

A4603

SPONSOR'S STATEMENT: (Begins on page 8 of introduced bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes Labor Appropriations

SENATE: No

(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: No

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>](tel:6092782640))

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

Also of possible interest:

Public meeting of Legislative Manufacturing Caucus : the Caucus will meet to discuss the minimum wage, Federal tariffs, and customized training and apprenticeships [August 14, 2018, Metuchen, New Jersey].

Call number: 974.90 L123, 2018e

Online at: <http://hdl.handle.net/10929/49304>

Rwh/cl

§1 –
C.54:10A-5.44
§2 - C.54A:4-19
§3 - C.34:15D-6.1
§5 – T&E
§§5-7 - Notes

(CORRECTED COPY)

P.L. 2019, CHAPTER 417, *approved January 21, 2020*
Senate, No. 3061 (*Third Reprint*)

1 **AN ACT** providing corporation business tax and gross income tax
2 credits for businesses that participate in federally-recognized
3 apprenticeship programs, establishing an Apprenticeship Start-
4 Up Grant Program, supplementing P.L.1945, c.162 (C.54:10A-
5 1 et seq.) and Title 54A of the New Jersey Statutes, and
6 amending and supplementing P.L.1992, c.43.

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

10
11 1. (New section) a. A taxpayer, upon approval of an
12 application to the department and the director, shall be allowed a
13 credit against the tax imposed pursuant to section 5 of P.L.1945,
14 c.162 (C.54:10A-5): (1) in amount not to exceed \$5,000 of ²the²
15 qualified start-up costs ²[of] incurred by² the taxpayer during a
16 privilege period commencing on or after July 1, 2019, and
17 associated with the initial year of participation in an apprenticeship
18 program established by ²[a] the² taxpayer or group of taxpayers; or
19 (2) in an amount not to exceed \$10,000 of the qualified start-up
20 costs incurred by the taxpayer during a privilege period
21 commencing on or after July 1, 2019, and associated with the initial
22 year of participation in an apprenticeship program established by
23 ²[a] the² taxpayer or group of taxpayers that provides greater
24 opportunities for workers in key industries.
25 b. No tax credit shall be allowed pursuant to this section for
26 any costs or expenses included in the calculation of any other tax
27 credit or exemption granted pursuant to a claim made on a tax
28 return filed with the director, or included in the calculation of an
29 award of business assistance or incentive, for a period of time that
30 coincides with the privilege period for which a tax credit pursuant
31 to this section is allowed. The order of priority of the application of
32 the tax credit allowed pursuant to this section, and any other credits

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

Matter underlined **thus** is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SLA committee amendments adopted December 3, 2018.

²Senate SBA committee amendments adopted January 17, 2019.

³Assembly ALA committee amendments adopted December 9, 2019.

1 allowed against the tax imposed pursuant to section 5 of P.L.1945,
2 c.162 (C.54:10A-5) for a privilege period, shall be as prescribed by
3 the director. The amount of the credit applied pursuant to this
4 section against the tax imposed pursuant to section 5 of P.L.1945,
5 c.162 (C.54:10A-5) shall not reduce a taxpayer's tax liability to an
6 amount less than the statutory minimum provided in subsection (e)
7 of section 5 of P.L.1945, c.162 (C.54:10A-5).

8 c. The value of tax credits approved by the department and the
9 director pursuant to subsection a. of this section and pursuant to
10 subsection a. of section 2 of ²**[this section]** P.L. , c. (C.)
11 (pending before the Legislature as this bill)² shall not exceed a
12 cumulative total of \$1,000,000 in fiscal year 2020, and in each
13 fiscal year thereafter, to apply against the tax imposed pursuant to
14 section 5 of P.L.1945, c.162 (C.54:10A-5) and the tax imposed
15 pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-
16 1 et seq. If the cumulative total amount of tax credits allowed to
17 ²**[taxpayer]** taxpayers² for privilege periods or taxable years
18 commencing during a single fiscal year under subsection a. of this
19 section and subsection a. of section 2 of P.L. c. (C.)
20 (pending before the Legislature as this bill) exceeds the amount of
21 tax credits available in that fiscal year, then taxpayers who have
22 first applied for and have not been allowed a tax credit for that
23 reason shall be allowed, in the order in which they have submitted
24 an application, the amount of tax credit on the first day of the next
25 succeeding fiscal year in which tax credits ²allowed² under
26 subsection a. of this section and subsection a. of section 2 of
27 P.L. , c. (C.) (pending before the Legislature as this bill) are
28 not in excess of the amount of credits available.

29 d. A taxpayer shall submit to the department and the director a
30 report to verify the qualified start-up costs incurred by the taxpayer
31 associated with the initial year of participation in an apprenticeship
32 program. The report shall include such information as shall be
33 determined necessary by the department and the director to
34 substantiate the qualified start-up costs incurred by the taxpayer.

35 e. As used in this section:

36 "Apprenticeship program" means a registered program providing
37 to each trainee combined classroom and on-the-job training under
38 the direct and close supervision of a highly skilled worker in an
39 occupation recognized as an apprenticable trade, and: (1) registered
40 by the Office of Apprenticeship of the U.S. Department of Labor
41 and meeting the standards established by ²**[the]** that² office ²**[,]** ²;²
42 or (2) registered by a State apprenticeship agency recognized by the
43 office.

44 "Department" means the Department of Labor and Workforce
45 Development.

46 "Key industry" means an industry that makes or could make an
47 important contribution to the economy of the State, which may

1 include, but not be limited to, advanced manufacturing,
2 construction, healthcare, logistics, pharmaceuticals, transportation,
3 tourism, and renewable energy, as defined by the Department of
4 Labor and Workforce Development in accordance with regulations
5 adopted pursuant to P.L. , c. (C.) (pending before the
6 Legislature as this bill).

7 “Qualified start-up costs” means the ordinary and necessary costs
8 to ¹~~equip a building for ordinary business functions~~ start an
9 apprenticeship program in that industry and occupation, including
10 the salary costs of employees working on the program¹ and¹, if
11 applicable, the¹ non-recurring costs of fixed telecommunication
12 furnishings and office equipment.

13

14 2. (New section) a. A taxpayer, upon approval of an application
15 to the department and the director, shall be allowed a credit against
16 the tax otherwise due for the taxable year under the “New Jersey
17 Gross Income Tax Act,” N.J.S.54A:1-1 et seq.: (1) in an amount not
18 to exceed \$5,000 of the qualified start-up costs incurred by the
19 taxpayer ²~~],~~² during a taxable year commencing on or after July 1,
20 2019, and associated with the initial year of participation in an
21 apprenticeship program established by ²~~[a]~~ the² taxpayer or group
22 of taxpayers ²~~],~~² or (2) in an amount not to exceed \$10,000 of the
23 qualified start-up costs incurred by the taxpayer ²~~],~~² during a
24 taxable year commencing on or after July 1, 2019, and associated
25 with the initial year of participation in an apprenticeship program
26 established by ²~~[a]~~ the² taxpayer or group of taxpayers that
27 provides greater opportunities for workers in key industries.

28 b. No tax credit shall be allowed pursuant to this section for
29 any costs or expenses included in the calculation of any other tax
30 credit or exemption granted pursuant to a claim made on a tax
31 return filed with the director, or included in the calculation of an
32 award of business assistance or incentive, for a period of time that
33 coincides with the taxable year, for which a tax credit authorized
34 pursuant to this section is allowed. The order of priority of the
35 application of the credit allowed pursuant to this section, and any
36 other credits allowed against the tax imposed pursuant to
37 N.J.S.54A:1-1 et seq. for a taxable year, shall be as prescribed by
38 the director. The amount of the credit applied against the New
39 Jersey gross income tax imposed pursuant to N.J.S.54A:1-1 shall
40 not reduce a taxpayer’s tax liability to an amount less than zero.

41 c. (1) A business entity that is classified as a partnership for
42 federal income tax purposes shall not be allowed a tax credit
43 pursuant to this section directly, but the amount of tax credit of a
44 taxpayer in respect to distributive share of entity income, shall be
45 determined by allocating to the taxpayer that proportion of the tax
46 credit acquired by the entity that is equal to the taxpayer’s share,
47 whether or not distributed, of the total distributive income or gain

1 of the entity for its taxable year ending within or with the
2 taxpayer's taxable year.

3 (2) A New Jersey S Corporation shall not be allowed a tax credit
4 pursuant to this section directly, but the amount of the tax credit of
5 a taxpayer in respect of a pro rata share of S Corporation income,
6 shall be determined by allocating to the taxpayer that proportion of
7 the tax credit acquired by the New Jersey S Corporation that is
8 equal to the taxpayer's share, whether or not distributed, of the total
9 pro rata share of S Corporation income of the New Jersey S
10 Corporation for its privilege period ending within or with the
11 taxpayer's taxable year.

12 d. The value of tax credits approved by the department and the
13 director pursuant to subsection a. of this section and pursuant to
14 subsection a. of section 1 of ²P.L. , c. (C.) (pending before
15 the Legislature as this bill² shall not exceed a cumulative total of
16 \$1,000,000 in fiscal year 2020 and in each fiscal year thereafter to
17 apply against the tax imposed pursuant to section 5 of P.L.1945,
18 c.162 (C.54:10A-5) and the tax imposed pursuant to the "New
19 Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq. If the
20 cumulative total amount of tax credits allowed to taxpayers for
21 taxable years or privilege periods commencing during a single fiscal
22 year under subsection a. of this section and subsection a. of section
23 of 1 P.L. c. (C.) (pending before the Legislature as this bill)
24 exceeds the amount of tax credits available in that fiscal year, then
25 taxpayers who have first applied for and have not been allowed a
26 tax credit for that reason shall be allowed, in the order in which
27 they have submitted an application, the amount of tax credit ²[on
28 the]² on the first day of the next succeeding fiscal year in which tax
29 credits ²allowed² under subsection a. of this section and subsection
30 a. of section 1 of P.L. , c. (C.) (pending before the
31 Legislature as this bill) are not in excess of the amount of credits
32 available.

33 e. A taxpayer shall submit to the department and the director a
34 report to verify the qualified start-up costs incurred by the taxpayer
35 associated with the initial year of participation in an apprenticeship
36 program. The report shall include such information as shall be
37 determined necessary by the department and the director to
38 substantiate the qualified start-up costs incurred by the taxpayer.

39 f. As used in this section:

40 "Apprenticeship program" means a registered program providing
41 to each trainee combined classroom and on-the-job training under
42 the direct and close supervision of a highly skilled worker in an
43 occupation recognized as an apprenticable trade, and: (1) registered
44 by the Office of Apprenticeship of the U.S. Department of Labor
45 and meeting the standards established by ²[the] that² office ²[,] ;²
46 or (2) registered by a State apprenticeship agency recognized by the
47 office.

1 “Department” means the Department of Labor and Workforce
2 Development”

3 “Key industry” means an industry that makes or could make an
4 important contribution to the economy of the State, which may
5 include, but not be limited to, advanced manufacturing,
6 construction, healthcare, logistics, pharmaceuticals, transportation,
7 tourism, and renewable energy, as defined by the Department of
8 Labor and Workforce Development in accordance with regulations
9 adopted pursuant to P.L. , c. (C.) (pending before the
10 Legislature as this bill).

11 “Qualified start-up costs” means the ordinary and necessary costs
12 to ¹[equip a building for ordinary business functions] start an
13 apprenticeship program in that industry and occupation, including
14 the salary costs of employees working on the program¹ and ¹if
15 applicable, the¹ non-recurring costs of fixed telecommunication
16 furnishings and office equipment.

17

18 3. (New section) a. There is created in the Office of Customized
19 Training in the Department of Labor and Workforce Development the
20 ³[Apprentice] Apprenticeship³ Start-Up Grant Program. The
21 purpose of the program is to provide an incentive for eligible
22 organizations to support the development and expansion of
23 apprenticeship programs ^{2,2} which will provide additional
24 opportunities for New Jersey’s workforce to access careers in high-
25 skill, high-wage occupations.

26 b. An eligible organization may apply for a grant in an amount
27 not to exceed \$5,000 to offset the qualified start-up costs associated
28 with the initial year of participation in an apprenticeship program or
29 for a grant in an amount not to exceed \$10,000 to offset the qualified
30 start-up costs associated with the initial year of participation in an
31 apprenticeship program that provides greater opportunities for workers
32 in key industries.

33 c. An eligible organization shall demonstrate to the commissioner
34 that it has ¹[enrolled in] participated in the establishment or operation
35 of¹ an apprenticeship program within the 12-month period before
36 applying for a grant. An eligible organization shall submit an
37 application in such form as shall be required by the commissioner.
38 The application shall require, at a minimum, an eligible organization to
39 submit to the department a report to verify the qualified start-up costs
40 incurred by an eligible organization associated with the initial year of
41 participation in an apprenticeship program. The report shall include
42 such information as shall be determined necessary by the department
43 to substantiate the qualified start-up costs incurred by ²[and] an²
44 eligible organization.

45 d. As used in this section:

46 “Apprenticeship program” means a registered program providing
47 to each trainee combined classroom and on-the-job training under the

1 direct and close supervision of a highly skilled worker in an
2 occupation recognized as an apprenticable trade, and: (1) registered by
3 the Office of Apprenticeship of the U.S. Department of Labor and
4 meeting the standards established by ²the that office ²[,] ;² or (2)
5 registered by a State apprenticeship agency recognized by the office.

6 “Eligible organization” means a labor union or an organization
7 exempt from taxation pursuant to ²paragraph (3) of subsection (c) of²
8 section 501 ²[(c)3]² of the federal Internal Revenue Code, (26 U.S.C.
9 s.501(c)(3)).

10 “Key industry” means an industry that makes or could make an
11 important contribution to the economy of the State, which may
12 include, but not be limited to advanced manufacturing, construction,
13 healthcare, logistics, pharmaceuticals, transportation, tourism, and
14 renewable energy defined by the department in accordance with
15 regulations adopted pursuant to P.L. , c. (C.) (pending before
16 the Legislature as this bill).

17 “Qualified start-up costs” means the ordinary and necessary costs
18 to ¹equip a building for ordinary business functions] start an
19 apprenticeship program in that industry and occupation, including the
20 salary costs of employees working on the program and, if applicable,
21 the¹ ³[,] ³ non-recurring costs of fixed telecommunication furnishings
22 and office equipment¹[,] and costs associated with negotiations
23 between an eligible organization and an employer that result in the
24 establishment of an apprenticeship program]¹ .
25

26 ³[4. Section 9 of P.L.1992, c.43 (C.34:15D-9) is amended to
27 read as follows:

28 9. a. A restricted, nonlapsing, revolving Workforce
29 Development Partnership Fund, to be managed and invested by the
30 State Treasurer, is hereby established to: provide employment and
31 training services to qualified displaced, disadvantaged and
32 employed workers by means of training grants or customized
33 training services; provide for the other costs indicated in subsection
34 a. of section 4 of P.L.1992, c.43 (C.34:15D-4); provide for the New
35 Jersey Innovation and Research Fellowship Program as provided for
36 in section 3 of P.L.2015, c.235 (C.34:15D-26); and facilitate the
37 provision of education and training to youth by means of grants
38 provided by the Youth Transitions to Work Partnership pursuant to
39 the provisions of P.L.1993, c.268 (C.34:15E-1 et al.). All
40 appropriations to the fund, all interest accumulated on balances in
41 the fund and all cash received for the fund from any other source
42 shall be used solely for the purposes specifically delineated by this
43 act.

44 b. During any fiscal year beginning after June 30, 2001, of the
45 total revenues dedicated to the program during any one fiscal year:
46 25% shall be deposited in an account of the Workforce
47 Development Partnership Fund reserved to provide employment and

1 training services for qualified displaced workers ²~~1.1~~² and during
2 any fiscal year beginning after June 30, ²~~2018~~² 2019², 0.5% ²~~of~~²
3 ~~the revenues~~² shall be deposited in an account of the Workforce
4 Development Partnership Fund reserved for and appropriated to the
5 Department of Labor and Workforce Development ²~~Fund~~² for the
6 Apprenticeship Start-Up Grant Program created pursuant to section
7 3 of P.L. , c. (C.) (pending before the Legislature as this
8 bill); 6% shall be deposited in an account of the Workforce
9 Development Partnership Fund reserved to provide employment and
10 training services for qualified disadvantaged workers; 42% shall be
11 deposited in an account of the Workforce Development Partnership
12 Fund reserved for and appropriated to the Office of Customized
13 Training; 3% shall be deposited in an account of the Workforce
14 Development Partnership Fund reserved for occupational safety and
15 health training; 5% shall be deposited in an account of the
16 Workforce Development Partnership Fund reserved for the Youth
17 Transitions to Work Partnership created pursuant to P.L.1993, c.268
18 (C.34:15E-1 et seq.); 3% shall be deposited in an account of the
19 Workforce Development Partnership Fund reserved for the New
20 Jersey Innovation and Research Fellowship Program established
21 pursuant to section 3 of P.L.2015, c.235 (C.34:15D-26); 10% shall
22 be deposited in an account of the Workforce Development
23 Partnership Fund reserved for administrative costs as defined in
24 section 3 of P.L.1992, c.43 (C.34:15D-3); 0.5% shall be deposited
25 in an account of the Workforce Development Partnership Fund
26 reserved for the State Employment and Training Commission to
27 design criteria and conduct an annual evaluation of the program;
28 and ~~5.5%~~ ^{5%} shall be deposited in an account of the Workforce
29 Development Partnership Fund to be used, at the discretion of the
30 commissioner, for any of the purposes indicated in subsection a. of
31 section 4 of P.L.1992, c.43 (C.34:15D-4).

