54A:6-10

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: **1999** **CHAPTER:** 177

NJSA: 54A:6--10 (Increase retirement income tax exclusion)

BILL NO: A126 (Substituted for S68)

SPONSOR(S): Holzapfel & Wolfe

DATE INTRODUCED: Pre-filed

COMMITTEE: **ASSEMBLY:** Senior Issues and Community Services; Appropriations

SENATE: Budget and Appropriations

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** May 24, 1999

SENATE: July 1, 1999

DATE OF APPROVAL: August 3, 1999

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL: 1st Reprint
(Amendments during passage denoted by superscript numbers)

A126

SPONSORS STATEMENT: (Begins on page 4 of original bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY**: Yes 5-22-98 (Senior Issues)
Yes 5-3-99 (Appropriations)

SENATE: Yes

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: Yes 7-20-98
Yes 5-21-99
Yes 7-1-99

S68

SPONSORS STATEMENT: (Begins on page 4 of original bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY**: No

SENATE: Yes

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: Yes
Identical to Fiscal Estimate for A126 of 7-20-98

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. or refdesk@njstatelib.org

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

"Whitman signs seniors tax break," 8-4-99, Asbury Park Press, p. A3.

P.L. 1999, CHAPTER 177, ***approved August 3, 1999***

Assembly, No. 126 ***(First Reprint)***

AN ACT concerning the exclusion of certain retirement income from gross income under the gross income tax act, amending N.J.S.A.54A:6-10 and P.L.1977, c.273.

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

1. N.J.S.54A:6-10 is amended to read as follows:

54A:6-10. Pensions and annuities. Gross income shall not include that part of any amount received as an annuity under an annuity, endowment, or life insurance contract which bears the same ratio to such amount as the investment in the contract as of the annuity starting date bears to the expected return under the contract as of such date. Where (1) part of the consideration for an annuity, endowment, or life insurance contract is contributed by the employer, and (2) during the three-year period beginning on the date on which an amount is first received under the contract as an annuity, the aggregate amount receivable by the employee under the terms of the contract is equal to or greater than the consideration for the contract contributed by the employee, then all amounts received as an annuity under the contract shall be excluded from gross income until there has been so excluded an amount equal to the consideration for the contract contributed by the employee.

In addition to that part of any amount received as an annuity which is excludable from gross income as herein provided, gross income shall not include payments:

for taxable years beginning before [1]**[**January 1, 1998**]** January 1, 2000[1] , of up to $10,000 for a married couple filing jointly, $5,000 for a married person filing separately, or $7,500 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1;

for the taxable year beginning on or after [1]**[**January 1, 1998**]** January 1, 2000[1] , but before [1]**[**January 1, 1999**]** January 1, 2001[1] , of up to $12,500 for a married couple filing jointly, $6,250 for a married person filing separately, or $9,375 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1;

for the taxable year beginning on or after [1]**[**January 1, 1999**]** January 1, 2001[1] , but before [1]**[**January 1, 2000**]** January 1, 2002[1] , of up to $15,000 for a married couple filing jointly, $7,500 for a

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 May 3,1999.

married person filing separately, or $11,250 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1;

for the taxable year beginning on or after [1]⟦January 1, 2000⟧ January 1, 2002[1] , but before [1]⟦January 1, 2001⟧ January 1, 2003[1] , of up to $17,500 for a married couple filing jointly, $8,750 for a married person filing separately, or $13,125 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1;

for taxable years beginning on or after [1]⟦January 1, 2001⟧ January 1, 2003[1] , of up to $20,000 for a married couple filing jointly, $10,000 for a married person filing separately, or $15,000 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1, which are received as an annuity, endowment or life insurance contract, or payments of any such amounts which are received as pension, disability, or retirement benefits, under any public or private plan, whether the consideration therefor is contributed by the employee or employer or both, by any person who is 62 years of age or older or who, by virtue of disability, is or would be eligible to receive payments under the federal Social Security Act.

Gross income shall not include any amount received under any public or private plan by reason of a permanent and total disability.

Gross income shall not include distributions from an employees' trust described in section 401(a) of the Internal Revenue Code of 1986, as amended (hereinafter referred to as "the Code"), which is exempt from tax under section 501(a) of the Code if the distribution, except the portion representing the employees' contributions, is rolled over in accordance with section 402(a)(5) or section 403(a)(4) of the Code. The distribution shall be paid in one or more installments which constitute a lump-sum distribution within the meaning of section 402(e)(4)(A) (determined without reference to subsection (e)(4)(B)), or be on account of a termination of a plan of which the trust is a part or, in the case of a profit-sharing or stock bonus plan, a complete discontinuance of contributions under such plan.

