regulation Act"

A-1991/S-2722 (Prieto, Jimenez, Oliver/Stack, Cunningham) - Provides two elected members of pension commission of closed Hudson County Employees' Pension Fund may be active or retired county employees

ACS for A-2004/SCS for S-731 (Green, Benson, Moriarty, Mukherji, Pintor Marin/Cruz-Perez, Beach) - Establishes certain penalties for operating or participating in pyramid promotional schemes

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[GOVERNOR'S STATEMENT UPON SIGNING ASSEMBLY BILL NO. 4146](#)

A-2087/SCS for S-2792 (Mukherji, Schaer, Downey, Quijano/Greenstein, Turner) - Grants drivers additional time to resolve parking violations prior to license or registration suspension

A-2340/S-2108 (Benson, Muoio, Gusciora/Greenstein, Diegnan) - Authorizes students in Marie H. Katzenbach school for the deaf to operate State vehicle for driver education and provides protection for such activity under tort claims act

A-2512/S-1899 (DeAngelo, Pintor Marin, Houghtaling/Whelan, Turner) - Requires BPU to render decision on case within 12 months of final public hearing or hold another public hearing prior to deciding case

A-2805/S-2726 (Caputo, Houghtaling, McKeon, Chiaravalloti/Codey, Pou) - Requires DMVA to develop online historic tour identifying locations of war battles and places of significance to war efforts in State

A-3011/S-2796 (Conaway, Singleton/Allen) - Modifies charter of Board of Island Managers of Burlington Island to move elections to November

AS for A-3351/S-2570 (Lampitt, Andrzejczak, Quijano, Holley, Jones, Space/Cruz-Perez, Oroho) - Creates license to manufacturer and sell hard cider and mead

A-3581/SCS for S-2582, 2092 (Downey, Mosquera, Daniels, Houghtaling, Van Drew, Turner, Moriarty) - Requires Internet-connected baby monitors to include security features

A-3601/S-2209 (Schaer/Vitale, Gill) - Concerns regulation of guaranteed asset protection waivers by DOBI

A-3785/S-2396 (Downey, Houghtaling, Jasey, Singleton, Holley, Caride, Wimberly/Ruiz, Turner) - Requires State to pay educational costs of students who reside in homeless shelter outside district of residence for more than one year

A-4019/S-2491 (Mazzeo, Mukherji, Andrzejczak, Land, DeCroce, McKnight, Daniels/Cruz-Perez, Madden) - Permits eligible students who are members of United States Armed Forces to wear military uniform at high school graduation

A-4146/S-2521 (Vainieri Huttie, Benson, Lampitt, Johnson, McKnight, Sumter/Vitale, Gordon) – STATEMENT UPON SIGNING - Provides for monitoring and evaluation of transition of mental health and substance use disorder treatment service system and developmental disability system to fee-for-service reimbursement model; makes appropriation

A-4284/S-2675 (Quijano, Benson, Muoio, Caride, Vainieri Huttie, McKnight, Wimberly, Sumter/Diegnan, Beach) - Provides that school districts and nonpublic schools may receive reimbursement for costs incurred on or after January 1, 2016 for testing school drinking water for lead

A-4344/S-2729 (Karabinchak, Pinkin, Coughlin, Wisniewski/Diegnan, Vitale) - Designates portion of Route 18 in East Brunswick as "State Trooper Werner Foerster Memorial Interchange"

AJR-76/SJR-16 (Vainieri Huttie, Holley, McKnight, Jasey/Gill) - Designates September "Affordable Housing Awareness Month"

AJR-130/SJR-92 (Vainieri Huttie, Lampitt/Vitale, Singer) - Designates January 23 of each year as "Maternal Health Awareness Day" in New Jersey

BILLS VETOED:

A-1850/S-2606 (Giblin, DeAngelo, Mukherji, Holley/Diegnan) – ABSOLUTE - Extends by two months seasonal retail consumption alcoholic beverage license

A-1869/S-668 (Wimberly, Vainieri Huttie, Oliver, Tucker, Quijano, Johnson/Rice, Cruz-Perez) - CONDITIONAL - Establishes Division of Minority and Women Business Development and State Chief Disparity Officer to monitor efforts to promote participation by minority-owned and women-owned businesses in State contracting

A-2353/S-367 (Vainieri Huttie, Jasey, Mukherji, Benson, Quijano/Codey, Turner) – CONDITIONAL - Establishes measures to deter steroid use among students; appropriates \$45,000 to DOE for New Jersey State Interscholastic Athletic Association testing of student-athletes for steroids and other performance enhancing substances

A-3091/S-2528 (Munoz, Gusciora, O'Scanlon, Oliver, Lagana, Lampitt, Mukherji, Sumter/Pou, Weinberg, Cunningham) - CONDITIONAL - Bars persons under age 18 from marrying or entering into a civil union

###

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