32 c. Beginning January 1, 1995, through June 30, 2002, the
33 balance in the fund as of the previous December 31, as determined
34 in accordance with generally accepted accounting principles, shall
35 not exceed 1.5 times the amount of contributions deposited for the
36 calendar year then ended. If the balance exceeds this amount, the
37 excess shall be deposited into the unemployment compensation
38 fund within seven business days of the date that the determination is
39 made.

40 d. Beginning July 1, 2002, and for any subsequent fiscal year,
41 if the unexpended cash balance in any of the accounts indicated in
42 subsection b. of this section, less any amount awarded in grants but
43 not yet disbursed from the account, is determined to exceed 20% of
44 the amount of contributions collected for deposit in the account
45 pursuant to this subsection during the fiscal year then ended, the
46 excess shall be regarded as an unemployment compensation
47 contribution and deposited into the unemployment compensation

1 fund within seven business days of the date that the determination is
2 made.

3 (cf: P.L.2015, c.235, s.2)]³

4

5 ³4. Section 9 of P.L.1992, c.43 (C.34:15D-9) is amended to read as
6 follows:

7 9. a. A restricted, nonlapsing, revolving Workforce Development
8 Partnership Fund, to be managed and invested by the State Treasurer,
9 is hereby established to: provide employment and training services to
10 qualified displaced, disadvantaged and employed workers by means of
11 training grants or customized training services; provide for the other
12 costs indicated in subsection a. of section 4 of P.L.1992, c.43
13 (C.34:15D-4); provide for the New Jersey Innovation and Research
14 Fellowship Program as provided for in section 3 of P.L.2015, c.235
15 (C.34:15D-26); provide for the Talent Network Program as provided
16 for in section 2 of P.L.2019, c.125 (C.34:15D-29); and facilitate the
17 provision of education and training to youth by means of grants
18 provided by the Youth Transitions to Work Partnership pursuant to the
19 provisions of P.L.1993, c.268 (C.34:15E-1 et al.). All appropriations to
20 the fund, all interest accumulated on balances in the fund and all cash
21 received for the fund from any other source shall be used solely for the
22 purposes specifically delineated by this act.

23 b. During any fiscal year beginning after June 30, 2001, of the
24 total revenues dedicated to the program during any one fiscal year:
25 25% shall be deposited in an account of the Workforce Development
26 Partnership Fund reserved to provide employment and training
27 services for qualified displaced workers, and through fiscal year 2023,
28 not less than 10% of the revenues deposited in that account shall be
29 reserved to provide employment and training services to qualified
30 displaced workers in the pursuit of industry-valued credentials under
31 the pilot program established pursuant to P.L.2019, c.252 (C.34:15D-
32 30 et al.); and during any fiscal year beginning after June 30, 2019,
33 0.5% shall be deposited in an account of the Workforce Development
34 Partnership Fund reserved for and appropriated to the Department of
35 Labor and Workforce Development for the Apprenticeship Start-Up
36 Grant Program created pursuant to section 3 of P.L. _____,
37 c. (C. _____) (pending before the Legislature as this bill); 6% shall be
38 deposited in an account of the Workforce Development Partnership
39 Fund reserved to provide employment and training services for
40 qualified disadvantaged workers, and through fiscal year 2023, not less
41 than 10% of the revenues deposited in that account shall be reserved to
42 provide employment and training services to qualified disadvantaged
43 workers in the pursuit of industry-valued credentials under the pilot
44 program established pursuant to P.L.2019, c.252 (C.34:15D-30 et al.);
45 37% shall be deposited in an account of the Workforce Development
46 Partnership Fund reserved for and appropriated to the Office of
47 Customized Training; 5% shall be deposited in an account of the
48 Workforce Development Partnership Fund reserved for the Youth

1 Transitions to Work Partnership created pursuant to P.L.1993, c.268
2 (C.34:15E-1 et seq.); 3% shall be deposited in an account of the
3 Workforce Development Partnership Fund reserved for occupational
4 safety and health training; 5% shall be deposited in an account of the
5 Workforce Development Partnership Fund reserved for and
6 appropriated to the Talent Network Program established pursuant to
7 section 2 of P.L.2019, c.125 (C.34:15D-29); 3% shall be deposited in
8 an account of the Workforce Development Partnership Fund reserved
9 for the New Jersey Innovation and Research Fellowship Program
10 established pursuant to section 3 of P.L.2015, c.235 (C.34:15D-26);
11 10% shall be deposited in an account of the Workforce Development
12 Partnership Fund reserved for administrative costs as defined in
13 section 3 of P.L.1992, c.43 (C.34:15D-3); 0.5% shall be deposited in
14 an account of the Workforce Development Partnership Fund reserved
15 for the State Employment and Training Commission to design criteria
16 and conduct an annual evaluation of the program; and ~~5.5%~~ 5%
17 shall be deposited in an account of the Workforce Development
18 Partnership Fund to be used, at the discretion of the commissioner, for
19 any of the purposes indicated in subsection a. of section 4 of P.L.1992,
20 c.43 (C.34:15D-4).

21 c. Beginning January 1, 1995, through June 30, 2002, the balance
22 in the fund as of the previous December 31, as determined in
23 accordance with generally accepted accounting principles, shall not
24 exceed 1.5 times the amount of contributions deposited for the
25 calendar year then ended. If the balance exceeds this amount, the
26 excess shall be deposited into the unemployment compensation fund
27 within seven business days of the date that the determination is made.

28 d. Beginning July 1, 2002, and for any subsequent fiscal year, if
29 the unexpended cash balance in any of the accounts indicated in
30 subsection b. of this section, except for the account reserved for the
31 Talent Network Program, less any amount awarded in grants but not
32 yet disbursed from the account, is determined to exceed 20% of the
33 amount of contributions collected for deposit in the account pursuant
34 to this subsection during the fiscal year then ended, the excess shall be
35 regarded as an unemployment compensation contribution and
36 deposited into the unemployment compensation fund within seven
37 business days of the date that the determination is made. If the
38 unexpended cash balance in the account reserved for the Talent
39 Network Program, less any amount awarded in grants but not yet
40 disbursed from the account, is determined to exceed 20% of the
41 amount of contributions collected for deposit in the account pursuant
42 to this subsection during the fiscal year then ended, the excess shall be
43 deposited into the Workforce Development Partnership Fund account
44 reserved for the Office of Customized Training.³

45 (cf: P.L.2019, c.252, s.3)

46

47 ³5. (New section) No later than January 1, 2025, the
48 Commissioner of Labor and Workforce Development shall submit to

1 the Governor, and to the Legislature, pursuant to section 2 of
2 P.L.1991, c.164 (C.52:14-19.1), a report that evaluates the results of
3 the tax credits and the Apprenticeship Start-Up Grant Program and the
4 effectiveness of those initiatives in encouraging businesses to
5 participate in apprenticeship programs. The report shall include a
6 recommendation regarding whether to continue the tax credits and the
7 Apprenticeship Start-Up Grant Program, and if continuance is
8 recommended, if the tax credits and the Apprenticeship Start-Up Grant
9 Program should be expanded or otherwise enhanced.³

10

11 ³**[5.]** 6.³ The Director of the Division of Taxation in the
12 Department of the Treasury shall adopt rules and regulations
13 pursuant to the “Administrative Procedure Act,” P.L.1968, c.410
14 (C.52:14B-1 et seq.) to effectuate sections 1 and 2 of this act.

15

16 ³**[6.]** 7.³ The Commissioner of Labor and Workforce
17 Development shall adopt rules and regulations pursuant to the
18 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
19 seq.) to effectuate section 3 of this act.

20

21 ³**[7.]** 8.³ This act shall take effect immediately ²**[**, and sections 1
22 and 2 shall apply to taxable years beginning on or after the January 1
23 next following the date of enactment**]**².

24

25

26

27

28 Provides corporation business tax and gross income tax credits
29 for businesses that participate in DOL registered apprenticeship
30 programs; establishes grant program for tax-exempt organizations
31 participating in DOL registered apprenticeship programs.

SENATE, No. 3061

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED OCTOBER 15, 2018

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex)

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

SYNOPSIS

Provides corporation business tax and gross income tax credits for businesses that participate in DOL registered apprenticeship programs; establishes grant program for tax-exempt organizations participating in DOL registered apprenticeship programs.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/19/2018)

S3061 RUIZ, GREENSTEIN

2

1 AN ACT providing corporation business tax and gross income tax
2 credits for businesses that participate in federally-recognized
3 apprenticeship programs, establishing an Apprenticeship Start-
4 Up Grant Program, supplementing P.L.1945, c.162 (C.54:10A-
5 1 et seq.) and Title 54A of the New Jersey Statutes, and
6 amending and supplementing P.L.1992, c.43.

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

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11 1. (New section) a. A taxpayer, upon approval of an
12 application to the department and the director, shall be allowed a
13 credit against the tax imposed pursuant to section 5 of P.L.1945,
14 c.162 (C.54:10A-5): (1) in amount not to exceed \$5,000 of qualified
15 start-up costs of the taxpayer during a privilege period commencing
16 on or after July 1, 2019, and associated with the initial year of
17 participation in an apprenticeship program established by a taxpayer
18 or group of taxpayers; or (2) in an amount not to exceed \$10,000 of
19 the qualified start-up costs incurred by the taxpayer during a
20 privilege period commencing on or after July 1, 2019, and
21 associated with the initial year of participation in an apprenticeship
22 program established by a taxpayer or group of taxpayers that
23 provides greater opportunities for workers in key industries.

24 b. No tax credit shall be allowed pursuant to this section for
25 any costs or expenses included in the calculation of any other tax
26 credit or exemption granted pursuant to a claim made on a tax
27 return filed with the director, or included in the calculation of an
28 award of business assistance or incentive, for a period of time that
29 coincides with the privilege period for which a tax credit pursuant
30 to this section is allowed. The order of priority of the application of
31 the tax credit allowed pursuant to this section, and any other credits
32 allowed against the tax imposed pursuant to section 5 of P.L.1945,
33 c.162 (C.54:10A-5) for a privilege period, shall be as prescribed by
34 the director. The amount of the credit applied pursuant to this
35 section against the tax imposed pursuant to section 5 of P.L.1945,
36 c.162 (C.54:10A-5) shall not reduce a taxpayer's tax liability to an
37 amount less than the statutory minimum provided in subsection (e)
38 of section 5 of P.L.1945, c.162 (C.54:10A-5).

39 c. The value of tax credits approved by the department and the
40 director pursuant to subsection a. of this section and pursuant to
41 subsection a. of section 2 of this section shall not exceed a
42 cumulative total of \$1,000,000 in fiscal year 2020, and in each
43 fiscal year thereafter, to apply against the tax imposed pursuant to
44 section 5 of P.L.1945, c.162 (C.54:10A-5) and the tax imposed
45 pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-

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

Matter underlined thus is new matter.

1 1 et seq. If the cumulative total amount of tax credits allowed to
2 taxpayer for privilege periods or taxable years commencing during
3 a single fiscal year under subsection a. of this section and
4 subsection a. of section 2 of P.L. c. (C.) (pending before the
5 Legislature as this bill) exceeds the amount of tax credits available
6 in that fiscal year, then taxpayers who have first applied for and
7 have not been allowed a tax credit for that reason shall be allowed,
8 in the order in which they have submitted an application, the
9 amount of tax credit on the first day of the next succeeding fiscal
10 year in which tax credits under subsection a. of this section and
11 subsection a. of section 2 of P.L. , c. (C.) (pending before the
12 Legislature as this bill) are not in excess of the amount of credits
13 available.

14 d. A taxpayer shall submit to the department and the director a
15 report to verify the qualified start-up costs incurred by the taxpayer
16 associated with the initial year of participation in an apprenticeship
17 program. The report shall include such information as shall be
18 determined necessary by the department and the director to
19 substantiate the qualified start-up costs incurred by the taxpayer.

20 e. As used in this section:

21 “Apprenticeship program” means a registered program providing
22 to each trainee combined classroom and on-the-job training under
23 the direct and close supervision of a highly skilled worker in an
24 occupation recognized as an apprenticable trade, and: (1) registered
25 by the Office of Apprenticeship of the U.S. Department of Labor
26 and meeting the standards established by the office, or (2)
27 registered by a State apprenticeship agency recognized by the
28 office.

29 “Department” means the Department of Labor and Workforce
30 Development.

31 “Key industry” means an industry that makes or could make an
32 important contribution to the economy of the State, which may
33 include, but not be limited to, advanced manufacturing,
34 construction, healthcare, logistics, pharmaceuticals, transportation,
35 tourism, and renewable energy, as defined by the Department of
36 Labor and Workforce Development in accordance with regulations
37 adopted pursuant to P.L. , c. (C.) (pending before the
38 Legislature as this bill).

39 “Qualified start-up costs” means the ordinary and necessary costs
40 to equip a building for ordinary business functions and non-
41 recurring costs of fixed telecommunication furnishings and office
42 equipment.

43
44 2. (New section) a. A taxpayer, upon approval of an
45 application to the department and the director, shall be allowed a
46 credit against the tax otherwise due for the taxable year under the
47 “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et seq.: (1)
48 an amount not to exceed \$5,000 of the qualified start-up costs

1 incurred by the taxpayer, during a taxable year commencing on or
2 after July 1, 2019, and associated with the initial year of
3 participation in an apprenticeship program established by a taxpayer
4 or group of taxpayers, or (2) in an amount not to exceed \$10,000 of
5 the qualified start-up costs incurred by the taxpayer, during a
6 taxable year commencing on or after July 1, 2019, and associated
7 with the initial year of participation in an apprenticeship program
8 established by a taxpayer or group of taxpayers that provides
9 greater opportunities for workers in key industries.

10 b. No tax credit shall be allowed pursuant to this section for
11 any costs or expenses included in the calculation of any other tax
12 credit or exemption granted pursuant to a claim made on a tax
13 return filed with the director, or included in the calculation of an
14 award of business assistance or incentive, for a period of time that
15 coincides with the taxable year, for which a tax credit authorized
16 pursuant to this section is allowed. The order of priority of the
17 application of the credit allowed pursuant to this section, and any
18 other credits allowed against the tax imposed pursuant to
19 N.J.S.54A:1-1 et seq. for a taxable year, shall be as prescribed by
20 the director. The amount of the credit applied against the New
21 Jersey gross income tax imposed pursuant to N.J.S.54A:1-1 shall
22 not reduce a taxpayer's tax liability to an amount less than zero.

23 c. (1) A business entity that is classified as a partnership for
24 federal income tax purposes shall not be allowed a tax credit
25 pursuant to this section directly, but the amount of tax credit of a
26 taxpayer in respect to distributive share of entity income, shall be
27 determined by allocating to the taxpayer that proportion of the tax
28 credit acquired by the entity that is equal to the taxpayer's share,
29 whether or not distributed, of the total distributive income or gain
30 of the entity for its taxable year ending within or with the
31 taxpayer's taxable year.

32 (2) A New Jersey S Corporation shall not be allowed a tax credit
33 pursuant to this section directly, but the amount of the tax credit of
34 a taxpayer in respect of a pro rata share of S Corporation income,
35 shall be determined by allocating to the taxpayer that proportion of
36 the tax credit acquired by the New Jersey S Corporation that is
37 equal to the taxpayer's share, whether or not distributed, of the total
38 pro rata share of S Corporation income of the New Jersey S
39 Corporation for its privilege period ending within or with the
40 taxpayer's taxable year.