(cf: P.L.1990, c.61, s.16)

2. Section 3 of P.L.1977, c.273 (C.54A:6-15) is amended to read as follows:

3. Other retirement income. a. Gross income shall not include income :

for taxable years beginning before [1]⟦January 1, 1998⟧ January 1, 2000[1] , of up to $10,000 for a married couple filing jointly, $5,000 for a married person filing separately, or $7,500 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1;

for the taxable year beginning on or after [1][January 1, 1998] January 1, 2000[1] , but before [1][January 1, 1999] January 1, 2001[1] , of up to $12,500 for a married couple filing jointly, $6,250 for a married person filing separately, or $9,375 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1;

for the taxable year beginning on or after [1][January 1, 1999] January 1, 2001[1] , but before [1][January 1, 2000] January 1, 2002[1] , of up to $15,000 for a married couple filing jointly, $7,500 for a married person filing separately, or $11,250 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1;

for the taxable year beginning on or after [1][January 1, 2000] January 1, 2002[1] , but before [1][January 1, 2001] January 1, 2003[1] , of up to $17,500 for a married couple filing jointly, $8,750 for a married person filing separately, or $13,125 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1;

for taxable years beginning on or after [1][January 1, 2001] January 1, 2003[1] , gross income shall not include income of up to $20,000 for a married couple filing jointly, $10,000 for a married person filing separately, or $15,000 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1, when received in any tax year by a person aged 62 years or older who received no income in excess of $3,000 from one or more of the sources enumerated in subsections a., b., k. and p. of N.J.S.54A:5-1, provided, however, that the total exclusion under this subsection and that allowable under N.J.S.54A:6-10 shall not exceed the amounts of the exclusions set forth in this subsection.

b. In addition to the exclusion provided under N.J.S.54A:6-10 and subsection a. of this section, gross income shall not include income of up to $6,000 for a married couple filing jointly or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1, or $3,000 for a single person or a married person filing separately, who is not covered under N.J.S.54A:6-2 or N.J.S.54A:6-3, but who would be eligible in any year to receive payments under either section if he or she were covered thereby.

(cf: P.L.1993, c.173, s.17)

3. This act shall take effect immediately.

Increases amount of certain retirement income that may be excluded from gross income under the gross income tax act.

ASSEMBLY, No. 126

STATE OF NEW JERSEY

208th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 1998 SESSION

Sponsored by:
Assemblyman JAMES W. HOLZAPFEL
District 10 (Monmouth and Ocean)
Assemblyman DAVID W. WOLFE
District 10 (Monmouth and Ocean)

Co-Sponsored by:
Assemblywoman Weinberg, Assemblymen Blee, LeFevre, Azzolina, Felice, Geist, Luongo, Thompson, Assemblywoman Wright, Assemblymen Conaway, Conners, Greenwald, Zecker, Asselta, Bateman, Connors, Cottrell, Kelly, Merkt, Moran, Zisa, Augustine, Malone, Assemblywoman Previte, Assemblymen T.Smith, Arnone, Barnes, Biondi, Assemblywoman Buono, Assemblymen Corodemus, DeCroce, DiGaetano, Assemblywoman Friscia, Assemblyman Kramer, Assemblywoman Quigley, Assemblymen Roberts, Romano, R.Smith, Suliga, Talarico, Assemblywoman Vandervalk, Assemblymen Weingarten, Gibson, Caraballo, Cohen, Assemblywomen Crecco, Cruz-Perez, Assemblymen Garcia, Garrett, Assemblywoman Gill, Assemblyman Green, Assemblywoman Heck, Assemblyman Impreveduto, Assemblywoman Pou, Assemblymen Steele, Wisniewski, Bodine, Chatzidakis, Doria, Jones Assemblywoman Watson Coleman, Assemblymen Gregg, Carroll, Gusciora, Payne and Stanley

SYNOPSIS

Increases amount of certain retirement income that may be excluded from gross income under the gross income tax act.

CURRENT VERSION OF TEXT

As reported by the Assembly Senior Issues and Community Services Committee with technical review.

(Sponsorship Updated As Of: 10/30/1998)

AN ACT concerning the exclusion of certain retirement income from gross income under the gross income tax act, amending N.J.S.A.54A:6-10 and P.L.1977, c.273.

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

1. N.J.S.54A:6-10 is amended to read as follows:

54A:6-10. Pensions and annuities. Gross income shall not include that part of any amount received as an annuity under an annuity, endowment, or life insurance contract which bears the same ratio to such amount as the investment in the contract as of the annuity starting date bears to the expected return under the contract as of such date. Where (1) part of the consideration for an annuity, endowment, or life insurance contract is contributed by the employer, and (2) during the three-year period beginning on the date on which an amount is first received under the contract as an annuity, the aggregate amount receivable by the employee under the terms of the contract is equal to or greater than the consideration for the contract contributed by the employee, then all amounts received as an annuity under the contract shall be excluded from gross income until there has been so excluded an amount equal to the consideration for the contract contributed by the employee.

