



LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 1998

CHAPTER:113

NJSA: 54A:6-29

"Holocaust restitution -- exempt income tax and PAAD eligibility"

BILL NO: A1981 (Substituted for S885 1st Reprint)

SPONSOR(S): Weingarten and O'Toole

DATE INTRODUCED: May 4, 1998

COMMITTEE:

ASSEMBLY: Appropriations

SENATE: ~~~~

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE:

ASSEMBLY: September 28, 1998

SENATE: September 28, 1998

DATE OF APPROVAL: October 20, 1998

THE FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL: 1st Reprint

(Amendments during passage denoted by superscript numbers)

A1981

SPONSORS STATEMENT: *Yes* (Begins on page 2 of original bill)

COMMITTEE STATEMENT:

ASSEMBLY: *Yes*

SENATE: *No*

FLOOR AMENDMENT STATEMENTS: *No*

LEGISLATIVE FISCAL ESTIMATE: *Yes*

S885

SPONSORS STATEMENT: *Yes* (Begins on page 2 of original bill)
(Bill and Sponsors Statement identical to A1981)

COMMITTEE STATEMENT:

ASSEMBLY: *No*

SENATE: *Yes*

(Identical to Assembly Statement for A1981)

FLOOR AMENDMENT STATEMENTS: *No*

LEGISLATIVE FISCAL ESTIMATE: *Yes*

VETO MESSAGE: *No*

GOVERNOR'S PRESS RELEASE ON SIGNING: *Yes*

THE FOLLOWING WERE PRINTED:

*To check for circulating copies contact New Jersey State Government Publications at the State Library (609) 278-2640
ext 102 or refdesk@njstatelib.org*

REPORTS: *No*

HEARINGS: *No*

NEWSPAPER ARTICLES:

"Whitman signs Holocaust victim bill," 10-21-98, Bergen Record, p. L9.

"State exempts Holocaust restitution from tax," 10-21-98, Newark Star Ledger, p.22.

[First Reprint]

ASSEMBLY, No. 1981

STATE OF NEW JERSEY
208th LEGISLATURE

INTRODUCED MAY 4, 1998

Sponsored by:

Assemblyman JOEL WEINGARTEN

District 21 (Essex and Union)

Assemblyman KEVIN J. O'TOOLE

District 21 (Essex and Union)

Co-Sponsored by:

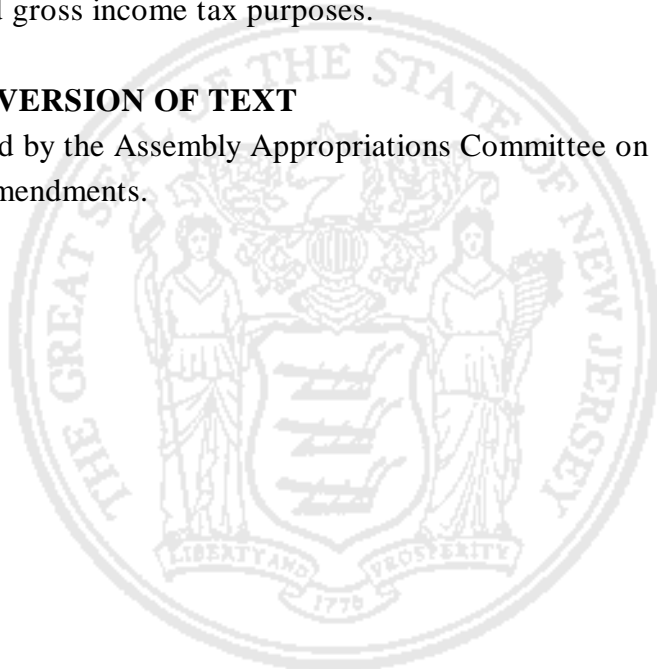
Assemblymen LeFevre, Corodemus, Senators Kyrillos, Allen and Bucco

SYNOPSIS

Excludes Holocaust restitution and compensation from income for PAAD eligibility and gross income tax purposes.