41 d. The value of tax credits approved by the department and the
42 director pursuant to subsection a. of this section and pursuant to
43 subsection a. of section 1 of shall not exceed a cumulative total of
44 \$1,000,000 in fiscal year 2020 and in each fiscal year thereafter to
45 apply against the tax imposed pursuant to section 5 of P.L.1945,
46 c.162 (C.54:10A-5) and the tax imposed pursuant to the "New
47 Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq. If the
48 cumulative total amount of tax credits allowed to taxpayers for

1 taxable years or privilege periods commencing during a single fiscal
2 year under subsection a. of this section and subsection a. of section
3 of 1 P.L. c. (C.) (pending before the Legislature as this bill)
4 exceeds the amount of tax credits available in that fiscal year, then
5 taxpayers who have first applied for and have not been allowed a
6 tax credit for that reason shall be allowed, in the order in which
7 they have submitted an application, the amount of tax credit on the
8 on the first day of the next succeeding fiscal year in which tax
9 credits under subsection a. of this section and subsection a. of
10 section 1 of P.L. , c. (C.) (pending before the Legislature as
11 this bill) are not in excess of the amount of credits available.

12 e. A taxpayer shall submit to the department and the director a
13 report to verify the qualified start-up costs incurred by the taxpayer
14 associated with the initial year of participation in an apprenticeship
15 program. The report shall include such information as shall be
16 determined necessary by the department and the director to
17 substantiate the qualified start-up costs incurred by the taxpayer.

18 f. As used in this section:

19 “Apprenticeship program” means a registered program providing
20 to each trainee combined classroom and on-the-job training under
21 the direct and close supervision of a highly skilled worker in an
22 occupation recognized as an apprenticeship trade, and: (1) registered
23 by the Office of Apprenticeship of the U.S. Department of Labor
24 and meeting the standards established by the office, or (2)
25 registered by a State apprenticeship agency recognized by the
26 office.

27 “Department” means the Department of Labor and Workforce
28 Development”

29 “Key industry” means an industry that makes or could make an
30 important contribution to the economy of the State, which may
31 include, but not be limited to, advanced manufacturing,
32 construction, healthcare, logistics, pharmaceuticals, transportation,
33 tourism, and renewable energy, as defined by the Department of
34 Labor and Workforce Development in accordance with regulations
35 adopted pursuant to P.L. , c. (C.) (pending before the
36 Legislature as this bill).

37 “Qualified start-up costs” means the ordinary and necessary costs
38 to equip a building for ordinary business functions and non-
39 recurring costs of fixed telecommunication furnishings and office
40 equipment.

41

42 3. (New section) a. There is created in the Office of
43 Customized Training in the Department of Labor and Workforce
44 Development the Apprentice Start-Up Grant Program. The purpose
45 of the program is to provide an incentive for eligible organizations
46 to support the development and expansion of apprenticeship
47 programs which will provide additional opportunities for New

1 Jersey's workforce to access careers in high-skill, high-wage
2 occupations.

3 b. An eligible organization may apply for a grant in an amount
4 not to exceed \$5,000 to offset the qualified start-up costs associated
5 with the initial year of participation in an apprenticeship program or
6 for a grant in an amount not to exceed \$10,000 to offset the
7 qualified start-up costs associated with the initial year of
8 participation in an apprenticeship program that provides greater
9 opportunities for workers in key industries.

10 c. An eligible organization shall demonstrate to the
11 commissioner that it has enrolled in an apprenticeship program
12 within the 12-month period before applying for a grant. An eligible
13 organization shall submit an application in such form as shall be
14 required by the commissioner. The application shall require, at a
15 minimum, an eligible organization to submit to the department a
16 report to verify the qualified start-up costs incurred by an eligible
17 organization associated with the initial year of participation in an
18 apprenticeship program. The report shall include such information
19 as shall be determined necessary by the department to substantiate
20 the qualified start-up costs incurred by and eligible organization.

21 d. As used in this section:

22 "Apprenticeship program" means a registered program providing
23 to each trainee combined classroom and on-the-job training under
24 the direct and close supervision of a highly skilled worker in an
25 occupation recognized as an apprenticeship trade, and: (1) registered
26 by the Office of Apprenticeship of the U.S. Department of Labor
27 and meeting the standards established by the office, or (2)
28 registered by a State apprenticeship agency recognized by the
29 office.

30 "Eligible organization" means a labor union or an organization
31 exempt from taxation pursuant to section 501(c)3 of the federal
32 Internal Revenue Code, (26 U.S.C. s.501(c)(3)).

33 "Key industry" means an industry that makes or could make an
34 important contribution to the economy of the State, which may
35 include, but not be limited to advanced manufacturing, construction,
36 healthcare, logistics, pharmaceuticals, transportation, tourism, and
37 renewable energy defined by the department in accordance with
38 regulations adopted pursuant to P.L. , c. (C.) (pending before
39 the Legislature as this bill).

40 "Qualified start-up costs" means the ordinary and necessary costs
41 to equip a building for ordinary business functions, non-recurring
42 costs of fixed telecommunication furnishings and office equipment,
43 and costs associated with negotiations between an eligible
44 organization and an employer that result in the establishment of an
45 apprenticeship program.

46

47 4. Section 9 of P.L.1992, c.43 (C.34:15D-9) is amended to read
48 as follows:

1 9. a. A restricted, nonlapsing, revolving Workforce
2 Development Partnership Fund, to be managed and invested by the
3 State Treasurer, is hereby established to: provide employment and
4 training services to qualified displaced, disadvantaged and
5 employed workers by means of training grants or customized
6 training services; provide for the other costs indicated in subsection
7 a. of section 4 of P.L.1992, c.43 (C.34:15D-4); provide for the New
8 Jersey Innovation and Research Fellowship Program as provided for
9 in section 3 of P.L.2015, c.235 (C.34:15D-26); and facilitate the
10 provision of education and training to youth by means of grants
11 provided by the Youth Transitions to Work Partnership pursuant to
12 the provisions of P.L.1993, c.268 (C.34:15E-1 et al.). All
13 appropriations to the fund, all interest accumulated on balances in
14 the fund and all cash received for the fund from any other source
15 shall be used solely for the purposes specifically delineated by this
16 act.

17 b. During any fiscal year beginning after June 30, 2001, of the
18 total revenues dedicated to the program during any one fiscal year:
19 25% shall be deposited in an account of the Workforce
20 Development Partnership Fund reserved to provide employment and
21 training services for qualified displaced workers, and during any
22 fiscal year beginning after June 30, 2018, 0.5% of the revenues
23 shall be deposited in an account of the Workforce Development
24 Partnership Fund reserved for and appropriated to the Department
25 of Labor and Workforce Development Fund for the Apprenticeship
26 Start-Up Grant Program created pursuant to section 3 of
27 P.L. , c. (C.) (pending before the Legislature as this bill);
28 6% shall be deposited in an account of the Workforce Development
29 Partnership Fund reserved to provide employment and training
30 services for qualified disadvantaged workers; 42% shall be
31 deposited in an account of the Workforce Development Partnership
32 Fund reserved for and appropriated to the Office of Customized
33 Training; 3% shall be deposited in an account of the Workforce
34 Development Partnership Fund reserved for occupational safety and
35 health training; 5% shall be deposited in an account of the
36 Workforce Development Partnership Fund reserved for the Youth
37 Transitions to Work Partnership created pursuant to P.L.1993, c.268
38 (C.34:15E-1 et seq.); 3% shall be deposited in an account of the
39 Workforce Development Partnership Fund reserved for the New
40 Jersey Innovation and Research Fellowship Program established
41 pursuant to section 3 of P.L.2015, c.235 (C.34:15D-26); 10% shall
42 be deposited in an account of the Workforce Development
43 Partnership Fund reserved for administrative costs as defined in
44 section 3 of P.L.1992, c.43 (C.34:15D-3); 0.5% shall be deposited
45 in an account of the Workforce Development Partnership Fund
46 reserved for the State Employment and Training Commission to
47 design criteria and conduct an annual evaluation of the program;
48 and **【5.5%】** 5% shall be deposited in an account of the Workforce

1 Development Partnership Fund to be used, at the discretion of the
2 commissioner, for any of the purposes indicated in subsection a. of
3 section 4 of P.L.1992, c.43 (C.34:15D-4).

4 c. Beginning January 1, 1995, through June 30, 2002, the
5 balance in the fund as of the previous December 31, as determined
6 in accordance with generally accepted accounting principles, shall
7 not exceed 1.5 times the amount of contributions deposited for the
8 calendar year then ended. If the balance exceeds this amount, the
9 excess shall be deposited into the unemployment compensation
10 fund within seven business days of the date that the determination is
11 made.

12 d. Beginning July 1, 2002, and for any subsequent fiscal year,
13 if the unexpended cash balance in any of the accounts indicated in
14 subsection b. of this section, less any amount awarded in grants but
15 not yet disbursed from the account, is determined to exceed 20% of
16 the amount of contributions collected for deposit in the account
17 pursuant to this subsection during the fiscal year then ended, the
18 excess shall be regarded as an unemployment compensation
19 contribution and deposited into the unemployment compensation
20 fund within seven business days of the date that the determination is
21 made.

22 (cf: P.L.2015, c.235, s.2)

23

24 5. The Director of the Division of Taxation in the Department
25 of the Treasury shall adopt rules and regulations pursuant to the
26 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
27 1 et seq.) to effectuate sections 1 and 2 of this act.

28

29 6. The Commissioner of Labor and Workforce Development
30 shall adopt rules and regulations pursuant to the "Administrative
31 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate
32 section 3 of this act.

33

34 7. This act shall take effect immediately, and sections 1 and 2
35 shall apply to taxable years beginning on or after the January 1 next
36 following the date of enactment.

37

38

39

STATEMENT

40

41 This bill establishes financial incentives for businesses and non-
42 profit entities to participate in apprenticeship programs registered
43 with the United States Department of Labor (DOL).

44 The bill provides businesses with a \$5,000 credit against the
45 corporation business tax (CBT) or the gross income tax (GIT) for
46 start-up costs associated with the initial year of participation in an
47 apprenticeship program. Businesses may receive an additional
48 \$5,000 tax credit for start-up costs associated with the initial year of

1 participation in an apprenticeship program that provides greater
2 opportunities for workers in key industries, such as manufacturing,
3 health care, and renewable energy. An apprenticeship program may
4 be established by a single employer or a group of employers.

5 The bill imposes a limit in the total amount of tax credits that
6 may be allowed in each fiscal year. The bill provides that no more
7 than \$1 million in tax credits are allowed to be granted to taxpayers
8 for qualified start-up costs associated with the first year of
9 participation in an apprenticeship program in any given State fiscal
10 year. In order to claim the tax credit, a taxpayer must submit to the
11 Department of Labor and Workforce Development and Director of
12 the Division of Taxation in the Department of the Treasury an
13 itemized report of qualified start-up costs incurred by the taxpayer.

14 The bill also creates that Apprenticeship Start-Up Grant Program
15 in the Office of Customized Training in the Department of Labor
16 and Workforce Development Partnership Fund. The Apprenticeship
17 Start-Up Grant Program will offer non-profit organizations the
18 opportunity to apply for grant funds totaling \$5,000 to offset the
19 cost of participating in apprenticeship programs or \$10,000 for
20 joining an apprenticeship program in a key industry. The bill
21 requires an eligible organization to submit an itemized report of
22 qualified start-up costs with its grant application.

23 The bill allocates 0.5 percent of the revenues deposited in the
24 Workforce Development Partnership Fund (WDPF) to support the
25 grant program beginning in Fiscal Year 2020. The WDPF was
26 established in 1992 to provide qualified displaced, disadvantaged,
27 and employed workers with employment and training services by
28 means of training grants or customized training services, provided
29 the funding is not available from federal and other sources.

30 The purpose of the tax credit and the Apprenticeship Start-Up
31 Grant Program is to incentive employer participation in
32 apprenticeship programs by alleviation a portion of the costs
33 associated with establishing a new apprenticeship program. The
34 DOL registered apprenticeship system combines technical
35 instruction with structured on-the-job experience to match
36 individuals with employers in need of qualified skilled workers.
37 The range of occupations represented in the DOL registered
38 apprenticeship system includes traditional industries, such as
39 construction and manufacturing, as well as emerging fields such as
40 health care and energy.

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

[Second Reprint] **SENATE, No. 3061**

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 9, 2019

The Assembly Labor Committee reports favorably and with committee amendments Senate Bill No. 3061 (2R).

As amended, this bill establishes financial incentives for businesses and non-profit entities to participate in apprenticeship programs registered with the United States Department of Labor (DOL).

The bill provides businesses with a \$5,000 credit against the corporation business tax (CBT) or the gross income tax (GIT) for start-up costs of the taxpayer during a privilege period commencing on or after July 1, 2019, and associated with the initial year of participation in an apprenticeship program. Further, if the apprenticeship program provides greater opportunities for workers in key industries, such as manufacturing, health care, and renewable energy, the business may receive a tax credit of \$10,000 for start-up costs associated with the initial year of participation in the apprenticeship program. An apprenticeship program may be established by a single employer or a group of employers.

The bill imposes a limit on the total amount of tax credits that may be allowed. The bill provides that no more than \$1 million in tax credits may be granted to taxpayers for qualified start-up costs associated with the first year of participation in an apprenticeship program in Fiscal Year 2020 and each fiscal year thereafter. In order to claim the tax credit, a taxpayer must submit to the Department of Labor and Workforce Development and Director of the Division of Taxation in the Department of the Treasury an itemized report of qualified start-up costs incurred by the taxpayer.

The bill also creates the Apprenticeship Start-Up Grant Program in the Office of Customized Training in the Department of Labor and Workforce Development. The Apprenticeship Start-Up Grant Program will offer non-profit organizations the opportunity to apply for a grant of \$5,000 to offset the start-up costs associated with the initial year of participation in an apprenticeship program, or a \$10,000 grant to offset the qualified start-up costs associated with the initial year of participation in an apprenticeship program that provides

greater opportunities for workers in a key industry. The bill requires an eligible organization to submit an itemized report of qualified start-up costs with its grant application.

The bill allocates 0.5 percent of the total revenues dedicated from the Workforce Development Partnership Fund to the Workforce Development Partnership Program to support the grant program beginning in Fiscal Year 2020. The Workforce Development Partnership Fund was established in 1992 to provide qualified displaced, disadvantaged, and employed workers with employment and training services by means of training grants or customized training services, provided the funding is not available from federal and other sources.

The purpose of the tax credits and the Apprenticeship Start-Up Grant Program is to incentivize employer participation in apprenticeship programs by offsetting a portion of the costs associated with establishing a new apprenticeship program. The DOL registered apprenticeship system combines technical instruction with structured on-the-job experience to match individuals with employers in need of qualified skilled workers. The range of occupations represented in the DOL registered apprenticeship system includes traditional industries, such as construction and manufacturing, as well as emerging fields such as health care and energy.

As amended, the bill requires the Commissioner of Labor and Workforce Development to submit a report regarding the effectiveness of the tax credits and the Apprenticeship Grant Start-Up Program.

As amended, this bill is identical to Assembly Bill No. 4603 as amended and reported by the committee.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

1. Require the Commissioner of Labor and Workforce Development to submit a report regarding the effectiveness of the tax credits and the Apprenticeship Grant Start-Up Program.
2. Make certain technical corrections to the bill.

The amendments make this bill identical to Assembly Bill No. 4063 (1R) of the 2018-2019 session.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[Third Reprint]

SENATE, No. 3061

STATE OF NEW JERSEY

DATED: DECEMBER 12, 2019

The Assembly Appropriations Committee reports favorably Senate Bill No. 3061 (3R).

This bill establishes financial incentives for businesses and non-profit entities to participate in apprenticeship programs registered with the United States Department of Labor (DOL).

The bill provides businesses with a \$5,000 credit against the corporation business tax (CBT) or the gross income tax (GIT) for start-up costs of the taxpayer during a privilege period commencing on or after July 1, 2019, and associated with the initial year of participation in an apprenticeship program. Further, if the apprenticeship program provides greater opportunities for workers in key industries, such as manufacturing, health care, and renewable energy, the business may receive a tax credit of \$10,000 for start-up costs associated with the initial year of participation in the apprenticeship program. An apprenticeship program may be established by a single employer or a group of employers.

The bill imposes a limit on the total amount of tax credits that may be allowed. The bill provides that no more than \$1 million in tax credits may be granted to taxpayers for qualified start-up costs associated with the first year of participation in an apprenticeship program in Fiscal Year 2020 and each fiscal year thereafter. In order to claim the tax credit, a taxpayer must submit to the Department of Labor and Workforce Development and Director of the Division of Taxation in the Department of the Treasury an itemized report of qualified start-up costs incurred by the taxpayer.