In addition to that part of any amount received as an annuity which is excludable from gross income as herein provided, gross income shall not include payments:

for taxable years beginning before January 1, 1998, of up to $10,000.00 for a married couple filing jointly, $5,000.00 for a married person filing separately, or $7,500.00 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1;

for the taxable year beginning on or after January 1, 1998, but before January 1, 1999, of up to $12,500.00 for a married couple filing jointly, $6,250.00 for a married person filing separately, or $9,375.00 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1;

for the taxable year beginning on or after January 1, 1999, but before January 1, 2000, of up to $15,000.00 for a married couple filing jointly, $7,500.00 for a married person filing separately, or $11,250.00 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1;

for the taxable year beginning on or after January 1, 2000, but before January 1, 2001, of up to $17,500.00 for a married couple filing

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Matter underlined thus is new matter.

jointly, $8,750.00 for a married person filing separately, or $13,125.00 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1;

for taxable years beginning on or after January 1, 2001, of up to $20,000.00 for a married couple filing jointly, $10,000.00 for a married person filing separately, or $15,000.00 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1, which are received as an annuity, endowment or life insurance contract, or payments of any such amounts which are received as pension, disability, or retirement benefits, under any public or private plan, whether the consideration therefor is contributed by the employee or employer or both, by any person who is 62 years of age or older or who, by virtue of disability, is or would be eligible to receive payments under the federal Social Security Act.

Gross income shall not include any amount received under any public or private plan by reason of a permanent and total disability.

Gross income shall not include distributions from an employees' trust described in section 401(a) of the Internal Revenue Code of 1986, as amended (hereinafter referred to as "the Code"), which is exempt from tax under section 501(a) of the Code if the distribution, except the portion representing the employees' contributions, is rolled over in accordance with section 402(a)(5) or section 403(a)(4) of the Code. The distribution shall be paid in one or more installments which constitute a lump-sum distribution within the meaning of section 402(e)(4)(A) (determined without reference to subsection (e)(4)(B)), or be on account of a termination of a plan of which the trust is a part or, in the case of a profit-sharing or stock bonus plan, a complete discontinuance of contributions under such plan.

(cf: P.L.1990, c.61, s.16)

2. Section 3 of P.L.1977, c.273 (C.54A:6-15) is amended to read as follows:

3. Other retirement income. a. Gross income shall not include income :

for taxable years beginning before January 1, 1998, of up to $10,000.00 for a married couple filing jointly, $5,000.00 for a married person filing separately, or $7,500.00 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1;

for the taxable year beginning on or after January 1, 1998, but before January 1, 1999, of up to $12,500.00 for a married couple filing jointly, $6,250.00 for a married person filing separately, or $9,375.00 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1;

for the taxable year beginning on or after January 1, 1999, but before January 1, 2000, of up to $15,000.00 for a married couple filing jointly, $7,500.00 for a married person filing separately, or $11,250.00 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1;

for the taxable year beginning on or after January 1, 2000, but before January 1, 2001, of up to $17,500.00 for a married couple filing jointly, $8,750.00 for a married person filing separately, or $13,125.00 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1;

for taxable years beginning on or after January 1, 2001, gross income shall not include income of up to $20,000.00 for a married couple filing jointly, $10,000.00 for a married person filing separately, or $15,000.00 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1, when received in any tax year by a person aged 62 years or older who received no income in excess of $3,000.00 from one or more of the sources enumerated in subsections a., b., k. and p. of N.J.S.54A:5-1, provided, however, that the total exclusion under this subsection and that allowable under N.J.S.54A:6-10 shall not exceed the amounts of the exclusions set forth in this subsection.

b. In addition to the exclusion provided under N.J.S.54A:6-10 and subsection a. of this section, gross income shall not include income of up to $6,000.00 for a married couple filing jointly or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1, or $3,000.00 for a single person or a married person filing separately, who is not covered under N.J.S.54A:6-2 or N.J.S.54A:6-3, but who would be eligible in any year to receive payments under either section if he or she were covered thereby.

(cf: P.L.1993, c.173, s.17)

3. This act shall take effect immediately.

ASSEMBLY SENIOR ISSUES AND COMMUNITY SERVICES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 126

STATE OF NEW JERSEY

DATED: MAY 22, 1998

The Assembly Senior Issues and Community Services Committee favorably reports Assembly Bill No. 126.