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on September 14, 1998, with amendments.



(Sponsorship Updated As Of: 9/29/1998)

1 AN ACT excluding Holocaust restitution and compensation from
2 income for gross income tax ¹and PAAD eligibility¹ purposes and
3 supplementing chapter 6 of Title 54A of the New Jersey Statutes
4 ¹and P.L.1975, c.194 (C.30:4D-20 et seq.)¹.

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

8
9 1. Gross income shall not include amounts received as reparations
10 or restitution for the loss of liberty or damage to health by the victims
11 of National Socialist (Nazi) persecution; returns of tangible or
12 intangible property seized, misappropriated, or lost as a result of
13 National Socialist (Nazi) actions or policies and any cash values in
14 replacement of such property; payments of insurance policies
15 purchased by the victims of National Socialist (Nazi) persecution; and
16 any accumulated or accrued interest on such amounts.

17 National Socialist (Nazi) actions or policies include, but are not
18 limited to, actions and policies taken by Germany and other countries,
19 or by organizations and institutions within those countries, against the
20 victims of the Nazi Holocaust.

21
22 ¹2. Amounts received as reparations or restitution for the loss of
23 liberty or damage to health by the victims of National Socialist (Nazi)
24 persecution; returns of tangible or intangible property seized,
25 misappropriated, or lost as a result of National Socialist (Nazi) actions
26 or policies and any cash values in replacement of such property;
27 payments of insurance policies purchased by the victims of National
28 Socialist (Nazi) persecution; and any accumulated or accrued interest
29 on such amounts shall not be counted as income for the purpose of
30 determining eligibility for the Pharmaceutical Assistance to the Aged
31 and Disabled program established pursuant to P.L.1975, c.194
32 (C.30:4D-20 et seq.).¹

33
34 ¹[2.] 3.¹ This act shall take effect immediately and apply to all
35 tangible and intangible property received after enactment.

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AAP committee amendments adopted September 14, 1998.

ASSEMBLY, No. 1981

STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED MAY 4, 1998

Sponsored by:

Assemblyman JOEL WEINGARTEN

District 21 (Essex and Union)

Assemblyman KEVIN J. O'TOOLE

District 21 (Essex and Union)

Co-Sponsored by:

Assemblymen LeFevre and Corodemus

SYNOPSIS

Excludes Holocaust restitution and compensation from income for gross income tax purposes.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/15/1998)

1 AN ACT excluding Holocaust restitution and compensation from
2 income for gross income tax purposes and supplementing chapter
3 6 of Title 54A of the New Jersey Statutes.

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

7
8 1. Gross income shall not include amounts received as reparations
9 or restitution for the loss of liberty or damage to health by the victims
10 of National Socialist (Nazi) persecution; returns of tangible or
11 intangible property seized, misappropriated, or lost as a result of
12 National Socialist (Nazi) actions or policies and any cash values in
13 replacement of such property; payments of insurance policies
14 purchased by the victims of National Socialist (Nazi) persecution; and
15 any accumulated or accrued interest on such amounts.

16 National Socialist (Nazi) actions or policies include, but are not
17 limited to, actions and policies taken by Germany and other countries,
18 or by organizations and institutions within those countries, against the
19 victims of the Nazi Holocaust.

20
21 2. This act shall take effect immediately and apply to all tangible
22 and intangible property received after enactment.

23
24
25 STATEMENT

26
27 Currently, victims associations, public and private foundations and
28 the governments of more than twenty nations are working to recover
29 assets stolen from victims of the Nazi Holocaust. The United States
30 Holocaust Memorial Museum and the Simon Wiesenthal Center
31 coordinate information about ongoing investigations of assets looted
32 by the Nazis. Recent hearings by the United States Senate Banking,
33 Housing, and Urban Affairs Committee have publicized more
34 information about unclaimed accounts of Holocaust victims, and the
35 National Association of Insurance Commissioners has formed a
36 multi-state Holocaust Insurance Issues Working Group to redress
37 confiscations of insurance assets.