The bill also creates the Apprenticeship Start-Up Grant Program in the Office of Customized Training in the Department of Labor and Workforce Development. The Apprenticeship Start-Up Grant Program will offer non-profit organizations the opportunity to apply for a grant of \$5,000 to offset the start-up costs associated with the initial year of participation in an apprenticeship program, or a \$10,000 grant to offset the qualified start-up costs associated with the initial year of participation in an apprenticeship program that provides greater opportunities for workers in a key industry. The bill requires an eligible organization to submit an itemized report of qualified start-up costs with its grant application.

The bill allocates 0.5 percent of the total revenues dedicated from the Workforce Development Partnership Fund to the Workforce Development Partnership Program to support the grant program beginning in Fiscal Year 2020. The Workforce Development Partnership Fund was established in 1992 to provide qualified displaced, disadvantaged, and employed workers with employment and training services by means of training grants or customized training services, provided the funding is not available from federal and other sources.

The bill requires the Commissioner of Labor and Workforce Development to submit a report regarding the effectiveness of the tax credits and the Apprenticeship Grant Start-Up Program.

As reported by the committee, Senate Bill No. 3061 (3R) is identical to Assembly Bill No. 4603 (1R), which also was reported by the committee on this date.

FISCAL IMPACT:

The Office of Legislative Services (OLS) cannot determine whether the bill will have a positive or negative net fiscal impact on the State. The total amount of tax credits that may be awarded under the bill is capped at \$1 million. The bill shifts the purpose of funding dedicated to the Workforce Development Partnership Fund to support the Apprenticeship Start-Up Grant Program, so this program will have no direct net impact on the budget.

The direct cost of awarding additional tax credits may be offset by the indirect fiscal effects catalyzed through new apprenticeship opportunities, such as additional state tax revenues from workers hired as apprentices. Multiple factors can influence the magnitude of the direct and indirect fiscal effects of the bill, such as the number of new apprenticeships created and the number of trainees who participate in these programs.

SENATE LABOR COMMITTEE

STATEMENT TO

SENATE, No. 3061

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 3, 2018

The Senate Labor Committee reports favorably, with committee amendments, Senate Bill, No. 3061.

As amended, this bill establishes financial incentives for businesses and non-profit entities to participate in apprenticeship programs registered with the United States Department of Labor (DOL).

The bill provides businesses with a \$5,000 credit against the corporation business tax (CBT) or the gross income tax (GIT) for start-up costs associated with the initial year of participation in an apprenticeship program. Businesses may receive an additional \$5,000 tax credit for start-up costs associated with the initial year of participation in an apprenticeship program that provides greater opportunities for workers in key industries, such as manufacturing, health care, and renewable energy. An apprenticeship program may be established by a single employer of a group of employers.

The bill imposes a limit in the total amount of tax credits that may be allowed in each fiscal year. The bill provides that no more than \$1 million in tax credits are allowed to be granted to taxpayers for qualified start-up costs associated with the first year of participation in an apprenticeship program in any given State fiscal year. In order to claim the tax credit, a taxpayer must submit to the Department of Labor and Workforce Development and Director of the Division of Taxation in the Department of the Treasury an itemized report of qualified start-up costs incurred by the taxpayer.

The bill also creates that Apprenticeship Start-Up Grant Program in the Office of Customized Training in the Department of Labor and Workforce Development Partnership Fund. The Apprenticeship Start-Up Grant Program will offer non-profit organizations the opportunity to apply for grant funds totaling \$5,000 to offset the cost of participating in apprenticeship programs or \$10,000 for joining an apprenticeship program in a key industry. The bill requires an eligible organization to submit an itemized report of qualified start-up costs with its grant application.

The bill allocates 0.5 percent of the 25 percent of revenues deposited in the Workforce Development Partnership Fund (WDPF) for employment and training services to support the grant program

beginning in Fiscal Year 2020. The WDPF was established in 1992 to provide qualified displaced, disadvantaged, and employed workers with employment and training services by means of training grants or customized training services, provided the funding is not available from federal and other sources.

The purpose of the tax credit and the Apprenticeship Start-Up Grant Program is to incentive employer participation in apprenticeship programs by alleviating a portion of the costs associated with establishing a new apprenticeship program. The DOL registered apprenticeship system combines technical instruction with structured on-the-job experience to match individuals with employers in need of qualified skilled workers. The range of occupations represented in the DOL registered apprenticeship system includes traditional industries, such as construction and manufacturing, as well as emerging fields such as health care and energy.

COMMITTEE AMENDMENTS:

The amendments adopted by the committee:

1. Modify the definition of “qualified start-up costs” for the bill’s tax credits and grants to include the ordinary and necessary costs to “start an apprenticeship program in that industry and occupation, including the salary costs of employees working on the program” instead of the cost to “equip a building for ordinary business functions”; and

2. Modify the definition of “qualified start-up costs” for the bill’s grants to exclude “costs associated with negotiations between an eligible organization and an employer that result in the establishment of an apprenticeship program.”

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 3061

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 17, 2019

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3061 (1R), with committee amendments.

This bill, as amended, establishes financial incentives for businesses and non-profit entities to participate in apprenticeship programs registered with the United States Department of Labor (DOL).

The bill provides businesses with a \$5,000 credit against the corporation business tax (CBT) or the gross income tax (GIT) for start-up costs of the taxpayer during a privilege period commencing on or after July 1, 2019, and associated with the initial year of participation in an apprenticeship program. Further, if the apprenticeship program provides greater opportunities for workers in key industries, such as manufacturing, health care, and renewable energy, the business may receive a tax credit of \$10,000 for start-up costs associated with the initial year of participation in the apprenticeship program. An apprenticeship program may be established by a single employer or a group of employers.

The bill imposes a limit on the total amount of tax credits that may be allowed. The bill provides that no more than \$1 million in tax credits may be granted to taxpayers for qualified start-up costs associated with the first year of participation in an apprenticeship program in Fiscal Year 2020 and each fiscal year thereafter. In order to claim the tax credit, a taxpayer must submit to the Department of Labor and Workforce Development and Director of the Division of Taxation in the Department of the Treasury an itemized report of qualified start-up costs incurred by the taxpayer.

The bill also creates that Apprenticeship Start-Up Grant Program in the Office of Customized Training in the Department of Labor and Workforce Development. The Apprenticeship Start-Up Grant Program will offer non-profit organizations the opportunity to apply for a grant of \$5,000 to offset the start-up costs associated with the initial year of participation in an apprenticeship program, or a \$10,000 grant to offset the qualified start-up costs associated with the initial year of participation in an apprenticeship program that provides

greater opportunities for workers in a key industry. The bill requires an eligible organization to submit an itemized report of qualified start-up costs with its grant application.

The bill allocates 0.5 percent of the total revenues dedicated from the Workforce Development Partnership Fund to the Workforce Development Partnership Program to support the grant program beginning in Fiscal Year 2020. The Workforce Development Partnership Fund was established in 1992 to provide qualified displaced, disadvantaged, and employed workers with employment and training services by means of training grants or customized training services, provided the funding is not available from federal and other sources.

The purpose of the tax credits and the Apprenticeship Start-Up Grant Program is to incentivize employer participation in apprenticeship programs by offsetting a portion of the costs associated with establishing a new apprenticeship program. The DOL registered apprenticeship system combines technical instruction with structured on-the-job experience to match individuals with employers in need of qualified skilled workers. The range of occupations represented in the DOL registered apprenticeship system includes traditional industries, such as construction and manufacturing, as well as emerging fields such as health care and energy.

COMMITTEE AMENDMENTS:

The amendments: clarify that 0.5 percent of total revenues dedicated to the Workforce Development Partnership Program (rather than 0.5 percent of the 25 percent of total revenues that are deposited in an account of the Workforce Development Partnership Fund and reserved to provide employment and training services for qualified displaced workers) are to be deposited in an account of the Fund and reserved for the Apprenticeship Start-Up Grant Program created by section 3 of the bill; change the starting date for the deposit and reserve of those funds to Fiscal Year 2020 (rather than Fiscal Year 2019); and make certain technical corrections to conform text with OLS drafting standards.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the bill may reduce annual State revenue by up to \$1 million from granting tax credits for businesses' qualified start-up costs associated with the initial year of participation in an apprenticeship program. The \$1 million represents the cap the bill places on annual tax credit awards.

The direct State revenue loss may be partially offset by the indirect State revenue effects catalyzed through new apprenticeship opportunities, such as additional State tax revenues from workers hired as apprentices. In contrast, indirect fiscal effects generated by credit-

receiving apprenticeship programs that will be created irrespective of the tax credit award cannot be attributed to the bill.

Several factors, such as the number of new apprenticeship programs created and the number of trainees who participate in these programs each year, will influence the specific magnitude of the direct and indirect State revenue effects of the bill.

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 3061

STATE OF NEW JERSEY 218th LEGISLATURE

DATED: JANUARY 24, 2019

SUMMARY

- Synopsis:** Provides corporation business tax and gross income tax credits for businesses that participate in DOL registered apprenticeship programs; establishes grant program for tax-exempt organizations participating in DOL registered apprenticeship programs.
- Type of Impact:** Potential annual net State revenue decrease.
- Agencies Affected:** Department of Labor and Workforce Development and Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2020 and Every FY Thereafter</u>
Direct State Revenue Loss	Up to \$1,000,000
Indirect State Revenue Gain	Indeterminate

- The Office of Legislative Services (OLS) estimates that the bill may reduce annual State revenue by up to \$1 million from granting tax credits for businesses' qualified start-up costs associated with the initial year of participation in an apprenticeship program. The \$1 million represents the cap the bill places on annual tax credit awards.
- The direct State revenue loss may be partially offset by the indirect State revenue effects catalyzed through new apprenticeship opportunities, such as additional State tax revenues from workers hired as apprentices. In contrast, indirect fiscal effects generated by credit-receiving apprenticeship programs that will be created irrespective of the tax credit award cannot be attributed to the bill.
- Several factors, such as the number of new apprenticeship programs created and the number of trainees who participate in these programs each year, will influence the specific magnitude of the direct and indirect State revenue effects of the bill.

BILL DESCRIPTION

The bill establishes financial incentives for businesses, non-profit entities and labor unions to participate in apprenticeship programs registered with the United States Department of Labor (DOL).

The bill provides businesses with a \$5,000 credit against the corporation business tax (CBT) or the gross income tax (GIT) for documented qualified start-up costs associated with the initial year of participation in an apprenticeship program. Businesses may receive an additional \$5,000 tax credit if the apprenticeship program provides greater opportunities for workers in key industries, such as manufacturing, health care, and renewable energy. No more than \$1 million in tax credits may be approved annually by the Department of Labor and Workforce Development (DOLWD) and the Division of Taxation in the Department of the Treasury.

The bill also creates the Apprenticeship Start-Up Grant Program in the Office of Customized Training in the DOLWD. A non-profit organization or labor union may apply for grant funds totaling \$5,000 to offset the documented cost of participating in an apprenticeship program or \$10,000 for joining an apprenticeship program in a key industry. The bill reallocates 0.5 percent of total revenues deposited in the Workforce Development Partnership Fund (WDPF) from the Workforce Development Partnership Program to the grant program beginning in FY 2020.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the bill may reduce annual State revenue by up to \$1 million starting in FY 2020 from granting tax credits for businesses' qualified start-up costs associated with the initial year of participation in an apprenticeship program. The \$1 million represents the cap the bill places on annual tax credit awards. The direct State revenue loss could be offset in part, or potentially even in whole, if the incentives established by the bill catalyze new apprenticeships. In this scenario, an indirect State revenue gain occurs when a trainee in a qualifying new apprenticeship program receives a salary or wage that is subject to the State's GIT, or if that trainee spends the resultant income on goods and services that are subject to the sales and use tax. Multiple factors will influence the magnitude of the direct and indirect revenue effects of the bill, such as the number of new apprenticeship programs created and the number of trainees who participate in these programs.

According to the Employment and Training Administration in the DOL, approximately 75 new federally-registered apprenticeship programs were created in New Jersey in each federal fiscal year (FFY) since FFY 2014. The FFY begins on October 1 and ends on September 30. The available data do not specify whether these programs were created by non-profit organizations, labor unions, or private employers. However, if New Jersey CBT and GIT taxpayers continue to establish 75 federally-registered apprenticeship programs per year, the State may approve tax credits totaling between \$375,000 (if each applicant receives a \$5,000 tax credit) and \$750,000 (if each applicant receives a \$10,000 tax credit). The annual revenue loss may exceed \$750,000 if the tax credit program causes businesses to participate in apprenticeship programs that otherwise would not do so.

The OLS notes that the Apprenticeship Start-Up Grant Program would be funded through existing WDPF resources. Notably, the bill reduces, from 5.5 percent to 5.0 percent, the percentage of total WDPF receipts available to the DOLWD for various employment training services by an amount equal to the new dedication for the Apprenticeship Start-Up Grant Program. Accordingly, because the bill merely reallocates WDPF resources, the grant program does not alter aggregate State expenditures. If the grant program were to operate according to the provisions of the bill in FY 2019, it would be funded at an estimated \$655,000, or 0.5 percent of the Office of Management and Budget-estimated \$131.0 million in FY 2019 WDPF revenues.

The direct State revenue loss of the bill may be partially offset by new State tax revenues generated by apprentices during their apprenticeship and subsequent employment, but only to the extent that the apprenticeship positions would not be available absent the bill's incentives. In contrast, the indirect fiscal benefits of apprenticeship positions that would be filled irrespective of the bill's incentives cannot be attributed to the bill and therefore would have to be excluded from the tabulation of the indirect State revenue gain this bill may generate.

The DOL data indicate that approximately 2,280 new apprentices have been registered in new and existing New Jersey apprenticeship programs annually since FFY 2014 and that the average starting wage for an apprentice is \$15.00 per hour. An apprentice who works 40 hours per week for 50 weeks per year, and is paid \$15.00 per hour, would have an annual pay of \$30,000. That individual's GIT liability would be \$437.50, assuming the apprentice files a single GIT return, claims the standard personal deduction, and does not claim a deduction for property tax payments. If apprentices continue to register in New Jersey apprenticeship programs at the current rate (2,280 per year), they will have a total GIT liability of approximately \$1 million per year while being in the programs.

Apprentices receive wage increases as they reach advanced levels of skill and knowledge within their field. The DOL information notes that 91 percent of apprentices retain employment after their program ends and that the average wage for a fully-proficient apprenticeship graduate is \$50,000 annually.

Section: Revenue, Finance and Appropriations
Analyst: Scott A. Brodsky
Lead Fiscal 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.

LEGISLATIVE FISCAL ESTIMATE

[Third Reprint]

SENATE, No. 3061

STATE OF NEW JERSEY 218th LEGISLATURE

DATED: DECEMBER 19, 2019

SUMMARY

- Synopsis:** Provides corporation business tax and gross income tax credits for businesses that participate in DOL registered apprenticeship programs; establishes grant program for tax-exempt organizations participating in DOL registered apprenticeship programs.
- Type of Impact:** Potential annual net State revenue decrease.
- Agencies Affected:** Department of Labor and Workforce Development and Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2020 and Every FY Thereafter</u>
Direct State Revenue Loss	Up to \$1,000,000
Indirect State Revenue Gain	Indeterminate

- The Office of Legislative Services (OLS) estimates that the bill may reduce annual State revenue by up to \$1 million from granting tax credits for businesses' qualified start-up costs associated with the initial year of participation in an apprenticeship program. The \$1 million represents the cap the bill places on annual tax credit awards.
- The direct State revenue loss and expenditure increase may be partially offset by the indirect State revenue effects catalyzed through new apprenticeship opportunities, such as additional State tax revenues from workers hired as apprentices.
- Several factors, such as the number of new apprenticeship programs created and the number of trainees who participate in these programs each year, will influence the specific magnitude of the direct and indirect State fiscal effects of the bill.
- The bill shifts expenditures within the Workforce Development Partnership Fund (WDPF) to support the Apprenticeship Start-Up Grant Program, so these provisions will have no direct impact on the budget.

BILL DESCRIPTION

The bill establishes financial incentives for businesses, non-profit entities, and labor unions that participate in apprenticeship programs registered with the United States Department of Labor (DOL).

The bill provides businesses with a \$5,000 credit against the corporation business tax (CBT) or the gross income tax (GIT) for documented qualified start-up costs associated with the initial year of participation in an apprenticeship program. Businesses may receive an additional \$5,000 tax credit if the apprenticeship program provides greater opportunities for workers in key industries, such as manufacturing, health care, and renewable energy. The Department of Labor and Workforce Development (DOLWD) and the Division of Taxation in the Department of the Treasury may approve up to \$1 million in tax credits annually.