This bill amends the New Jersey Gross Income Tax Act (specifically N.J.S.A.54A:6-10) to increase the amount of certain retirement income a person 62 years of age or older, or a disabled individual eligible for federal Social Security benefits, would be able to exclude from gross income. The excludable amounts will be increased from $10,000 to $20,000 for a married couple filing jointly, from $5,000 to $10,000 for a married person filing separately, and from $7,500 to $15,000 for an individual filing as a single taxpayer, in equal increments over a period of four years commencing with taxable years beginning on or after January 1, 1998.

Currently, a person 62 years of age or older, or a disabled individual eligible for federal Social Security benefits, may exclude only up to $10,000 in retirement income if married and filing jointly, $5,000 if married but filing separately, or $7,500 if filing as a single taxpayer. Excludable retirement income includes such items as payments upon an annuity, endowment or life insurance contract, pension, disability or retirement benefit payments from a private or public plan, or Individual Retirement Account withdrawals.

In addition, N.J.S.A.54A:6-15 is amended to increase the excludable amounts of other retirement income to match the levels in section 1 of the bill. Currently, N.J.S.A.54A:6-15 permits the exclusion from gross income of other retirement income, such as interest and dividend earnings from investments, but only if the taxpayer has less than $3,000 in income from such sources as a salary or wage, net profit from a business, or distribution of partnership income or net share of S corporation income. The above restriction is retained by the bill, as well as the restriction that limits the total amount of income excludable under both N.J.S.A.54A:6-10 and N.J.S.A.54A:6-15 to the amounts set forth in the latter.

This bill was prefiled for introduction in the 1998-1999 session pending technical review. As reported, the bill includes changes required by technical review which has been performed.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 126

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MAY 3, 1999

The Assembly Appropriations Committee reports favorably Assembly Bill No. 126 with committee amendments.

Assembly Bill No. 126, as amended, increases the amount of certain retirement income a person 62 years of age or older or a disabled individual may exclude from taxable income under the New Jersey gross income tax. The excludable amounts will be increased from $10,000 to $20,000 for a married couple filing jointly, from $5,000 to $10,000 for a married person filing separately, and from $7,500 to $15,000 for an individual filing as a single taxpayer, in equal increments over a period of four years commencing with taxable years beginning on or after January 1, 2000.

Currently, a person 62 years of age or older, or a disabled individual eligible for federal Social Security benefits, may exclude to $10,000 in pension income if married and filing jointly, $5,000 if married but filing separately, or $7,500 if filing as a single taxpayer. Excludable pension income includes such items as payments upon an annuity, endowment or life insurance contract, pension, disability or retirement benefit payments from a private or public plan, or IRA withdrawals.

Currently, in addition to the exclusion for pension income, a person 62 years of age or older with less than $3,000 in earned income (income from salary and wages, net profits from business, or distributive share of partnership income or net share of S corporation income) may be able to exclude additional <u>non</u>pension income (such as income from private investments). The nonpension retirement income exclusion is coordinated with the pension exclusion so that the total amount excluded under the two provisions may not exceed the $10,000 if married and filing jointly, $5,000 if married but filing separately, or $7,500 filing single limits already stated.

This bill amends the pension and nonpension retirement income exclusions so that the coordinated combined exclusion limits will increase, in equal increments over a period of four years, from $10,000 to $20,000 for a married couple filing jointly, from $5,000 to $10,000 for a married person filing separately, and from $7,500 to $15,000 for an individual filing as a single taxpayer. The bill leaves the $3,000 earned income limit to qualify for the nonpension exclusion unchanged.

FISCAL IMPACT:

Based on a fiscal analysis by the Department of Treasury which assumed that the effects of the changes would be retroactive to January 1, 1997 (the bill in its current form is effective January 1, 2000) the Office of Legislative Services has estimated fiscal impact for the bill at: $8.9 million in fiscal year 2001, $26.6 million in Fiscal Year 2002; $44.2 million in Fiscal Year 2003; and $61.5 million in Fiscal Year 2004.

COMMITTTEE AMENDMENTS:

The amendments change the four year period of the phase-in from 1998-2001 to 2000-2003.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 126

STATE OF NEW JERSEY

DATED: JUNE 14, 1999

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 126 (1R).

This bill increases the amount of certain retirement income that a senior citizen or disabled individual may exclude from taxable income under the New Jersey gross income tax.

Currently, a person who is 62 years of age or older, or who is eligible for federal Social Security disability benefits, may exclude up to $10,000 in pension income if married and filing jointly, $5,000 if married but filing separately, or $7,500 if filing as a single taxpayer. Excludable pension income includes such items as payments upon an annuity, endowment or life insurance contract, pension, disability or retirement benefit payments from a private or public plan, or IRA withdrawals.