38 This bill amends the New Jersey gross income tax act to exempt
39 recoveries of looted property from definitions of income.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1981

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 14, 1998

The Assembly Appropriations Committee reports favorably Assembly Bill No. 1981, with committee amendments.

Assembly Bill No. 1981, as amended, changes income standards in the law establishing the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program and the New Jersey gross income tax act to exempt recoveries of looted property from definitions of income, and assure that those who receive restitution are not inadvertently disqualified from essential services.

Currently, victims associations, public and private foundations and the governments of more than twenty nations are working to recover assets stolen from victims of the Nazi Holocaust. The United States Holocaust Memorial Museum and the Simon Wiesenthal Center coordinate information about ongoing investigations of assets looted by the Nazis. Recent hearings by the United States Senate Banking, Housing, and Urban Affairs Committee have publicized more information about unclaimed accounts of Holocaust victims, and the National Association of Insurance Commissioners has formed a multi-state Holocaust Insurance Issues Working Group to redress confiscations of insurance assets.

FISCAL IMPACT:

The Division of Taxation has indicated that it has no information on the number or income profile of taxpayers who might qualify for the payments of reparations, restitution, insurance proceeds, etc., that the legislation would exclude from gross income, nor does it have any information on the amounts of those payments.

The Office of Legislative Services notes that restitution, reparations and other compensatory damages, the return of stolen nonbusiness property, and insurance death benefits are not "income" for purposes of the gross income tax, and that the only likely gross income tax impact will be from the exclusion of the earnings of any account balances. The gross income tax revenue loss is expected to be minimal.

While the PAAD program definition of "income" encompasses

most assets available for support, including restitution and recoveries, relatively few of the roughly 200,000 program participants will be affected. Amounts of recoveries are currently only speculative.

COMMITTEE AMENDMENTS:

The amendments add the provisions concerning PAAD program.

LEGISLATIVE FISCAL ESTIMATE

ASSEMBLY, No. 1981

STATE OF NEW JERSEY

208th LEGISLATURE

DATED: JULY 20, 1998

Assembly Bill No. 1981 of 1998 excludes from gross income under the New Jersey gross income tax any amounts received as reparations or restitution for the loss of liberty or damage to health by the victims of National Socialist (Nazi) persecution; returns of tangible or intangible property seized, misappropriated, or lost as a result of National Socialist (Nazi) actions or policies and any cash values in replacement of such property; payments of insurance policies purchased by the victims of National Socialist (Nazi) persecution; and any accumulated or accrued interest on such amounts. The legislation provides that National Socialist (Nazi) actions or policies include, but are not limited to, actions and policies taken by Germany and other countries, or by organizations and institutions within those countries, against the victims of the Nazi Holocaust.

The Division of Taxation has indicated that it has no information on the number or income profile of taxpayers who might qualify for the payments of reparations, restitution, insurance proceeds, etc., that the legislation would exclude from gross income, nor does it have any information on the amounts of those payments. In the absence of such information, the Division is unable to provide an estimate of the loss of gross income tax revenue that would result from enactment of the legislation.

The Office of Legislative Services (OLS) states that, like the Division of Taxation, it has no information regarding the taxpayers with claims to the types of payment that would be exempt from gross income under this bill, or the dollar value of those claims; therefore, OLS is likewise unable to provide an estimate of gross income tax revenue loss that would result from the bill's enactment. The Office believes, however, that the magnitude of the revenue loss would not be large.

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.

SENATE, No. 885

STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED MARCH 19, 1998

Sponsored by:

Senator JOSEPH M. KYRILLOS, JR.
District 13 (Middlesex and Monmouth)
Senator DIANE ALLEN
District 7 (Burlington and Camden)

Co-Sponsored by:

Senator Bucco

SYNOPSIS

Excludes Holocaust restitution and compensation from income for gross income tax purposes.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/18/1998)

1 AN ACT excluding Holocaust restitution and compensation from
2 income for gross income tax purposes and supplementing chapter
3 6 of Title 54A of the New Jersey Statutes.