The bill also creates the Apprenticeship Start-Up Grant Program in the Office of Customized Training in the DOLWD. A non-profit organization or labor union may apply for grant funds totaling \$5,000 to offset the documented cost of participating in an apprenticeship program or \$10,000 for joining an apprenticeship program in a key industry. The bill dedicates 0.5 percent of the revenues deposited in the WDPF from the Workforce Development Partnership Program to the grant program beginning in FY 2020.

The bill also requires the Commissioner of Labor and Workforce Development to submit a report to the Governor and the Legislature regarding the effectiveness of the tax credits and the Apprenticeship Start-Up Grant Program no later than January 1, 2025.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the bill may reduce annual State revenues by up to \$1 million starting in FY 2020 from granting tax credits for businesses' qualified start-up costs associated with the initial year of participation in the apprenticeship program. The \$1 million represents the cap the bill places on annual tax credit awards. The direct State revenue loss could be offset in part, or potentially even in whole, if the incentives established by the bill catalyze new apprenticeships. In this scenario, an indirect State revenue gain occurs when a trainee in a qualifying new apprenticeship program receives a salary or wage that is subject to the State's GIT, or if that trainee spends the resultant income on goods and services that are subject to the sales and use tax. Multiple factors will influence the magnitude of the direct and indirect revenue effects of the bill, such as the number of new apprenticeship programs created by the bill and the number of trainees who participate in these programs.

According to the Employment and Training Administration in the DOL, approximately 87 new federally registered apprenticeship programs were created in New Jersey in each federal fiscal year (FFY) since FFY 2014. The FFY begins on October 1 and ends on September 30. The available data do not specify whether these programs were created by non-profit organizations, labor unions, or private employers. However, if New Jersey CBT and GIT taxpayers establish 87 federally-registered apprenticeship programs per year, the State may approve tax credits totaling between \$435,000 (if each applicant receives a \$5,000 tax credit) and \$870,000 (if each applicant receives

a \$10,000 tax credit). The annual revenue loss may exceed \$870,000 if the tax credit program causes businesses to participate in apprenticeship programs that otherwise would not do so.

The OLS notes that the Apprenticeship Start-Up Grant Program would be funded through existing WDPF resources. Accordingly, because the bill merely reallocates WDPF resources, the grant program does not alter aggregate State expenditures. If the grant program were to operate according to the provisions of the bill in FY 2020, it would be funded at an estimated \$6.4 million, or 0.5 percent of the Office of Management and Budget-estimated \$128.0 million in FY 2020 WDPF revenues.

The direct State revenue loss of the bill may be partially offset by new State tax revenues generated by apprentices during their apprenticeship and subsequent employment, but only to the extent that the apprenticeship positions would not be available absent the bill's incentives. In contrast, the indirect fiscal benefits of apprenticeship positions that would be filled irrespective of the bill's incentives cannot be attributed to the bill and therefore would have to be excluded from the tabulation of the indirect State revenue gain this bill may generate.

The DOL data indicate that approximately 2,331 new apprentices have been registered in new and existing New Jersey apprenticeship programs annually since FFY 2014 and that the average starting wage for an apprentice is \$15.00 per hour. An apprentice who works 40 hours per week for 50 weeks per year, and is paid \$15.00 per hour, would have an annual pay of \$30,000. That individual's GIT liability would be \$437.50, assuming the apprentice files a single GIT return, claims the standard personal deduction and does not claim a deduction for property tax payments. If apprentices continue to register in New Jersey apprenticeship programs at the current rate (2,231 per year), they will have a total GIT liability of approximately \$1 million per year while being in these programs.

Apprentices receive wage increase as they reach advanced levels of skill and knowledge within their field. The DOL information indicates that 91 percent of apprentices retain employment after their program ends and that the average wage for a fully proficient apprenticeship graduate is \$50,000 annually.

Section: Revenue, Finance, and Appropriations

*Analyst: Scott A. Brodsky
Principal Fiscal 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.).

ASSEMBLY, No. 4603

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED OCTOBER 18, 2018

Sponsored by:

Assemblywoman PAMELA R. LAMPITT

District 6 (Burlington and Camden)

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Co-Sponsored by:

Assemblywoman Jones

SYNOPSIS

Provides corporation business tax and gross income tax credits for businesses that participate in DOL registered apprenticeship programs; establishes grant program for tax-exempt organizations participating in DOL registered apprenticeship programs.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/18/2018)

1 AN ACT providing corporation business tax and gross income tax
2 credits for businesses that participate in federally-recognized
3 apprenticeship programs, establishing an Apprentice Start-Up
4 Grant Program, supplementing P.L.1945, c.162 (C.54:10A-1 et
5 seq.) and Title 54A of the New Jersey Statutes, and amending
6 and supplementing P.L.1992, c.43.

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

10
11 1. (New section) a. A taxpayer, upon approval of an
12 application to the department and the director, shall be allowed a
13 credit against the tax imposed pursuant to section 5 of P.L.1945,
14 c.162 (C.54:10A-5): (1) in amount not to exceed \$5,000 of qualified
15 start-up costs of the taxpayer during a privilege period commencing
16 on or after July 1, 2019, and associated with the initial year of
17 participation in an apprenticeship program established by a taxpayer
18 or group of taxpayers; or (2) in an amount not to exceed \$10,000 of
19 the qualified start-up costs incurred by the taxpayer during a
20 privilege period commencing on or after July 1, 2019, and
21 associated with the initial year of participation in an apprenticeship
22 program established by a taxpayer or group of taxpayers that
23 provides greater opportunities for workers in key industries.

24 b. No tax credit shall be allowed pursuant to this section for
25 any costs or expenses included in the calculation of any other tax
26 credit or exemption granted pursuant to a claim made on a tax
27 return filed with the director, or included in the calculation of an
28 award of business assistance or incentive, for a period of time that
29 coincides with the privilege period for which a tax credit pursuant
30 to this section is allowed. The order of priority of the application of
31 the tax credit allowed pursuant to this section, and any other credits
32 allowed against the tax imposed pursuant to section 5 of P.L.1945,
33 c.162 (C.54:10A-5) for a privilege period, shall be as prescribed by
34 the director. The amount of the credit applied pursuant to this
35 section against the tax imposed pursuant to section 5 of P.L.1945,
36 c.162 (C.54:10A-5) shall not reduce a taxpayer's tax liability to an
37 amount less than the statutory minimum provided in subsection (e)
38 of section 5 of P.L.1945, c.162 (C.54:10A-5).

39 c. The value of tax credits approved by the department and the
40 director pursuant to subsection a. of this section and pursuant to
41 subsection a. of section 2 of this section shall not exceed a
42 cumulative total of \$1,000,000 in fiscal year 2020, and in each
43 fiscal year thereafter, to apply against the tax imposed pursuant to
44 section 5 of P.L.1945, c.162 (C.54:10A-5) and the tax imposed
45 pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1

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

Matter underlined thus is new matter.

1 et seq. If the cumulative total amount of tax credits allowed to
2 taxpayer for privilege periods or taxable years commencing during
3 a single fiscal year under subsection a. of this section and
4 subsection a. of section 2 of P.L. c. (C.) (pending before the
5 Legislature as this bill) exceeds the amount of tax credits available
6 in that fiscal year, then taxpayers who have first applied for and
7 have not been allowed a tax credit for that reason shall be allowed,
8 in the order in which they have submitted an application, the
9 amount of tax credit on the first day of the next succeeding fiscal
10 year in which tax credits under subsection a. of this section and
11 subsection a. of section 2 of P.L. , c. (C.) (pending before the
12 Legislature as this bill) are not in excess of the amount of credits
13 available.

14 d. A taxpayer shall submit to the department and the director a
15 report to verify the qualified start-up costs incurred by the taxpayer
16 associated with the initial year of participation in an apprenticeship
17 program. The report shall include such information as shall be
18 determined necessary by the department and the director to
19 substantiate the qualified start-up costs incurred by the taxpayer.

20 e. As used in this section:

21 “Apprenticeship program” means a registered program providing
22 to each trainee combined classroom and on-the-job training under
23 the direct and close supervision of a highly skilled worker in an
24 occupation recognized as an apprenticeship trade, and: (1) registered
25 by the Office of Apprenticeship of the U.S. Department of Labor
26 and meeting the standards established by the office, or (2)
27 registered by a State apprenticeship agency recognized by the
28 office.

29 “Department” means the Department of Labor and Workforce
30 Development.

31 “Key industry” means an industry that makes or could make an
32 important contribution to the economy of the State, which may
33 include, but not be limited to, advanced manufacturing,
34 construction, healthcare, logistics, pharmaceuticals, transportation,
35 tourism, and renewable energy, as defined by the Department of
36 Labor and Workforce Development in accordance with regulations
37 adopted pursuant to P.L. , c. (C.) (pending before the
38 Legislature as this bill).

39 “Qualified start-up costs” means the ordinary and necessary costs
40 to equip a building for ordinary business functions and non-
41 recurring costs of fixed telecommunication furnishings and office
42 equipment.

43
44 2. (New section) a. A taxpayer, upon approval of an
45 application to the department and the director, shall be allowed a
46 credit against the tax otherwise due for the taxable year under the
47 “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et seq.: (1)
48 an amount not to exceed \$5,000 of the qualified start-up costs

1 incurred by the taxpayer, during a taxable year commencing on or
2 after July 1, 2019, and associated with the initial year of
3 participation in an apprenticeship program established by a taxpayer
4 or group of taxpayers, or (2) in an amount not to exceed \$10,000 of
5 the qualified start-up costs incurred by the taxpayer, during a
6 taxable year commencing on or after July 1, 2019, and associated
7 with the initial year of participation in an apprenticeship program
8 established by a taxpayer or group of taxpayers that provides
9 greater opportunities for workers in key industries.

10 b. No tax credit shall be allowed pursuant to this section for
11 any costs or expenses included in the calculation of any other tax
12 credit or exemption granted pursuant to a claim made on a tax
13 return filed with the director, or included in the calculation of an
14 award of business assistance or incentive, for a period of time that
15 coincides with the taxable year, for which a tax credit authorized
16 pursuant to this section is allowed. The order of priority of the
17 application of the credit allowed pursuant to this section, and any
18 other credits allowed against the tax imposed pursuant to
19 N.J.S.54A:1-1 et seq. for a taxable year, shall be as prescribed by
20 the director. The amount of the credit applied against the New
21 Jersey gross income tax imposed pursuant to N.J.S.54A:1-1 shall
22 not reduce a taxpayer's tax liability to an amount less than zero.

23 c. (1) A business entity that is classified as a partnership for
24 federal income tax purposes shall not be allowed a tax credit
25 pursuant to this section directly, but the amount of tax credit of a
26 taxpayer in respect to distributive share of entity income, shall be
27 determined by allocating to the taxpayer that proportion of the tax
28 credit acquired by the entity that is equal to the taxpayer's share,
29 whether or not distributed, of the total distributive income or gain
30 of the entity for its taxable year ending within or with the
31 taxpayer's taxable year.

32 (2) A New Jersey S Corporation shall not be allowed a tax credit
33 pursuant to this section directly, but the amount of the tax credit of
34 a taxpayer in respect of a pro rata share of S Corporation income,
35 shall be determined by allocating to the taxpayer that proportion of
36 the tax credit acquired by the New Jersey S Corporation that is
37 equal to the taxpayer's share, whether or not distributed, of the total
38 pro rata share of S Corporation income of the New Jersey S
39 Corporation for its privilege period ending within or with the
40 taxpayer's taxable year.

41 d. The value of tax credits approved by the department and the
42 director pursuant to subsection a. of this section and pursuant to
43 subsection a. of section 1 of shall not exceed a cumulative total of
44 \$1,000,000 in fiscal year 2020 and in each fiscal year thereafter to
45 apply against the tax imposed pursuant to section 5 of P.L.1945,
46 c.162 (C.54:10A-5) and the tax imposed pursuant to the "New
47 Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq. If the
48 cumulative total amount of tax credits allowed to taxpayers for

1 taxable years or privilege periods commencing during a single fiscal
2 year under subsection a. of this section and subsection a. of section
3 of 1 P.L. c. (C.) (pending before the Legislature as this bill)
4 exceeds the amount of tax credits available in that fiscal year, then
5 taxpayers who have first applied for and have not been allowed a
6 tax credit for that reason shall be allowed, in the order in which
7 they have submitted an application, the amount of tax credit on the
8 on the first day of the next succeeding fiscal year in which tax
9 credits under subsection a. of this section and subsection a. of
10 section 1 of P.L. , c. (C.) (pending before the Legislature as
11 this bill) are not in excess of the amount of credits available.

12 e. A taxpayer shall submit to the department and the director a
13 report to verify the qualified start-up costs incurred by the taxpayer
14 associated with the initial year of participation in an apprenticeship
15 program. The report shall include such information as shall be
16 determined necessary by the department and the director to
17 substantiate the qualified start-up costs incurred by the taxpayer.

18 f. As used in this section:

19 “Apprenticeship program” means a registered program providing
20 to each trainee combined classroom and on-the-job training under
21 the direct and close supervision of a highly skilled worker in an
22 occupation recognized as an apprenticeship trade, and: (1) registered
23 by the Office of Apprenticeship of the U.S. Department of Labor
24 and meeting the standards established by the office, or (2)
25 registered by a State apprenticeship agency recognized by the
26 office.

27 “Department” means the Department of Labor and Workforce
28 Development”

29 “Key industry” means an industry that makes or could make an
30 important contribution to the economy of the State, which may
31 include, but not be limited to, advanced manufacturing,
32 construction, healthcare, logistics, pharmaceuticals, transportation,
33 tourism, and renewable energy, as defined by the Department of
34 Labor and Workforce Development in accordance with regulations
35 adopted pursuant to P.L. , c. (C.) (pending before the
36 Legislature as this bill).

37 “Qualified start-up costs” means the ordinary and necessary costs
38 to equip a building for ordinary business functions and non-
39 recurring costs of fixed telecommunication furnishings and office
40 equipment.

41

42 3. (New section) a. There is created in the Office of
43 Customized Training in the Department of Labor and Workforce
44 Development the Apprentice Start-Up Grant Program. The purpose
45 of the program is to provide an incentive for eligible organizations
46 to support the development and expansion of apprenticeship
47 programs which will provide additional opportunities for New

1 Jersey's workforce to access careers in high-skill, high-wage
2 occupations.

3 b. An eligible organization may apply for a grant in an amount
4 not to exceed \$5,000 to offset the qualified start-up costs associated
5 with the initial year of participation in an apprenticeship program or
6 for a grant in an amount not to exceed \$10,000 to offset the
7 qualified start-up costs associated with the initial year of
8 participation in an apprenticeship program that provides greater
9 opportunities for workers in key industries.

10 c. An eligible organization shall demonstrate to the
11 commissioner that it has enrolled in an apprenticeship program
12 within the 12-month period before applying for a grant. An eligible
13 organization shall submit an application in such form as shall be
14 required by the commissioner. The application shall require, at a
15 minimum, an eligible organization to submit to the department a
16 report to verify the qualified start-up costs incurred by an eligible
17 organization associated with the initial year of participation in an
18 apprenticeship program. The report shall include such information
19 as shall be determined necessary by the department to substantiate
20 the qualified start-up costs incurred by and eligible organization.

21 d. As used in this section:

22 "Apprenticeship program" means a registered program providing
23 to each trainee combined classroom and on-the-job training under
24 the direct and close supervision of a highly skilled worker in an
25 occupation recognized as an apprenticeship trade, and: (1) registered
26 by the Office of Apprenticeship of the U.S. Department of Labor
27 and meeting the standards established by the office, or (2)
28 registered by a State apprenticeship agency recognized by the
29 office.

30 "Eligible organization" means a labor union or an organization
31 exempt from taxation pursuant to section 501(c)3 of the federal
32 Internal Revenue Code, (26 U.S.C. s.501(c)(3)).

33 "Key industry" means an industry that makes or could make an
34 important contribution to the economy of the State, which may
35 include, but not be limited to advanced manufacturing, construction,
36 healthcare, logistics, pharmaceuticals, transportation, tourism, and
37 renewable energy defined by the department in accordance with
38 regulations adopted pursuant to P.L. , c. (C.) (pending before
39 the Legislature as this bill).

40 "Qualified start-up costs" means the ordinary and necessary costs
41 to equip a building for ordinary business functions, non-recurring
42 costs of fixed telecommunication furnishings and office equipment,
43 and costs associated with negotiations between an eligible
44 organization and an employer that result in the establishment of an
45 apprenticeship program.