Under this bill, the excludable amounts for pension income will be increased from $10,000 to $20,000 for a married couple filing jointly, from $5,000 to $10,000 for a married person filing separately, and from $7,500 to $15,000 for an individual filing as a single taxpayer, in equal increments over a period of four years commencing with taxable years beginning on or after January 1, 2000.

In addition to the exclusion for pension income, current law provides that a person 62 years of age or older with less than $3,000 in earned income (income from salary and wages, net profits from business, or distributive share of partnership income or net share of S corporation income) may exclude *non*pension income (e.g., income from private investments). This nonpension income exclusion is coordinated with the pension exclusion so that the total amount excluded under the two provisions may not exceed the maximum exclusion amounts indicated above. The bill amends the nonpension retirement income exclusion so that the coordinated combined exclusion limits will increase in accordance with the increase in the pension exclusion under the bill. The bill leaves the $3,000 earned income limit to qualify for the nonpension exclusion unchanged.

This bill is identical to Senate Bill No. 68 (1R).

FISCAL IMPACT

Based in part on a fiscal analysis by the Department of Treasury, the Office of Legislative Services has estimated that the initial impact of the bill should occur with the final tax payments in April of 2001, which will affect FY2001 revenues; the first significant impact will occur in the subsequent fiscal years. OLS projects estimated losses of $8.9 million in FY 2001, $26.6 million in Fiscal Year 2002; $44.2 million in Fiscal Year 2003; and $61.5 million in Fiscal Year 2004, with continuing annual losses of similar magnitude thereafter.

LEGISLATIVE FISCAL ESTIMATE

ASSEMBLY, No. 126

STATE OF NEW JERSEY

208th LEGISLATURE

DATED: JULY 20, 1998

BILL SUMMARY

Assembly Bill No. 126 of 1998 amends N.J.S.54A:6-10 and N.J.S.54A:6-15 of the New Jersey Gross Income Tax Act so that a person 62 years of age or older, or a disabled individual eligible for federal Social Security benefits, would be able to exclude from gross income up to $20,000 of certain retirement income if filing jointly as a married couple, $15,000 if filing as a single taxpayer, or $10,000 if married but filing separately. These amounts double current exemption limits. The bill phases in the limits in equal increments over a period of four years beginning with taxable year 1998.

Currently under N.J.S.54A:6-10, a person 62 years of age or older, or a disabled individual eligible for federal Social Security benefits, may exclude only up to $10,000 in pension income if married filing jointly, $5,000 if married filing separately and $7,500 if filing as a single taxpayer. Excludable pension income includes such items as payments upon an annuity, endowment or life insurance contract, pension, disability or retirement benefit payments from a private or public plan, or Individual Retirement Account withdrawals.

N.J.S.54A:6-15 is amended to increase the excludable amounts of other retirement income to match the levels in N.J.S.54A:6-10, but total pension income plus other retirement income excluded through these two statute sections may still not exceed the levels in N.J.S.54A:6-10. Currently N.J.S.54A:6-15 permits the exclusion from gross income of other retirement income, such as interest and dividend earnings from investments, but only if the taxpayer has less than $3,000 in income from such sources as a salary or wage, net profit from a business, or distribution of partnership income. The $3,000 income restriction is retained by the bill.

OFFICE OF LEGISLATIVE SERVICES COMMENTS

The Office of Legislative Services (OLS) estimates that this bill will reduce gross income tax revenues by approximately $10.0 million in fiscal year 1999, $19.0 million in fiscal year 2000, $27.0 million in fiscal year 2001 and $35.0 million in fiscal year 2002. Thereafter, revenue losses will increase along with the growth of personal income, or about 5.0 percent annually.

This estimate is based on an OLS update to estimates made for a similar bill during the prior Legislative session. In 1996, Treasury estimated that Assembly Bill No.1899 would reduce gross income tax revenues by approximately $4.7 million in fiscal year 1997, $14.2 million in fiscal year 1998, $23.7 million in fiscal year 1999 and $33.6 million in fiscal year 2000. At the time, Treasury assumed that the bill would be implemented in the middle of fiscal year 1997, resulting in a partial impact in that year and a full impact thereafter. The OLS estimate increases the prior Treasury estimate for 5.0 percent growth in personal income and assumes a full impact in the first year (fiscal year 1999) rather than a partial year impact.

The Treasury estimate used data from a sample of 1993 gross income tax returns filed with the Division of Taxation. The sample contains approximately 79,000 returns matched with federal income tax data. The Division's calculations contrast charged tax liabilities with and without the provisions of the bill. Income growth was projected to future years by the estimated growth rate in New Jersey total personal income.

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.