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

7
8 1. Gross income shall not include amounts received as reparations
9 or restitution for the loss of liberty or damage to health by the victims
10 of National Socialist (Nazi) persecution; returns of tangible or
11 intangible property seized, misappropriated, or lost as a result of
12 National Socialist (Nazi) actions or policies and any cash values in
13 replacement of such property; payments of insurance policies
14 purchased by the victims of National Socialist (Nazi) persecution; and
15 any accumulated or accrued interest on such amounts.

16 National Socialist (Nazi) actions or policies include, but are not
17 limited to, actions and policies taken by Germany and other countries,
18 or by organizations and institutions within those countries, against the
19 victims of the Nazi Holocaust.

20
21 2. This act shall take effect immediately and apply to all tangible
22 and intangible property received after enactment.

23
24
25 STATEMENT

26
27 Currently, victims associations, public and private foundations and
28 the governments of more than twenty nations are working to recover
29 assets stolen from victims of the Nazi Holocaust. The United States
30 Holocaust Memorial Museum and the Simon Wiesenthal Center
31 coordinate information about ongoing investigations of assets looted
32 by the Nazis. Recent hearings by the United States Senate Banking,
33 Housing, and Urban Affairs Committee have publicized more
34 information about unclaimed accounts of Holocaust victims, and the
35 National Association of Insurance Commissioners has formed a
36 multi-state Holocaust Insurance Issues Working Group to redress
37 confiscations of insurance assets.

38 This bill amends the New Jersey gross income tax act to exempt
39 recoveries of looted property from definitions of income.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 885

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 17, 1998

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 885.

Senate Bill No. 885, as amended, changes income standards in the law establishing the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program and the New Jersey gross income tax act to exempt recoveries of looted property from definitions of income, and assure that those who receive restitution are not inadvertently disqualified from essential services.

Currently, victims associations, public and private foundations and the governments of more than twenty nations are working to recover assets stolen from victims of the Nazi Holocaust. The United States Holocaust Memorial Museum and the Simon Wiesenthal Center coordinate information about ongoing investigations of assets looted by the Nazis. Recent hearings by the United States Senate Banking, Housing, and Urban Affairs Committee have publicized more information about unclaimed accounts of Holocaust victims, and the National Association of Insurance Commissioners has formed a multi-state Holocaust Insurance Issues Working Group to redress confiscations of insurance assets.

FISCAL IMPACT:

The Division of Taxation has indicated that it has no information on the number or income profile of taxpayers who might qualify for the payments of reparations, restitution, insurance proceeds, etc., that the legislation would exclude from gross income, nor does it have any information on the amounts of those payments.

The Office of Legislative Services notes that restitution, reparations and other compensatory damages, the return of stolen nonbusiness property, and insurance death benefits are not "income" for purposes of the gross income tax, and that the only likely gross income tax impact will be from the exclusion of the earnings of any account balances. The gross income tax revenue loss is expected to be minimal.

While the PAAD program definition of "income" encompasses

most assets available for support, including restitution and recoveries, relatively few of the roughly 200,000 program participants will be affected. Amounts of recoveries are currently only speculative.

COMMITTEE AMENDMENTS:

The amendments add the provisions concerning PAAD program. As amended, the provisions of the bill are identical to those of A-1981 (1R).

FISCAL NOTE

SENATE, No. 885

STATE OF NEW JERSEY

208th LEGISLATURE

DATED: AUGUST 25, 1998

Senate Bill No. 885 of 1998 excludes from gross income under the New Jersey gross income tax any amounts received as reparations or restitution for the loss of liberty or damage to health by the victims of National Socialist (Nazi) persecution; returns of tangible or intangible property seized, misappropriated, or lost as a result of National Socialist (Nazi) actions or policies and any cash values in replacement of such property; payments of insurance policies purchased by the victims of National Socialist (Nazi) persecution; and any accumulated or accrued interest on such amounts. The legislation provides that National Socialist (Nazi) actions or policies include, but are not limited to, actions and policies taken by Germany and other countries, or by organizations and institutions within those countries, against the victims of the Nazi Holocaust.