46

47 4. Section 9 of P.L.1992, c.43 (C.34:15D-9) is amended to read
48 as follows:

1 9. a. A restricted, nonlapsing, revolving Workforce
2 Development Partnership Fund, to be managed and invested by the
3 State Treasurer, is hereby established to: provide employment and
4 training services to qualified displaced, disadvantaged and
5 employed workers by means of training grants or customized
6 training services; provide for the other costs indicated in subsection
7 a. of section 4 of P.L.1992, c.43 (C.34:15D-4); provide for the New
8 Jersey Innovation and Research Fellowship Program as provided for
9 in section 3 of P.L.2015, c.235 (C.34:15D-26); and facilitate the
10 provision of education and training to youth by means of grants
11 provided by the Youth Transitions to Work Partnership pursuant to
12 the provisions of P.L.1993, c.268 (C.34:15E-1 et al.). All
13 appropriations to the fund, all interest accumulated on balances in
14 the fund and all cash received for the fund from any other source
15 shall be used solely for the purposes specifically delineated by this
16 act.

17 b. During any fiscal year beginning after June 30, 2001, of the
18 total revenues dedicated to the program during any one fiscal year:
19 25% shall be deposited in an account of the Workforce
20 Development Partnership Fund reserved to provide employment and
21 training services for qualified displaced workers, and during any
22 fiscal year beginning after June 30, 2018, 0.5% of the revenues
23 shall be deposited in an account of the Workforce Development
24 Partnership Fund reserved for and appropriated to the Department
25 of Labor and Workforce Development Fund for the Apprenticeship
26 Start-Up Grant Program created pursuant to section 3 of P.L. _____,
27 c. (C. _____) (pending before the Legislature as this bill); 6% shall
28 be deposited in an account of the Workforce Development
29 Partnership Fund reserved to provide employment and training
30 services for qualified disadvantaged workers; 42% shall be
31 deposited in an account of the Workforce Development Partnership
32 Fund reserved for and appropriated to the Office of Customized
33 Training; 3% shall be deposited in an account of the Workforce
34 Development Partnership Fund reserved for occupational safety and
35 health training; 5% shall be deposited in an account of the
36 Workforce Development Partnership Fund reserved for the Youth
37 Transitions to Work Partnership created pursuant to P.L.1993, c.268
38 (C.34:15E-1 et seq.); 3% shall be deposited in an account of the
39 Workforce Development Partnership Fund reserved for the New
40 Jersey Innovation and Research Fellowship Program established
41 pursuant to section 3 of P.L.2015, c.235 (C.34:15D-26); 10% shall
42 be deposited in an account of the Workforce Development
43 Partnership Fund reserved for administrative costs as defined in
44 section 3 of P.L.1992, c.43 (C.34:15D-3); 0.5% shall be deposited
45 in an account of the Workforce Development Partnership Fund
46 reserved for the State Employment and Training Commission to
47 design criteria and conduct an annual evaluation of the program;
48 and **【5.5%】** 5% shall be deposited in an account of the Workforce

1 Development Partnership Fund to be used, at the discretion of the
2 commissioner, for any of the purposes indicated in subsection a. of
3 section 4 of P.L.1992, c.43 (C.34:15D-4).

4 c. Beginning January 1, 1995, through June 30, 2002, the
5 balance in the fund as of the previous December 31, as determined
6 in accordance with generally accepted accounting principles, shall
7 not exceed 1.5 times the amount of contributions deposited for the
8 calendar year then ended. If the balance exceeds this amount, the
9 excess shall be deposited into the unemployment compensation
10 fund within seven business days of the date that the determination is
11 made.

12 d. Beginning July 1, 2002, and for any subsequent fiscal year,
13 if the unexpended cash balance in any of the accounts indicated in
14 subsection b. of this section, less any amount awarded in grants but
15 not yet disbursed from the account, is determined to exceed 20% of
16 the amount of contributions collected for deposit in the account
17 pursuant to this subsection during the fiscal year then ended, the
18 excess shall be regarded as an unemployment compensation
19 contribution and deposited into the unemployment compensation
20 fund within seven business days of the date that the determination is
21 made.

22 (cf: P.L.2015, c.235, s.2)

23

24 5. The Director of the Division of Taxation in the Department
25 of the Treasury shall adopt rules and regulations pursuant to the
26 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
27 seq.) to effectuate sections 1 and 2 of this act.

28

29 6. The Commissioner of Labor and Workforce Development
30 shall adopt rules and regulations pursuant to the "Administrative
31 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate
32 section 3 of this act.

33

34 7. This act shall take effect immediately, and sections 1 and 2
35 shall apply to taxable years beginning on or after the January 1 next
36 following the date of enactment.

37

38

39

STATEMENT

40

41 This bill establishes financial incentives for businesses and non-
42 profit entities to participate in apprenticeship programs registered
43 with the United States Department of Labor (DOL).

44 The bill provides businesses with a \$5,000 credit against the
45 corporation business tax (CBT) or the gross income tax (GIT) for
46 start-up costs associated with the initial year of participation in an
47 apprenticeship program. Businesses may receive an additional
48 \$5,000 tax credit for start-up costs associated with the initial year of

1 participation in an apprenticeship program that provides greater
2 opportunities for workers in key industries, such as manufacturing,
3 health care, and renewable energy. An apprenticeship program may
4 be established by a single employer or a group of employers.

5 The bill imposes a limit in the total amount of tax credits that
6 may be allowed in each fiscal year. The bill provides that no more
7 than \$1 million in tax credits are allowed to be granted to taxpayers
8 for qualified start-up costs associated with the first year of
9 participation in an apprenticeship program in any given State fiscal
10 year. In order to claim the tax credit, a taxpayer must submit to the
11 Department of Labor and Workforce Development and Director of
12 the Division of Taxation in the Department of the Treasury an
13 itemized report of qualified start-up costs incurred by the taxpayer.

14 The bill also creates that Apprenticeship Start-Up Grant Program
15 in the Office of Customized Training in the Department of Labor
16 and Workforce Development Partnership Fund. The Apprenticeship
17 Start-Up Grant Program will offer non-profit organizations the
18 opportunity to apply for grant funds totaling \$5,000 to offset the
19 cost of participating in apprenticeship programs or \$10,000 for
20 joining an apprenticeship program in a key industry. The bill
21 requires an eligible organization to submit an itemized report of
22 qualified start-up costs with its grant application.

23 The bill allocates 0.5 percent of the revenues deposited in the
24 Workforce Development Partnership Fund (WDPF) to support the
25 grant program beginning in Fiscal Year 2020. The WDPF was
26 established in 1992 to provide qualified displaced, disadvantaged,
27 and employed workers with employment and training services by
28 means of training grants or customized training services, provided
29 the funding is not available from federal and other sources.

30 The purpose of the tax credit and the Apprenticeship Start-Up
31 Grant Program is to incentive employer participation in
32 apprenticeship programs by alleviation a portion of the costs
33 associated with establishing a new apprenticeship program. The
34 DOL registered apprenticeship system combines technical
35 instruction with structured on-the-job experience to match
36 individuals with employers in need of qualified skilled workers.
37 The range of occupations represented in the DOL registered
38 apprenticeship system includes traditional industries, such as
39 construction and manufacturing, as well as emerging fields such as
40 health care and energy.

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4603

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 9, 2019

The Assembly Labor Committee reports favorably and with committee amendments Assembly Bill No. 4603.

As amended, this bill establishes financial incentives for businesses and non-profit entities to participate in apprenticeship programs registered with the United States Department of Labor (DOL).

The bill provides businesses with a \$5,000 credit against the corporation business tax (CBT) or the gross income tax (GIT) for start-up costs of the taxpayer during a privilege period commencing on or after July 1, 2019, and associated with the initial year of participation in an apprenticeship program. Further, if the apprenticeship program provides greater opportunities for workers in key industries, such as manufacturing, health care, and renewable energy, the business may receive a tax credit of \$10,000 for start-up costs associated with the initial year of participation in the apprenticeship program. An apprenticeship program may be established by a single employer or a group of employers.

The bill imposes a limit on the total amount of tax credits that may be allowed. The bill provides that no more than \$1 million in tax credits may be granted to taxpayers for qualified start-up costs associated with the first year of participation in an apprenticeship program in Fiscal Year 2020 and each fiscal year thereafter. In order to claim the tax credit, a taxpayer must submit to the Department of Labor and Workforce Development and Director of the Division of Taxation in the Department of the Treasury an itemized report of qualified start-up costs incurred by the taxpayer.

The bill also creates the Apprenticeship Start-Up Grant Program in the Office of Customized Training in the Department of Labor and Workforce Development. The Apprenticeship Start-Up Grant Program will offer non-profit organizations the opportunity to apply for a grant of \$5,000 to offset the start-up costs associated with the initial year of participation in an apprenticeship program, or a \$10,000 grant to offset the qualified start-up costs associated with the initial year of participation in an apprenticeship program that provides greater opportunities for workers in a key industry. The bill requires

an eligible organization to submit an itemized report of qualified start-up costs with its grant application.

The bill allocates 0.5 percent of the total revenues dedicated from the Workforce Development Partnership Fund to the Workforce Development Partnership Program to support the grant program beginning in Fiscal Year 2020. The Workforce Development Partnership Fund was established in 1992 to provide qualified displaced, disadvantaged, and employed workers with employment and training services by means of training grants or customized training services, provided the funding is not available from federal and other sources.

The purpose of the tax credits and the Apprenticeship Start-Up Grant Program is to incentivize employer participation in apprenticeship programs by offsetting a portion of the costs associated with establishing a new apprenticeship program. The DOL registered apprenticeship system combines technical instruction with structured on-the-job experience to match individuals with employers in need of qualified skilled workers. The range of occupations represented in the DOL registered apprenticeship system includes traditional industries, such as construction and manufacturing, as well as emerging fields such as health care and energy.

As amended, the bill requires the Commissioner of Labor and Workforce Development to submit a report regarding the effectiveness of the tax credits and the Apprenticeship Grant Start-Up Program.

As amended, this bill is identical to Senate Bill No. 3061 (2R) as also amended and reported by the committee.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

1. Modify the definition of “qualified start-up costs” for the bill’s tax credits and grants to include the ordinary and necessary costs to “start an apprenticeship program in that industry and occupation, including the salary costs of employees working on the program” instead of the cost to “equip a building for ordinary business functions”;

2. Modify the definition of “qualified start-up costs” for the bill’s grants to exclude “costs associated with negotiations between an eligible organization and an employer that result in the establishment of an apprenticeship program”;

3. Clarify that 0.5 percent of total revenues dedicated to the Workforce Development Partnership Program (rather than 0.5 percent of the 25 percent of total revenues that are deposited in an account of the Workforce Development Partnership Fund and reserved to provide employment and training services for qualified displaced workers) are to be deposited in an account of the Fund and reserved for the Apprenticeship Start-Up Grant Program created by section 3 of the bill;

4. Change the starting date for the deposit and reserve of those funds to Fiscal Year 2020 (rather than Fiscal Year 2019);

5. Make certain technical corrections to conform text with OLS drafting standards; and to reflect the current version of the law being amended; and

6. Require the Commissioner of Labor and Workforce Development to submit a report regarding the effectiveness of the tax credits and the Apprenticeship Grant Start-Up Program.

The amendments make this bill identical to Senate Bill No. 3061 (3R) of the 2018-2019 session.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 4603

STATE OF NEW JERSEY

DATED: DECEMBER 12, 2019

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4603 (1R).

This bill establishes financial incentives for businesses and non-profit entities to participate in apprenticeship programs registered with the United States Department of Labor (DOL).

The bill provides businesses with a \$5,000 credit against the corporation business tax (CBT) or the gross income tax (GIT) for start-up costs of the taxpayer during a privilege period commencing on or after July 1, 2019, and associated with the initial year of participation in an apprenticeship program. Further, if the apprenticeship program provides greater opportunities for workers in key industries, such as manufacturing, health care, and renewable energy, the business may receive a tax credit of \$10,000 for start-up costs associated with the initial year of participation in the apprenticeship program. An apprenticeship program may be established by a single employer or a group of employers.

The bill imposes a limit on the total amount of tax credits that may be allowed. The bill provides that no more than \$1 million in tax credits may be granted to taxpayers for qualified start-up costs associated with the first year of participation in an apprenticeship program in Fiscal Year 2020 and each fiscal year thereafter. In order to claim the tax credit, a taxpayer must submit to the Department of Labor and Workforce Development and Director of the Division of Taxation in the Department of the Treasury an itemized report of qualified start-up costs incurred by the taxpayer.

The bill also creates the Apprenticeship Start-Up Grant Program in the Office of Customized Training in the Department of Labor and Workforce Development. The Apprenticeship Start-Up Grant Program will offer non-profit organizations the opportunity to apply for a grant of \$5,000 to offset the start-up costs associated with the initial year of participation in an apprenticeship program, or a \$10,000 grant to offset the qualified start-up costs associated with the initial year of participation in an apprenticeship program that provides greater opportunities for workers in a key industry. The bill requires an eligible organization to submit an itemized report of qualified start-up costs with its grant application.

The bill allocates 0.5 percent of the total revenues dedicated from the Workforce Development Partnership Fund to the Workforce Development Partnership Program to support the grant program beginning in Fiscal Year 2020. The Workforce Development Partnership Fund was established in 1992 to provide qualified displaced, disadvantaged, and employed workers with employment and training services by means of training grants or customized training services, provided the funding is not available from federal and other sources.

The bill requires the Commissioner of Labor and Workforce Development to submit a report regarding the effectiveness of the tax credits and the Apprenticeship Grant Start-Up Program.

As reported by the committee, Assembly Bill No. 4603 (1R) is identical to Senate Bill No. 3061 (3R), which also was reported by the committee on this date.

FISCAL IMPACT:

The Office of Legislative Services (OLS) cannot determine whether the bill will have a positive or negative net fiscal impact on the State. The total amount of tax credits that may be awarded under the bill is capped at \$1 million. The bill shifts the purpose of funding dedicated to the Workforce Development Partnership Fund to support the Apprenticeship Start-Up Grant Program, so this program will have no direct net impact on the budget.

The direct cost of awarding additional tax credits may be offset by the indirect fiscal effects catalyzed through new apprenticeship opportunities, such as additional state tax revenues from workers hired as apprentices. Multiple factors can influence the magnitude of the direct and indirect fiscal effects of the bill, such as the number of new apprenticeships created and the number of trainees who participate in these programs.

