

VETO MESSAGE: No

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FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

Daniel Munoz, NorthJersey.com, 'Child tax credit slip-up fixed - Parents can claim for 2022', Burlington County Times (online), 6 Oct 2022 A1

NIKITA BIRYUKOV; newjerseymonitor.com, 'Murphy signs bill fixing state child tax credit Governor Murphy signs bill fixing state child tax credit', Press of Atlantic City, The (online), 6 Oct 2022 11A

Matthew Fazelpoor, 'Murphy signs child tax credit bill fix', NJBIZ (online), 5 Oct 2022

end

P.L. 2022, CHAPTER 115, *approved October 4, 2022*
Senate, No. 3046

1 AN ACT concerning the child tax credit and amending P.L.2022,
2 c.24.

3

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

6

7 1. Section 2 of P.L.2022, c.24 is amended to read as follows:

8 2. **[This act]** P.L.2022, c.24 shall take effect immediately and
9 shall apply to taxable years beginning on and after January 1,
10 **[2023]** 2022.

11 (cf: P.L.2022, c.24, s.2)

12

13 2. This act shall take effect immediately.

14

15

16

STATEMENT

17

18 This bill revises the effective date of P.L.2022, c.24, which
19 established the State's child tax credit. The bill provides that the
20 provisions of P.L.2022, c.24 are to apply to taxable years beginning
21 on and after January 1, 2022.

22 The child tax credit allows a refundable gross income tax credit
23 of \$500 for each child of a resident taxpayer if the taxpayer's
24 income is \$30,000 or less. The \$500 amount is reduced by \$100 for
25 every \$10,000 of income that the taxpayer's taxable income exceeds
26 \$30,000 until the taxpayer's income reaches \$80,000.

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31 Provides for child tax credit to be available in Tax Year 2022.

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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.

SENATE, No. 3046

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED SEPTEMBER 22, 2022

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex)

Senator ANDREW ZWICKER

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Assemblyman ROY FREIMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblywoman SADAF F. JAFFER

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblyman PAUL D. MORIARTY

District 4 (Camden and Gloucester)

Assemblywoman GABRIELA M. MOSQUERA

District 4 (Camden and Gloucester)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Assemblywoman BRITNEE N. TIMBERLAKE

District 34 (Essex and Passaic)

Co-Sponsored by:

Assemblymen Benson, Stanley, Assemblywomen Jasey, Park, Speight, Lopez, Assemblyman McKeon, Assemblywomen McKnight and Murphy

SYNOPSIS

Provides for child tax credit to be available in Tax Year 2022.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 10/3/2022)

1 AN ACT concerning the child tax credit and amending P.L.2022,
2 c.24.

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LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 3046
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: SEPTEMBER 30, 2022

SUMMARY

Synopsis: Provides for child tax credit to be available in Tax Year 2022.

Type of Impact: Revenue loss to Property Tax Relief Fund in Fiscal Year 2023.

Agencies Affected: Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	<u>Fiscal Year 2023</u>
State Revenue Loss	\$134.7 million to \$156.3 million

- The Office of Legislative Services (OLS) estimates that this bill will reduce revenues earmarked for the Property Tax Relief Fund by \$134.7 million to \$156.3 million in FY 2023. It will have no significant effect in subsequent years.
- The OLS projects that taxpayers will claim the child tax credit for 374,000 dependent children under the age of six in calendar year 2022. Taxpayers are estimated to claim the bill's maximum credit of \$500 per child for 180,700 dependent children. Another 99,500 dependent children are estimated to yield a credit of at least \$300 each.
- The tax credit is refundable, so taxpayers will be able to claim and utilize the full amount of their tax credit.

BILL DESCRIPTION

This bill accelerates the effective date of the State's child tax credit by one year, so that the program will be active for Tax Year 2022 and taxpayers will claim the credit on their tax returns filed in 2023.

The child tax credit allows a refundable gross income tax credit of \$500 for each child of a resident taxpayer if the taxpayer's income is \$30,000 or less. The \$500 amount is reduced by \$100 for every \$10,000 of income that the taxpayer's taxable income exceeds \$30,000 until the taxpayer's income reaches \$80,000.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that this bill will reduce revenues earmarked for the Property Tax Relief Fund by \$134.7 million to \$156.3 million in FY 2023. Any effects in subsequent years would be minimal, caused only by amended tax returns filed well after the April 2023 due date for tax year 2022 returns.