The Division of Taxation has indicated that it has no information on the number or income profile of taxpayers who might qualify for the payments of reparations, restitution, insurance proceeds, etc., that the legislation would exclude from gross income, nor does it have any information on the amounts of those payments. In the absence of such information, the Division is unable to provide an estimate of the loss of gross income tax revenue that would result from enactment of the legislation.

The Office of Legislative Services (OLS) states that, like the Division of Taxation, it has no information regarding the taxpayers with claims to the types of payment that would be exempt from gross income under this bill, or the dollar value of those claims; therefore, OLS is likewise unable to provide an estimate of gross income tax revenue loss that would result from the bill's enactment. The Office believes, however, that the magnitude of the revenue loss would not be large.

This fiscal note has been prepared pursuant to P.L.1980, c.67.

Office of the Governor
NEWS RELEASE

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609-777-2600

RELEASE: October 20, 1998

**GOVERNOR SIGNS LEGISLATION EXEMPTING HOLOCAUST SURVIVORS'
SETTLEMENT INCOME FROM STATE INCOME TAXES**

Gov. Christie Whitman today signed legislation granting Holocaust survivors and their heirs an exemption on state income taxes for restitution and compensation received for losses suffered by Holocaust survivors during World War II. The legislation also stipulates that the Holocaust survivors' settlement income will not be considered in determining eligibility for the state Pharmaceutical Assistance for the Aged and Disabled (PAAD) program.

"There is little we can do for the survivors of the Nazi nightmare, or their families," the Governor said. "But this legislation takes a step in the right direction. It gives us one small way to address the horrors of the Holocaust."

"We must always keep alive the memory of what was the worst mass murder in history," she said. "We must keep it alive so that our sons and daughters will know that the Holocaust did happen and could happen again if we choose to accept or ignore bigotry, prejudice, and intolerance."

"The Nazis confiscated everything from their victims, from artwork to wedding rings to insurance policies," Gov. Whitman said. "And what they looted they asked others to hide."

"We must stop the hiding," the Governor said. "We must uncover the assets that rightfully belong to Holocaust victims, survivors, and their families. We cannot allow anyone, anywhere, to profit from the Nazi plunder."

According to Gov. Whitman, 4,485 of the 370,000 Holocaust survivors worldwide live in New Jersey. In August, Swiss banks agreed to address the claims of the Holocaust survivors and to pay a settlement of \$1.25 billion. This settlement, to be paid out over three years, settles lawsuits by survivors whose bank accounts had been lost or plundered during World War II.

"We want to ensure justice for the survivors in New Jersey who will receive their part of this settlement," Gov. Whitman said. "For decades, these survivors have been denied what is rightfully theirs. And we don't want their settlement -- whatever it is -- to be reduced by taxes."

The Governor said that during the second World War far too many people acted as collaborators, perpetrators, and bystanders in the Holocaust, without protesting or resisting.

"The roads to the concentration camps were built by hate, but paved with indifference" she said. "But we can still wage the battle against tyranny and indifference. One way we can do this is through education. And New Jersey can be proud that it has one of the most comprehensive Holocaust education programs in

the country."

The education program was the result of the Holocaust Education Act, which Gov. Whitman signed in 1994. This landmark legislation made New Jersey the first state to require public schools to teach students about the Holocaust and other acts of genocide.

A-1981, the legislation granting the state tax exemption on Holocaust survivors' settlement income, was sponsored by Assembly Members Joel M. Weingarten (R-Essex/Union) and Kevin J. O'Toole (R-Essex/Union) and Senators Joseph M. Kyrillos, Jr. (R- Middlesex/Monmouth) and Diane B. Allen (R-Burlington/Camden).