Governor Murphy Takes Action on Legislation

01/21/2020

TRENTON – Today, Governor Phil Murphy signed the following bills into law:

S-62/A-2478 (Singleton, Oroho/DeAngelo, Houghtaling, Space) – Requires certain contractors to register under "The Public Works Contractor Registration Act"

S-358/A-4587 (Rice/Sumter, Reynolds-Jackson) – Establishes database with certain information about individuals elected to public office in this State

S-376/A-3839 (Madden, Gopal/Moriarty, Lagana, Mukherji, Murphy) – Eliminates eligibility time limit on tuition benefits for spouses of certain public safety workers killed in performance of their duties

S-497/A-4626 (Vitale, Madden/Mosquera, McKnight, Vainieri Huttle) – Allows certain prior statements by children to be admitted into evidence in child abuse and termination of parental rights cases

S-498/ACS for A-3391 (Vitale, Oroho/DeCroce, Johnson, DiMaso) – Makes various changes to "Criminal Injuries Compensation Act of 1971"

S-521/A-4378 (T. Kean, C.A. Brown, Pou, Ruiz/Caputo, Mukherji, Vainieri Huttle) – Requires NJ State Council on Arts to establish "Artist District" designation and select certain municipalities or areas within municipalities for such designation

S-589/ACS for A-422 (Weinberg/Mosquera, Jones, Moriarty) – Requires Secretary of State to establish secure Internet website for online voter registration; authorizes use of digitized signatures from New Jersey Motor Vehicle Commission's database

S-700/A-3836 (Ruiz, Cunningham/Schaer, Mukherji, Jasey) – "Higher Education Citizenship Equality Act"; defines domicile for dependent students for purpose of eligibility for State student grants and scholarships, and resident tuition rate

S-721/A-1751 (Greenstein, Cunningham, Diegnan/Quijano, Benson) – Authorizes use of certain electric school buses

S-758/A-1987 (Cunningham, Cruz-Perez/Sumter, Mukherji, Quijano) – Requires incarcerated individual from State to be counted at residential address for legislative redistricting purposes

S-765/A-541 (Cunningham, T. Kean, Ruiz/Mazzeo, Jasey, Vainieri Huttle, Sumter, Benson) – Prohibits Higher Education Student Assistance Authority from referring defaulted loans under New Jersey College Loans to Assist State Students (NJCLASS) Loan Program for certain actions if authority and borrower have entered into settlement agreement

S-782/A-1110 (Sarlo, Scutari/Downey, Houghtaling, Dancer) – Increases workers' compensation for loss of hand or foot

S-834 wGR/A-4186 (Scutari, Greenstein/Jones, Pintor Marin) – Prohibits resale of non-prescription diabetes test devices by pharmacists

S-939/A-3331 (Pou/Vainieri Huttle, Lopez, McKnight) – Requires forms and materials for individuals with developmental disabilities to be available in languages other than English

S-974/A-3040 (Singleton, T. Kean/Vainieri Huttle, Timberlake, Mosquera) – Requires newborn infants be screened for spinal muscular atrophy

- S-1032/A-2389 (Vitale, Gopal/Schaer, Benson, Verrelli)** – Concerns expansion of services provided by DHS mental health screening services
- S-1146/A-2365 (Codey, Rice/Vainieri Huttle, Mukherji, Downey)** – Requires hospital patient's medical record to include notation if patient is at increased risk of confusion, agitation, behavioral problems, and wandering due to dementia related disorder
- S-1298/ACS for A-2972 (A.M. Bucco, Singleton/Mazzeo, Dunn, Space)** – Permits municipalities to provide information on property tax bills concerning amount of local tax dollars saved through shared services
- S-1318/A-3156 (Ruiz, Scutari/Lampitt, Mosquera)** – Permits counties and non-governmental, community-based agencies to establish family justice centers which provide coordinated, multi-agency governmental and non-governmental assistance to victims of certain crimes and offenses, including domestic violence, and their family members
- S-1505/A-1707 (Vitale/Vainieri Huttle, Lampitt, Benson, Mosquera)** – Expands membership of NJ Task Force on Child Abuse and Neglect
- S-1647/A-3181 (Diegnan, Codey/Conaway, Vainieri Huttle, Benson, Murphy)** – Prohibits use of coupons, price rebates, and price reduction promotions in sales of tobacco and vapor products
- S-1683/A-4267 (Smith, Greenstein/McKeon, Space, Wirths)** – Concerns regulation of solid waste, hazardous waste, and soil and fill recycling industries
- S-1703/A-715 (Connors, Holzapfel/Gove, Rumpf, DiMaso)** – Exempts disabled veterans from beach buggy permit fees
- S-1791/A-3414 (Weinberg/Johnson, Vainieri Huttle, Houghtaling)** – Requires employers to disclose certain wage information to employees
- S-1796/A-4693 (Addiego, Sweeney/Murphy)** – Permits school district of residence to provide aid in-lieu-of transportation to pupil attending Marine Academy of Science and Technology provided certain conditions are met
- S-1832/A-211 (Ruiz, Sarlo/Chiaravalloti, Zwicker, Pintor Marin)** – Establishes loan redemption program and tuition reimbursement program for certain teachers of science, technology, engineering, and mathematics
- S-2267/A-3616 (Sweeney, Corrado/Burzichelli, Holley, Calabrese)** – Gives State lottery winners option of remaining anonymous indefinitely
- S-2303/A-4843 (Sweeney, Ruiz, Cunningham/Wimberly, Karabinchak, Calabrese)** – Requires establishment of Work and Learn Consortiums by certain educational institutions to establish certificate and degree programs identified in high labor-demand industries
- S-2389 wGR/A-5449 (Singleton/Quijano, Downey, Houghtaling, Moriarty)** – Requires New Jersey State Board of Pharmacy to establish prescription drug pricing disclosure website and certain pharmaceutical manufacturing companies to provide prescription drug price information
- S-2428/A-4965 (Scutari/Quijano, Vainieri Huttle)** – Requires that massage and bodywork therapists and employers carry professional liability insurance
- S-2469/A-3745 (Singleton, Oroho/Wirths, Mazzeo, Space)** – Prohibits person from contracting for public work if person is federally debarred from receiving federal contract
- S-2511/A-4020 (Madden/Mazzeo, Murphy, Johnson)** – Changes title of DEP "conservation officer" to "conservation police officer"
- S-2521/A-4087 (Cryan, Greenstein/Vainieri Huttle, Lopez, Timberlake)** – Requires reporting of inmate abuse by employees of State correctional facilities and establishes reporting and investigation program
- S-2522/A-4090 (Cryan, Greenstein/Vainieri Huttle, Lopez, Timberlake)** – Limits cross gender strip searches in

State correctional facilities

S-2532/A-4086 (Greenstein, Cruz-Perez/Vainieri Huttle, Lopez, Timberlake) – Requires correctional police officers receive 20 hours in-service training, including four hours in prevention of sexual misconduct, non-fraternization, and manipulation

S-2555/A-3990 (Gopal, Ruiz/Mukherji, Benson, Karabinchak) – Allows dependent students whose parents or guardians hold H-1B visas to qualify for in-State tuition at public institutions of higher education provided they meet certain criteria

S-2564/A-3519 (Turner, Singleton/Benson, McKnight, Jasey) – Establishes "Restorative Justice in Education Pilot Program" in Department of Education

SCS for S-2599/ACS for A-1268 (Bateman, Beach/Tucker, Conaway, Lampitt, Quijano) – Authorizes veterans' property tax exemption and veterans' property tax deduction for honorably discharged veterans of United States Armed Forces who did not serve in time of war or other emergency

S-2826/A-3274 (Greenstein/Vainieri Huttle, Dancer, Benson) – Requires institutions of higher education to offer cats and dogs no longer used for educational, research, or scientific purposes for adoption; designated the "Homes for Animal Heroes Act"

S-2849/A-4590 (A.M. Bucco/DiMaio, Caputo, Dunn) – Designates Seeing Eye® dog as State Dog

S-3036/A-1697 (Lagana, Scutari/Dancer, Downey) – Prohibits medical providers from reporting certain workers' compensation medical charges to collection and credit reporting agencies

S-3061/A-4603 (Ruiz, Greenstein/Lampitt, Mukherji, Benson) – Provides corporation business tax and gross income tax credits for businesses that participate in DOL registered apprenticeship programs; establishes grant program for tax-exempt organizations participating in DOL registered apprenticeship programs

S-3065/A-4657 (Ruiz, Singleton/Armato, Benson, Timberlake) – Establishes youth apprenticeship pilot program in Department of Education

S-3067/A-4602 (Ruiz, Singleton/Lampitt, Reynolds-Jackson, Sumter) – Establishes five year Apprentice Assistance and Support Services Pilot Program

S-3116/A-4683 (Ruiz/Speight, Munoz, Tucker) – Requires certain medical facilities to undertake end-of-life planning and training

S-3117/A-4685 (Ruiz/Speight, Pinkin, Munoz) – Requires emergency departments to take certain measures concerning palliative care for patients

S-3126/A-4107 (Gopal/Benson, DeCroce, Chiaravalloti) – Requires drivers to stop at railroad crossing when on-track equipment is approaching railroad crossing

S-3170/A-5145 (Cryan, Pou/Quijano, Milam, Land) – Increases prenotification time and requires severance pay in certain plant closings, transfers, and mass layoffs

S-3227/A-5261 (Gopal/Tully, Pinkin, Swain) – Requires restaurants to post signs advising customers to notify servers of food allergies; requires restaurant managers to complete food allergen training

S-3265/A-3178 (Turner, Codey, Vitale/Conaway, Murphy, Vainieri Huttle) – Prohibits sale or distribution of flavored vapor products

[Copy of Statement](#)

S-3330 wGR/A-5066 (Addiego, Singleton/Jones, Vainieri Huttle, Lampitt, Murphy) – Establishes pilot program in DCF to study impact of child care services provided by community providers operating in public school facilities; requires community providers to meet certain criteria

S-3422/A-6056 (Singer, T. Kean/Houghtaling, Downey, Vainieri Huttle) – Requires declaration of Code Blue

alert when National Weather Service predicts temperatures of 32 degrees Fahrenheit or lower

S-3468/A-5105 (Sweeney, Singleton/Murphy, Karabinchak, Vainieri Huttle) – Establishes Task Force on Maximizing Employment for People with Disabilities

S-3511/A-5298 (Singer, T. Kean/Mukherji, Vainieri Huttle, Downey) – Authorizes certain health care and social service resources to be made available during Code Blue alert

S-3581/A-5963 (Singleton/Lopez, Quijano) – Prohibits certain business financing contracts that contain judgment by confession provisions

S-3685/A-5345 (Sarlo, Singleton/Mukherji, Conaway, McKnight) – Establishes program to increase participation of underrepresented students in New Jersey's science and engineering workforce

S-3756/A-6115 (Ruiz, Sarlo, O'Scanlon/Jasey, Jones, Wirths) – Requires limited purpose regional school districts to coordinate with constituent districts regarding school calendar and curriculum

S-3763/A-6116 (Addiego, Bateman, Sarlo/DeAngelo, Dancer, Space) – Renames joint meetings as regional service agencies; grandfathers existing joint meetings

S-3869/A-5561 (Sarlo/Burzichelli, Houghtaling) – Prohibits local governments from imposing fines on alarm companies in certain circumstances

S-3871/A-5427 (Bateman, Scutari/DePhillips, McKeon) – Adds member from Retired Judges Association of New Jersey to State Investment Council

SCS for S-3878/ACS for A-5394 (Ruiz, Weinberg, Cunningham/Moriarty, McKnight, Pinkin) – Reaffirms and clarifies that Attorney General and Division on Civil Rights may initiate actions in Superior Court to enforce "Law Against Discrimination"

S-3920 wGR/A-5552 (Pou/Wimberly, Sumter) – Concerns provision of energy to certain manufacturing facilities by providing exemptions to certain energy related taxes

S-3923/A-5680 (Madden, Singleton/Giblin, Timberlake, Murphy) – Concerns labor harmony agreements for hospitality projects

SCS for S-3939 and 3944/ACS for A-5681 and 5682 (Smith, Greenstein, Bateman, Codey/Pinkin, Lopez, McKeon) – Establishes Recycling Market Development Council

S-3985/A-5663 (Smith/McKeon, Pinkin, Vainieri Huttle) – Amends "Electric Discount and Energy Competition Act" to add definition of "open access offshore wind transmission facility" and revises law concerning "qualified offshore wind projects"

S-4025/A-5695 (Pou/Wimberly, Sumter) – Makes FY 2020 language allocation of \$1,000,000 appropriated to Grants for Urban Parks to Hinchliffe Stadium in Paterson

S-4162/A-6014 (Smith, Greenstein/Vainieri Huttle, Pinkin, Houghtaling) – Establishes NJ Climate Change Resource Center at Rutgers University; appropriates up to \$500,000

S-4165/A-4364 (Rice/Giblin, Caputo, Tucker) – Expands University Hospital board of directors membership from 11 to 13 members

S-4188/A-6075 (Beach/Murphy, Dancer, Lampitt) – "Lindsay's Law"; provides tax benefits to organ and bone marrow donors and their employers, and provides paid time off to donors who are State or local government employees

S-4200/A-5855 (Ruiz, Turner/Coughlin, Lampitt, Holley) – Requires State to pay difference between federal allocation and total cost of reduced price breakfast or lunch; appropriates \$4.5 million

S-4247/A-6049 (Gopal, O'Scanlon/Conaway, Houghtaling, Downey) – Establishes criteria for distribution of Fiscal Year 2020 funding to Community Food Bank of New Jersey and partner organizations

S-4264/A-5962 (Pou/Wimberly, Sumter, Calabrese) – Designates State Highway Route 19 as "William J. Pascrell Jr. Highway"

S-4275/A-6088 (Smith, Greenstein/Burzichelli) – Allows BPU to increase cost to customers of Class I renewable energy requirement for energy years 2022 through 2024, under certain conditions

S-4276/A-6109 (Corrado, Bateman/Armato, Calabrese, Land) – Appropriates \$32,153,936 to State Agriculture Development Committee, and amends 2017 appropriations for stewardship activities, for farmland preservation purposes

S-4277/A-6112 (Greenstein, Bateman/Freiman, Danielsen, Downey) – Appropriates \$5,000,000 from constitutionally dedicated CBT revenues to State Agriculture Development Committee for municipal planning incentive grants for farmland preservation purposes

S-4278/A-6108 (Greenstein, Bateman/Taliaferro, Karabinchak, Kennedy) – Appropriates \$21 million from constitutionally dedicated CBT revenues to State Agriculture Development Committee for county planning incentive grants for farmland preservation purposes

S-4279/A-6106 (Smith, Bateman/Houghtaling, Reynolds-Jackson, Pinkin) – Appropriates \$1,350,000 from constitutionally dedicated CBT revenues to State Agriculture Development Committee for grants to certain nonprofit organizations for farmland preservation purposes

S-4286/A-5890 (Vitale/Swain, Jones) – Clarifies procedures concerning collection of child support on behalf of child over age 19 when court has ordered such support

S-4309/A-6107 (Turner, Cruz-Perez/Mejia, Vainieri Huttie, Zwicker) – Appropriates \$13,902,723 from constitutionally dedicated CBT revenues to NJ Historic Trust for grants for certain historic preservation projects and associated administrative expenses

S-4310/A-6114 (Codey, Bateman/Carter, Murphy, Lopez) – Appropriates \$8,872,682 to DEP from constitutionally dedicated CBT revenues for grants to certain nonprofit entities to acquire or develop lands for recreation and conservation purposes

S-4311/A-6113 (Greenstein, Bateman/Speight, Mukherji, Verrelli) – Appropriates \$77,450,448 from constitutionally dedicated CBT revenues and various Green Acres funds to DEP for local government open space acquisition and park development projects

S-4312/A-6111 (Smith, Bateman/Giblin, Mazzeo, Land) – Appropriates \$36.143 million from constitutionally dedicated CBT revenues for recreation and conservation purposes to DEP for State capital and park development projects

S-4313/A-6110 (Corrado, Bateman/Moriarty, McKeon, Swain) – Appropriates \$33.915 million from constitutionally dedicated CBT revenues to DEP for State acquisition of lands for recreation and conservation purposes, including Blue Acres projects

SCS for S-4315/ACS for A-6063 (Beach, Turner/Jones, Zwicker) – Creates fund to reimburse local units of government for cost of certain mail-in ballot procedures; appropriates \$3,000,000

SJR-51/AJR-189 (Rice, Turner/Verrelli, Reynolds-Jackson, Sumter) – Establishes the "New Jersey State Commission on Urban Violence"

SJR-65/AJR-90 (Weinberg, Addiego/DiMaso, Vainieri Huttie, Schepisi) – Designates March 19th "Women in Public Office Day" in New Jersey

SJR-80/AJR-121 (Lagana, Weinberg/Jones, Benson, Chiaravalloti, DeCroce) – Urges federal government to adhere to commitment to improve Northeast Corridor rail infrastructure by providing funding to complete Gateway Program

SJR-125/AJR-169 (Gopal, Codey/Wolfe, Pinkin) – Designates the second week of October of each year as "Obesity Care Week" in NJ