FISCAL NOTE

ASSEMBLY, No. 126

STATE OF NEW JERSEY

208th LEGISLATURE

DATED: MAY 21, 1999

BILL SUMMARY

Assembly Bill No. 126 of 1998 amends N.J.S.54A:6-10 and N.J.S.54A:6-15 of the New Jersey Gross Income Tax Act so that a person 62 years of age or older, or a disabled individual eligible for federal Social Security benefits, would be able to exclude from gross income up to $20,000 of certain retirement income if filing jointly as a married couple, $15,000 if filing as a single taxpayer, or $10,000 if married but filing separately. These amounts double current exemption limits. The bill phases in the limits in equal increments over a period of four years beginning with taxable year 1998.

Currently under N.J.S.54A:6-10, a person 62 years of age or older, or a disabled individual eligible for federal Social Security benefits, may exclude only up to $10,000 in pension income if married filing jointly, $5,000 if married filing separately and $7,500 if filing as a single taxpayer. Excludable pension income includes such items as payments upon an annuity, endowment or life insurance contract, pension, disability or retirement benefit payments from a private or public plan, or Individual Retirement Account withdrawals.

N.J.S.54A:6-15 is amended to increase the excludable amounts of other retirement income to match the levels in N.J.S.54A:6-10, but total pension income plus other retirement income excluded through these two statute sections may still not exceed the levels in N.J.S.54A:6-10. Currently N.J.S.54A:6-15 permits the exclusion from gross income of other retirement income, such as interest and dividend earnings from investments, but only if the taxpayer has less than $3,000 in income from such sources as a salary or wage, net profit from a business, or distribution of partnership income. The $3,000 income restriction is retained by the bill.

AGENCY COMMENTS

The Department of Treasury estimates this bill will reduce revenue to the Property Tax Relief Fund (the gross income tax) by approximately $79.7 million in Fiscal Year 1999 and $61.5 million in

Fiscal Year 2000. Annual revenue losses will continue thereafter.

Treasury assumes the bill will be retroactive to January 1, 1997. The $79.7 million estimated revenue loss for Fiscal Year 1999 includes $8.9 million for Fiscal Year 1997, $26.6 million for Fiscal Year 1998, and $44.2 million for Fiscal Year 1999. Under Treasury's assumptions, Fiscal Year 2000 is the final year of the four year phase-in period of the bill. Treasury's estimates depend on both State and federal figures because precise State figures are not available. Its calculations are based on the 1996 gross income tax sample prepared by the Office of Revenue and Economic Analysis and federal income tax data on pension distributions, Individual Retirement Account (IRA) distributions, and KEOGH income.

OFFICE OF LEGISLATIVE SERVICES COMMENTS

The Office of Legislative Services (OLS) disagrees with the fiscal year ***timing*** of Treasury's estimates of the revenue losses due to this bill, but concurs with the approximate dollar amounts. The bill as written would be retroactive to tax year 1998, not tax year 1997, so the phase-in period would begin a year later than under Treasury's assumptions. In addition, even if the bill becomes law before the end of Fiscal Year 1999, the revenue losses will most likely occur beginning in Fiscal Year 2000. Shifting Treasury's annual cost amounts back for these two factors results in the following revised annual revenue loss estimates: $35.5 million in Fiscal Year 2000 ($8.9 million plus $26.6 million); $44.2 million in Fiscal Year 2001; and $61.5 million in Fiscal Year 2002.

The OLS also notes that any delay in the implementation dates under the bill would also delay the estimated revenue losses in the first years. Treasury's annual revenue loss estimates are slightly higher than but not inconsistent with Treasury's estimates of a similar bill in the 1996-1997 Legislative Session (Assembly Bill No.1899).

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

FISCAL NOTE

[First Reprint]

ASSEMBLY, No. 126

STATE OF NEW JERSEY

208th LEGISLATURE

DATED: JULY 1, 1999

BILL SUMMARY

Assembly Bill No. 126 (1R) of 1998 amends N.J.S.54A:6-10 and N.J.S.54A:6-15 of the New Jersey Gross Income Tax Act so that a person 62 years of age or older, or a disabled individual eligible for federal Social Security benefits, would be able to exclude from gross income up to $20,000 of certain retirement income if filing jointly as a married couple, $15,000 if filing as a single taxpayer, or $10,000 if married but filing separately. These amounts double current exemption limits. The bill phases in the limits in equal increments over a period of four years beginning with taxable year 2000.

Currently under N.J.S.54A:6-10, a person 62 years of age or older, or a disabled individual eligible for federal Social Security benefits, may exclude only up to $10,000 in pension income if married filing jointly, $5,000 if married filing separately and $7,500 if filing as a single taxpayer. Excludable pension income includes such items as payments upon an annuity, endowment or life insurance contract, pension, disability or retirement benefit payments from a private or public plan, or Individual Retirement Account withdrawals.