Based on Statistics of Income for tax year 2016 New Jersey gross income tax returns, roughly 1.2 million dependent children were claimed by taxpayers with gross income of less than \$80,000. The OLS infers that roughly 385,000 of whom were under the age of six. After adjusting for a decline in this age cohort since 2016, the OLS estimates that taxpayers will claim the tax credit for 374,000 children in calendar year 2022. Taxpayers will be able to claim the bill's maximum credit of \$500 per child for an estimated 180,700 dependent children under the age of six. Another 99,500 dependent children are estimated to yield a credit of at least \$300 each. The OLS notes that the tax credit is refundable, so taxpayers will be able to claim and utilize the full amount of their tax credit.

Section: Revenue, Finance, and Appropriations

*Analyst: David Drescher
Section Chief*

*Approved: Thomas Koenig
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. 4640

STATE OF NEW JERSEY

220th LEGISLATURE

INTRODUCED SEPTEMBER 22 , 2022

Sponsored by:

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Assemblyman ROY FREIMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblywoman SADAF F. JAFFER

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblyman PAUL D. MORIARTY

District 4 (Camden and Gloucester)

Assemblywoman GABRIELA M. MOSQUERA

District 4 (Camden and Gloucester)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Assemblywoman BRITNEE N. TIMBERLAKE

District 34 (Essex and Passaic)

Co-Sponsored by:

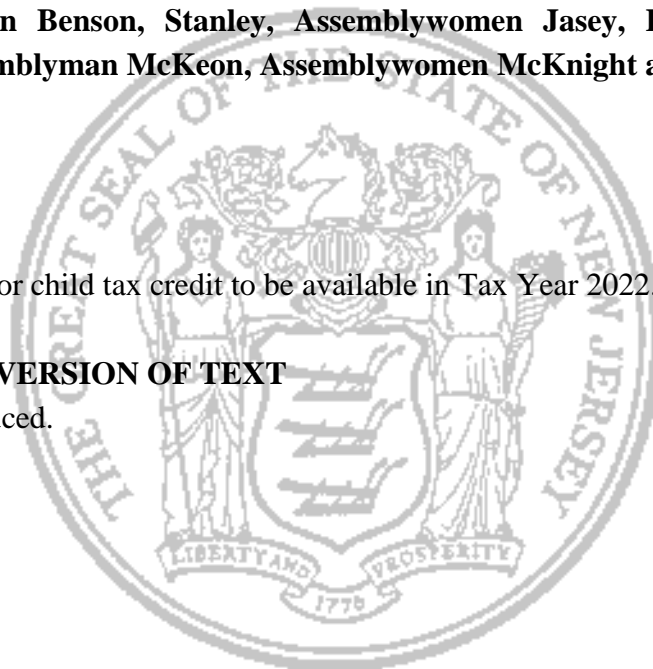
Assemblymen Benson, Stanley, Assemblywomen Jasey, Park, Speight, Lopez, Assemblyman McKeon, Assemblywomen McKnight and Murphy

SYNOPSIS

Provides for child tax credit to be available in Tax Year 2022.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/3/2022)

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ASSEMBLY OVERSIGHT, REFORM AND FEDERAL
RELATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4640

STATE OF NEW JERSEY

DATED: SEPTEMBER 29, 2022

The Assembly Oversight, Reform and Federal Relations Committee reports favorably Assembly Bill No. 4640.

This bill revises the effective date of P.L.2022, c.24, which established the State's child tax credit. The bill provides that the provisions of P.L.2022, c.24 are to apply to taxable years beginning on and after January 1, 2022.

The child tax credit allows a refundable gross income tax credit of \$500 for each child of a resident taxpayer if the taxpayer's income is \$30,000 or less. The \$500 amount is reduced by \$100 for every \$10,000 of income that the taxpayer's taxable income exceeds \$30,000 until the taxpayer's income reaches \$80,000.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 4640
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: OCTOBER 3, 2022

SUMMARY

Synopsis: Provides for child tax credit to be available in Tax Year 2022.

Type of Impact: Revenue loss to Property Tax Relief Fund in Fiscal Year 2023.

Agencies Affected: Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	<u>Fiscal Year 2023</u>
State Revenue Loss	\$134.7 million to \$156.3 million

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FISCAL ANALYSIS

EXECUTIVE BRANCH

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OFFICE OF LEGISLATIVE SERVICES

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Section: Revenue, Finance, and Appropriations

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

Governor Murphy Signs Bill Amending State Child Tax Credit, Allowing for NJ Taxpayers to Receive Relief a Year Sooner

10/4/2022

Amendment Provides for Child Tax Credit to Become Available in 2022 Tax Year

TRENTON – Governor Phil Murphy today signed S-3046/A-4640, amending the effective dates for a previously signed bill regarding state child tax credits. The original bill, S-2523, was scheduled to take effect for the 2023 tax year, making credits available to taxpayers in 2024. The bill signed today pushes that schedule forward, allowing for the tax credit to take effect for the 2022 tax year and for credits to become available to taxpayers in 2023.