- A-344/S-1575 (Murphy, McKeon, Timberlake/Cruz-Perez, Singleton)** – Revises certain aspects of the New Jersey Individual Development Account Program
- A-1040/S-3928 (Houghtaling, Taliaferro/Andrzejczak)** – Establishes NJ "Landowner of the Year" award program
- A-1146/S-4330 (Wimberly, Holley/Pou, Singleton)** – Establishes "New Jersey Investing in You Promise Neighborhood Commission"
- A-1277/S-2629 (Tucker, Holley, Lopez/Singleton, Gopal)** – Requires hospitals and homeless shelters to provide information on services and resources to individuals who are homeless or military veterans
- A-1449/S-3168 (Benson, DeAngelo/Greenstein, Turner)** – Provides job security to certain organ and bone marrow donors
- A-1477/S-3228 (Chaparro, Vainieri Huttle, Benson, Jimenez, Mukherji, Downey/Gopal, Scutari)** – Establishes Statewide Hit and Run Advisory Program to facilitate apprehension of persons fleeing motor vehicle accident scene; designated as "Zackhary's Law"
- A-1478/S-1648 (Chaparro, Vainieri Huttle/Diegnan, T. Kean)** – Revises law governing theater liquor licenses
- A-1604/S-2734 (Conaway, Murphy, Jimenez/Singleton)** – "Recreational Therapists Licensing Act"
- A-1796/S-2609 (McKeon, Downey/Lagana, Gopal)** – Prevents criminal defendant from asserting "gay and transgender panic" defense to murder charge in order to reduce charge to manslaughter committed in heat of passion
- A-1924/S-2930 (Mukherji, A.M. Bucco, DeAngelo, DeCroce/Beach)** – Exempts certain honorably discharged United States military veterans from initial insurance producer licensing fee
- A-1992/S-1780 (Sumter, Benson, Vainieri Huttle, Houghtaling, Wimberly/Diegnan, Turner)** – "New Jersey Call Center Jobs Act"
- A-2183/S-1687 (Land, Johnson/Cruz-Perez, Andrzejczak)** – "Music Therapist Licensing Act"
- ACS for A-2431 wGR/SCS for S-1865 (Benson, Jimenez, DeCroce/Weinberg, T. Kean)** – Requires health insurers to provide plans that limit patient cost-sharing concerning certain prescription drug coverage
- ACS for A-2444 and S-2656/S-2081 (Benson, Lampitt, Pinkin, Mukherji/Turner, Singleton)** – Provides for coverage of comprehensive tobacco cessation benefits in Medicaid
- A-2767/S-2924 (Greenwald, Mosquera, McKnight/Greenstein, Singleton)** – Amends certain provisions of sexual assault statute to clarify elements necessary for conviction
- A-3312/S-1972 (Murphy, Lagana, Downey, Sumter/Gopal, Corrado)** – Requires Legislature to adopt and distribute policy prohibiting sexual harassment; requires members, officers, and employees of Legislature to complete online training on policy once every two years
- A-3670/S-995 (Benson, Giblin, Murphy/Vitale, Weinberg)** – Provides for designation of acute stroke ready hospitals, establishes Stroke Care Advisory Panel and Statewide stroke database, and requires development of emergency medical services stroke care protocols
- ACS for A-4136/SCS for S-2675 (Land, Milam/Andrzejczak, Van Drew)** – Establishes Possession In Excess of Daily Limit Vessel License for black sea bass and summer flounder; dedicates fees therefrom to marine fisheries programs
- A-4147/S-2744 (Lampitt, Houghtaling, Zwicker/Ruiz, Corrado)** – Requires school districts and nonpublic schools to conduct audit of security features of buildings, grounds, and communication systems and to submit audit to NJ Office of Homeland Security and Preparedness and DOE

- A-4150/S-2742 (Lampitt, Jones, Timberlake/Ruiz, Corrado)** – Requires meeting between student and appropriate school personnel after multiple suspensions or proposed expulsion from public school to identify behavior or health difficulties
- A-4151/S-2745 (Swain, Tully, Jasey/Ruiz, Corrado)** – Requires school security training for persons employed by public and nonpublic schools in substitute capacity and for employees and volunteers of youth programs operated in school buildings
- A-4260/S-4335 (Timberlake, Giblin, Tucker, Caputo/Pou, Scutari)** – Prohibits sale of certain toy guns and imitation firearms
- A-4370/S-2919 (Carroll/A.M. Bucco)** – Increases membership of board of trustees of Washington Association of New Jersey
- A-4377/S-2934 (Benson, Land, DeCroce/Greenstein)** – Requires DOT and OIT to develop materials concerning capabilities of airports in NJ and establishes "Public Use Airports Task Force"
- A-4517/S-4341 (Wimberly, Speight, Reynolds-Jackson/Singleton, Cunningham)** – Establishes "New Jersey Eviction Crisis Task Force"
- A-4529/S-3191 (Mazzeo, Armato/Gopal, Andrezejczak)** – Concerns reimbursements to Superstorm Sandy-impacted homeowners subjected to contractor fraud
- A-4563/S-3096 (Zwicker, Benson/Greenstein, Gill)** – Prohibits use of bots to deceive person about origin and content of communication for certain commercial or election purposes
- A-4564/S-3087 (Zwicker, Freiman/Greenstein)** – Establishes "Voting Precinct Transparency Act;" requires filing of election district, county district, and municipal ward boundary data with Secretary of State for posting and download on official website with matching election results data
- A-4699/S-2938 (Moriarty, Burzichelli, Bramnick/Turner)** – Regulates annual report filing services
- A-4803/S-4211 (Greenwald, Johnson, Pintor Marin/Cryan, Vitale)** – Authorizes certain entities to directly bill Victims of Crime Compensation Office for counseling services provided to victims of firearm and stabbing crimes
- A-4822/S-3408 (Wimberly, Tully, Swain/Singleton, Greenstein)** – Permits municipalities to lease vacant municipal land for tiny home occupancy; directs DCA to enhance regulatory guidance on acceptable tiny home construction and use
- A-4904 wGR/S-3347 (Mukherji, Quijano, Mazzeo/Cryan, Sweeney)** – Concerns property taxes due and owing on real property owned by certain federal employees or contractors under certain circumstances
- A-4954/S-3368 (Quijano, Murphy, Carter/Singleton, Greenstein)** – Revises requirements for provision of counseling and support services to emergency services personnel
- ACS for A-4972/SCS for S-1490 (Moriarty/Beach, Scutari)** – Establishes certain consumer protections related to arbitration organizations
- A-4978 wGR/S-3498 (Timberlake, Zwicker, Vainieri Huttle/Greenstein, Cryan)** – Prohibits online education services from using and disclosing certain information, engaging in targeted advertising, and requires deletion of certain information in certain circumstances
- A-5023/S-3467 (McKnight, Mukherji, Chaparro, Chiaravalloti/Cunningham)** – Exempts from DOT permitting requirements certain signs not located in protected areas that have been approved by municipality
- A-5028/S-3523 (Mukherji, Conaway, Pintor Marin/Vitale, Diegnan)** – Establishes "James Nicholas Rentas's Law," revises "New Jersey SmokeFree Air Act"
- A-5029/S-3522 (Sumter, Reynolds-Jackson, Johnson/Rice, T. Kean)** – Requires New Jersey Office on Minority and Multicultural Health to study racial disparities on sexual and reproductive health of African-American women

A-5031/S-3455 (Speight, McKnight, Timberlake/Ruiz) – Requires hospital emergency departments to ask person of childbearing age about recent pregnancy history

A-5314/S-3692 (Zwicker, Milam, Mazzeo/Cryan, Ruiz) – Requires DHS to study social isolation occurring in certain population groups

A-5344/S-3833 (Mukherji, Vainieri Huttel, Milam/Gopal, Corrado) – Establishes uniform standard for acceptable proof of veteran status for veteran's ID cards and various State and local programs

A-5388/S-3895 (Speight, Pintor Marin, Greenwald/Greenstein, Ruiz) – Requires specialized in-service training regarding crime victims for police departments in certain high-crime areas

A-5389/S-3896 (Speight, Pintor Marin, Greenwald/Greenstein, Ruiz) – Requires training or experience in crime victims' rights for certain members of Victims of Crime Compensation Review Board

A-5432/S-3796 (Milam, Land/Andrzejczak) – Requires DEP Commissioner to establish individual transferable quota system for menhaden purse seine fishery

A-5445/S-3909 (Swain, Tully, Spearman/T. Kean, Corrado) – Requires AG to establish program to detect fentanyl in State's illegal drug supply and make information related to presence of fentanyl available in database accessible by law enforcement

A-5511/S-1852 (Spearman, Jones, Reynolds-Jackson/Turner, Cruz-Perez) – Revises certain penalties for illegal operation of snowmobile, all-terrain vehicle, or dirt bike

A-5580/S-3842 (Johnson, Moriarty, Greenwald/Weinberg, Sarlo) – Extends availability period for tax credits for certain expenses incurred for production of certain film and digital media content, raises annual cap related to film production, and provides for annual administration of film tax credits

A-5583/S-3919 (Pinkin, Lopez, Mukherji/Smith, Bateman) – Prohibits sale, lease, rent, or installation of certain equipment or products containing hydrofluorocarbons or other greenhouse gases

A-5630/S-3981 (Pintor Marin, Munoz, Reynolds-Jackson/Weinberg, Corrado) – Requires Civil Service Commission to establish and maintain hotline for State employees to submit reports of workplace discrimination and harassment

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A-5667/S-3933 (Mukherji, Vainieri Huttel, Armato, DeCroce, Karabinchak/Singer, Scutari) – "Charlie's Law"; requires pharmacy practice sites and hospice programs to furnish patients with information and means to safely dispose of unused prescription drugs and medications

A-5801/S-4064 (Coughlin, Houghtaling, Verrelli/Singleton, Sweeney) – Concerns responsibility of contractors for wage claims against subcontractors

A-5817/S-4263 (Mazzeo, Armato/Cunningham, Sweeney, C.A. Brown) – Allows certain persons to qualify for casino key employee license and casino employee registration

A-5916/S-4255 (Chiaravalloti, McKnight, Karabinchak/Cunningham, Weinberg) – Authorizes DOH to notify elected officials of financial distress of certain hospitals

A-5918/SCS for S-3741 and 4253 (Chiaravalloti, McKnight/Weinberg, Cunningham, Vitale) – Expands hospital reporting requirements

A-5970/S-4201 (Lopez, Speight, Chaparro/Codey) – Amends list of environmental infrastructure projects approved for long-term funding for FY2020 to include new projects, remove certain projects, and modify estimated loan amounts for certain projects

A-5971/S-4202 (Mukherji, Pintor Marin, Spearman/Bateman, Corrado) – Authorizes NJ Infrastructure Bank to expend additional sums to make loans for environmental infrastructure projects for FY2020

A-5972/S-4203 (Pinkin, Benson, Zwicker/Greenstein, Singleton) – Makes changes to New Jersey Infrastructure Bank's enabling act

A-5977/S-4282 (Greenwald, Downey, Vainieri Huttie/Vitale, Singleton) – Provides for establishment of Regional Health Hub Program as replacement to Accountable Care Organization Demonstration Project, and designates existing accountable care organizations and look-alike organizations as Regional Health Hubs

A-6119/S-4336 (Egan, Houghtaling/Madden) – Revises "The Public Works Contractor Registration Act" and amends definition of registered apprenticeship program

AJR-35/SJR-159 (McKnight, Chaparro, Chiaravalloti, DeCroce/Cunningham, Greenstein) – Designates third full week in March as "Domestic Violence Services Awareness Week" to bring awareness of services available to domestic violence victims

AJR-103/SJR-70 (Rooney, DePhillips, Murphy/Corrado) – Permanently designates January as "NUT Carcinoma Awareness Month" in New Jersey

AJR-118/SJR-157 (McKnight, Timberlake, McKeon/Pou, Madden) – Designates April of each year as "Financial Literacy Month" in New Jersey

AJR-180/SJR-112 (DeAngelo, McKnight, Murphy/Singleton, Corrado) – Designates February in each year as "Career and Technical Education Month" in New Jersey

Governor Murphy declined to sign the following bills, meaning they expire without becoming law:

S-691/A-657 (Ruiz, Pou/Jasey, Caputo, Pintor Marin, Sumter, Wimberly) – Requires that if a school district satisfies 80% or more of the required NJ Quality Single Accountability Continuum standards in an area of district effectiveness under State intervention, the State must return that area to local control

S-1083/A-544 (Cruz-Perez, Gopal/Mazzeo, Houghtaling, Holley, Dancer) – Establishes loan program and provides corporation business tax and gross income tax credits for establishment of new vineyards and wineries

S-2421/A-1030 (Smith, Bateman/Johnson, Kennedy, Benson, DeAngelo) – Concerns installation of electric vehicle charging stations in common interest communities

S-2425/A-3851 (Singleton, Andrzejczak/Conaway) – Revises law relating to common interest communities

S-2429/A-4028 (Scutari, Pou/Bramnick, Downey) – Requires automobile insurers to disclose policy limits upon request by an attorney under certain circumstances

S-2835/A-3926 (Singleton, Ruiz/Conaway, Lampitt, Murphy) – Requires public schools to administer written screenings for depression for students in certain grades

S-2897/A-1433 (Madden, Singer/Benson, Wimberly, Carter) – Requires DCA to establish procedures for inspection and abatement of mold hazards in residential buildings and school facilities, and certification programs for mold inspectors and mold hazard abatement workers

S-2957/A-4712 (Stack/Mukherji, Chaparro) – Establishes five-year moratorium on conversions of certain residential rental premises in qualified counties

S-2958/A-4535 (Sarlo, Oroho/Zwicker, DePhillips, DeCroce) – Establishes the "Energy Infrastructure Public-Private Partnership Act"

S-3062/A-2049 (Ruiz, Greenstein/Howarth, Benson, Murphy) – Provides corporation business tax and gross income tax credits for businesses that employ apprentices in DOL registered apprenticeships

S-3063/A-4655 (Ruiz/Armato, Vainieri Huttie, DeAngelo) – Provides tuition fee waiver apprenticeship courses

S-3137/A-1308 (Sweeney, Oroho, Singleton/Greenwald, Milam, Land) – The "Electronic Construction Procurement Act"

S-3252/A-4713 (Greenstein, Stack/DeAngelo, Quijano) – "New Townhouse Fire Safety Act"; requires automatic fire sprinkler systems in new townhomes

S-3263/A-4837 (T. Kean, Diegnan/Vainieri Huttle, Chiaravalloti, McKnight) – Revises and updates membership and purpose of Advisory Council on the Deaf and Hard of Hearing in DHS

S-3270/A-5095 (Pou/McKeon, Freiman, DeCroce) – Establishes certain requirements for stop loss insurance offered to small employers

S-3393/ACS for A-5384 and 5157 (Sarlo, Addiego/Mazzeo, Murphy, Houghtaling, Calabrese, Armato, Dancer) – Allows certain preserved farms to hold 14 special occasion events per year; imposes further event restrictions on residentially-exposed preserved farms

S-3770/A-6118 (Sarlo, Oroho, Sweeney/Greenwald, Jones) – Establishes "New Jersey Economic and Fiscal Policy Review Commission" to provide ongoing review of State and local tax structure, economic conditions, and related fiscal issues

S-3888/A-5585 (Ruiz/Dancer, Pintor Marin) – Extends document submission deadlines under Economic Redevelopment and Growth Grant program and Urban Transit Hub Tax Credit program

S-4035/A-5702 (Pou, Singleton/Wimberly, Reynolds-Jackson, Sumter) – Makes Fiscal Year 2020 supplemental appropriation of \$1,700,000 for Thomas Edison State University

S-4281/A-6094 (Smith, Diegnan/Danielsen, Pinkin) – Requires State to sell and convey to Educational Services Commission of New Jersey certain land and improvements known as Piscataway Regional Day School

S-4331/A-4727 (Diegnan, Madden/Karabinchak, Holley, Jones) – Requires person taking written examination for permit to watch video of rights and responsibilities of driver stopped by law enforcement; requires testing on rights and responsibilities of driver stopped by law enforcement

A-491/S-4340 (Jimenez/Sacco, Stack) – Enhances PFRS accidental death pension for surviving spouse by providing for minimum of \$50,000 annually

A-1044/S-1441 (Houghtaling, Downey, DiMaio, Space/Doherty, Madden) – Requires Director of Division of Taxation to examine feasibility of centralized property tax information system to verify property taxes paid by homestead property tax reimbursement claimants

A-1045/S-2856 (Houghtaling, Downey, Dancer/Gopal, Oroho) – Clarifies sales tax collection responsibilities of horse-boarding businesses in New Jersey

A-1526/S-1048 (Zwicker, Johnson/Vitale) – Concerns payment of independent contractors

A-2731/S-3407 (Taliaferro, Space/Sweeney, Oroho) – Removes statutory limitation on number of permits that may be issued by Division of Fish and Wildlife for the taking of beaver

A-4382/S-2815 (Pinkin, Lopez, Kennedy/Beach, Smith) – Requires paint producers to implement or participate in paint stewardship program

A-4463/S-3927 (Freiman, Egan, Karabinchak/Oroho, Andrzejczak) – Establishes "Electronic Permit Processing Review System"

A-4788/S-3880 (Karabinchak, Freiman, Calabrese/Diegnan) – Establishes expedited construction inspection program

A-5072/S-3496 (Karabinchak, Johnson, Mukherji/Greenstein, Cryan) – "Defense Against Porch Pirates Act"; creates new category of theft, with penalties including mandatory restitution and community service, for taking package delivered to residence by cargo carrier

A-5446/S-3907 (Land, Reynolds-Jackson, Verrelli/T. Kean, Lagana) – Requires reporting of opioid deaths

A-5629/S-3980 (Pintor Marin, Munoz/Weinberg, Corrado) – Clarifies provisions concerning disclosure of existence and content of discrimination or harassment complaints; requires certain disclosures to person against whom complaint is made

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ACS for A-5922 and 5923/SCS for S-4223 and 4224 (Conaway, Vainieri Huttle, Lopez, Pinkin/Vitale, Sweeney) – Revises requirements for sale of tobacco and vapor products; increases penalties for prohibited sales; increases fees for cigarette and vapor business licensure

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