N.J.S.54A:6-15 is amended to increase the excludable amounts of other retirement income to match the levels in N.J.S.54A:6-10, but total pension income plus other retirement income excluded through these two statute sections may still not exceed the levels in N.J.S.54A:6-10. Currently N.J.S.54A:6-15 permits the exclusion from gross income of other retirement income, such as interest and dividend earnings from investments, but only if the taxpayer has less than $3,000 in income from such sources as a salary or wage, net profit from a business, or distribution of partnership income. The $3,000 income restriction is retained by the bill.

OFFICE OF LEGISLATIVE SERVICES COMMENTS

The Office of Legislative Services (OLS) estimates this bill will reduce revenue to the Property Tax Relief Fund (the gross income tax) by an unknown minimal amount in Fiscal Year 2000. The OLS assumes only a limited number of senior taxpayers will adjust their income tax payments during the initial January through June 2000 period, limiting the impact during Fiscal Year 2000. The first significant impact from the bill should occur with final tax payments in April of 2001, which will affect Fiscal Year 2001 income tax revenues. Revenue losses will increase to about $8.9 million in Fiscal Year 2001, $26.6 million in Fiscal Year 2002, $44.2 million in Fiscal Year 2003, and $61.5 million in Fiscal Year 2004. Income tax revenue losses will continue annually thereafter.

The OLS estimates are based on an adjustment to a Treasury estimate of this bill prior to Committee amendments. In the prior version of the bill, Treasury assumed the four year phase-in period was to begin retroactively in tax year 1997 and would have been completed by tax year 2000. Committee amendments have moved back the first year of the four year phase-in period to tax year 2000. The OLS has accepted the Treasury's prior analysis of the approximate dollar amounts, but has adjusted the timing of the impact in each fiscal year to reflect the later effective date. Treasury's estimates depend on both State and federal figures because precise State figures are not available. Its calculations are based on the 1996 gross income tax sample prepared by the Office of Revenue and Economic Analysis and federal income tax data on pension distributions, Individual Retirement Account (IRA) distributions, and KEOGH income.

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

SENATE, No. 68

STATE OF NEW JERSEY

208th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 1998 SESSION

Sponsored by:
Senator ANDREW R. CIESLA
District 10 (Monmouth and Ocean)
Senator LEONARD T. CONNORS, JR.
District 9 (Atlantic, Burlington and Ocean)

Co-Sponsored by:
Senators Bucco, McNamara, Sinagra, Bennett, Palaia, Singer, Kyrillos, Kosco, Cardinale, Matheussen, Cafiero, Zane, Bassano, Girgenti, O'Connor, Lynch, Lesniak, Baer, Vitale, Kenny, Adler, Allen, Rice, Inverso, Codey, Turner, Sacco, Lipman, Furnari and DiFrancesco

SYNOPSIS

Increases amount of certain retirement income that may be excluded from gross income under the "New Jersey Gross Income Tax Act."

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

(Sponsorship Updated As Of: 1/13/1999)

AN ACT concerning the exclusion of certain retirement income from gross income under the gross income tax act, amending N.J.S.54A:6-10 and P.L.1977, c.273.

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

1. N.J.S.54A:6-10 is amended to read as follows:

54A:6-10. Pensions and annuities. Gross income shall not include that part of any amount received as an annuity under an annuity, endowment, or life insurance contract which bears the same ratio to such amount as the investment in the contract as of the annuity starting date bears to the expected return under the contract as of such date. Where (1) part of the consideration for an annuity, endowment, or life insurance contract is contributed by the employer, and (2) during the three-year period beginning on the date on which an amount is first received under the contract as an annuity, the aggregate amount receivable by the employee under the terms of the contract is equal to or greater than the consideration for the contract contributed by the employee, then all amounts received as an annuity under the contract shall be excluded from gross income until there has been so excluded an amount equal to the consideration for the contract contributed by the employee.

In addition to that part of any amount received as an annuity which is excludable from gross income as herein provided, gross income shall not include payments:

for taxable years beginning before January 1, 1997, of up to **[**$10,000.00**]** $10,000 for a married couple filing jointly, **[**$5,000.00**]** $5,000 for a married person filing separately, or **[**$7,500.00**]** $7,500 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1;

for the taxable year beginning on or after January 1, 1997, but before January 1, 1998, of up to $12,500 for a married couple filing jointly, $6,250 for a married person filing separately, or $9,375 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1;

for the taxable year beginning on or after January 1, 1998, but before January 1, 1999, of up to $15,000 for a married couple filing jointly, $7,500 for a married person filing separately, or $11,250 for

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.

an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1;

for the taxable year beginning on or after January 1, 1999, but before January 1, 2000, of up to $17,500 for a married couple filing jointly, $8,750 for a married person filing separately, or $13,125 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1;

for taxable years beginning on or after January 1, 2000, of up to $20,000 for a married couple filing jointly, $10,000 for a married person filing separately, or $15,000 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1,

which are received as an annuity, endowment or life insurance contract, or payments of any such amounts which are received as pension, disability, or retirement benefits, under any public or private plan, whether the consideration therefor is contributed by the employee or employer or both, by any person who is 62 years of age or older or who, by virtue of disability, is or would be eligible to receive payments under the federal Social Security Act.