“Making New Jersey more affordable for our families has been one of my highest priorities since day one,” said **Governor Murphy**. “Tax relief is critically important and this amendment will put money into the pockets of families as early as next year. I look forward to our continued progress in making New Jersey stronger, fairer, and more affordable for all of our residents.”

The child tax credit program, estimated to be a \$100 million state revenue loss for FY 2023, is available to New Jersey taxpayers with incomes of up to \$80,000 and is broken down as follows:

- Resident households with an income of **\$30,000 or less** will receive a refundable gross income tax credit of **\$500** for each child
- Resident households with an income of **\$30,000 to \$40,000** will receive a refundable gross income tax credit of **\$400** for each child
- Resident households with an income of **\$40,000 to \$50,000** will receive a refundable gross income tax credit of **\$300** for each child
- Resident households with an income of **\$50,000 to \$60,000** will receive a refundable gross income tax credit of **\$200** for each child
- Resident households with an income of **\$60,000 to \$80,000** will receive a refundable gross income tax credit of **\$100** for each child

“This will make the lives of working families more affordable and more manageable,” said **Senate President Nick Scutari**. “It will provide direct tax relief as quickly as possible to help families during challenging economic conditions. The child tax credit is part of our ongoing commitment to tax relief, financial assistance and affordability for the people of New Jersey.”

“As we work to make New Jersey more affordable, one of the best and most meaningful investments we can make is into our working families,” said **Assembly Speaker Craig J. Coughlin**. “With a new state child tax credit being delivered as intended – directly and this year – New Jersey families can rest assured that the relief they need, at a time when rising costs have stretched budgets, will be there.”

“We are keeping the promise we made to provide much needed financial relief to families in a timely way. This law will make sure that the child tax benefits are made available to families as quickly as possible,” said **Senate Majority Leader Ruiz**. “This legislation is part of an ongoing effort to address the needs of working families and strengthen the state’s childcare infrastructure.”

“As we all know, the cost of living in New Jersey can be particularly tough, especially for families trying to juggle many responsibilities, including raising, clothing and providing health care for their children,” said **Senator Andrew Zwickler**. “The enhancements of the child tax credit put in place during the COVID-19 pandemic have been a life-saver for many working families in our state, and this legislation to extend those benefits will have a positive impact in a real and tangible way.”

“Making New Jersey affordable for working families is our top priority. This tax credit will help New Jersey families make ends meet, put food on the table and care for their families – and it will be available this year. We’re proud of our work ensuring this tax credit goes into effect in 2022 so that thousands of children and their families can see the benefits,” said **Assemblywoman Verlina Reynolds-Jackson, Assemblyman Roy Freiman, Assemblywoman Sadaf F. Jaffer, Assemblyman Paul D. Moriarty, and Assemblywoman Gabriela M. Mosquera**.

"We appreciate Governor Murphy and the Legislature prioritizing this vital tax credit for working families. The CTC is one of the most effective and direct solutions available for reducing poverty, especially among children," **said Dena Mottola Jaborska, NJ Citizen Action Executive Director.** "This fix makes the credit more easily accessible for families who are still recovering from the economic effects of the pandemic, at a time when the cost of raising children has become prohibitively expensive for too many."

"Working class families need help right now to keep up with rising costs, and this law will make sure the new Child Tax Credit provides immediate relief," **said Peter Chen, Senior Policy Analyst at New Jersey Policy Perspective (NJPP).** "Modeled off of the highly successful federal credit, this program will make the state a more affordable place to start and grow a family, especially for those with the lowest incomes. We look forward to working with the Murphy administration and lawmakers on ways to build on this credit in future years so New Jersey remains the best state to raise a child."

"We commend Governor Murphy for taking steps to advance the timeline for the state child tax credit. This credit will impact thousands of ALICE families across New Jersey who earn above the federal poverty level but not enough to afford the basics needed to live and work in the modern economy. Eligible families would receive a much-needed financial lifeline, which can mean the heat stays on; child care is covered; rent is paid," **said Kiran Handa Gaudio, Chief Executive Officer, United Way of Northern New Jersey, United for ALICE.**