Gross income shall not include any amount received under any public or private plan by reason of a permanent and total disability.

Gross income shall not include distributions from an employees' trust described in section 401(a) of the Internal Revenue Code of 1986, as amended (hereinafter referred to as "the Code"), which is exempt from tax under section 501(a) of the Code if the distribution, except the portion representing the employees' contributions, is rolled over in accordance with section 402(a)(5) or section 403(a)(4) of the Code. The distribution shall be paid in one or more installments which constitute a lump-sum distribution within the meaning of section 402(e)(4)(A) (determined without reference to subsection (e)(4)(B)), or be on account of a termination of a plan of which the trust is a part or, in the case of a profit-sharing or stock bonus plan, a complete discontinuance of contributions under such plan.

(cf: P.L.1990, c.61, s.16)

2. Section 3 of P.L.1977, c.273 (C.54A:6-15) is amended to read as follows:

3. Other retirement income. a. Gross income shall not include income:

for taxable years beginning before January 1. 1997, of up to [$10,000.00] $10,000 for a married couple filing jointly, [$5,000.00] $5,000 for a married person filing separately, or [$7,500.00] $7,500 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1[1];

for the taxable year beginning on or after January 1, 1997, but before January 1, 1998, of up to $12,500 for a married couple filing jointly, $6,250 for a married person filing separately, or $9,375 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1;

for the taxable year beginning on or after January 1, 1998, but before January 1, 1999, of up to $15,000 for a married couple filing jointly, $7,500 for a married person filing separately, or $11,250 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1;

for the taxable year beginning on or after January 1, 1999, but before January 1, 2000, of up to $17,500 for a married couple filing jointly, $8,750 for a married person filing separately, or $13,125 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1;

for taxable years beginning on or after January 1, 2000, gross income shall not include income of up to $20,000 for a married couple filing jointly, $10,000 for a married person filing separately, or $15,000 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1,

when received in any tax year by a person aged 62 years or older who received no income in excess of $3,000 from one or more of the sources enumerated in subsections a., b., k. and p. of N.J.S.54A:5-1, provided, however, that the total exclusion under this subsection and that allowable under N.J.S.54A:6-10 shall not exceed the amounts of the exclusions set forth in this subsection.

b. In addition to the exclusion provided under N.J.S.54A:6-10 and subsection a. of this section, gross income shall not include income of up to $6,000 for a married couple filing jointly or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1, or $3,000 for a single person or a married person filing separately, who is not covered under N.J.S.54A:6-2 or N.J.S.54A:6-3, but who would be eligible in any year to receive payments under either section if he or she were covered thereby.

(cf: P.L.1993, c.173, s.17)

3. This act shall take effect immediately.

STATEMENT

This bill amends N.J.S.54A:6-10 of the New Jersey Gross Income Tax Act to provide for a four year phased-in doubling of the amount certain taxpayers will be able to exclude from gross income. By the end of the phase-in, a taxpayer who is 62 years of age or older, or a disabled individual eligible for federal Social Security benefits, would be able to exclude from gross income up to $20,000 of certain retirement income if filing jointly as a married couple, $15,000 if filing as a single taxpayer, or $10,000 if married but filing separately.

Currently under N.J.S.54A:6-10, a person 62 years of age or older, or a disabled individual eligible for federal Social Security benefits, may exclude only up to $10,000 in retirement income if married filing jointly, $5,000 if married filing separately and $7,500 if filing as a single taxpayer. Excludable retirement income includes such items as payments upon an annuity, endowment or life insurance contract, pension, disability or retirement benefit payments from a private or public plan, or Individual Retirement Account withdrawals.

In addition, N.J.S.54A:6-15 is amended to provide for an identical phased-in doubling of the excludable amounts of other retirement income to match the levels in N.J.S.54A:6-10. Currently N.J.S.54A:6-15 permits the exclusion from gross income of other retirement income, such as interest and dividend earnings from investments, but only if the taxpayer has less than $3,000 in income from such sources as a salary or wage, net profit from a business, or distribution of partnership income. The above current restriction is retained by the bill, as well as the restriction which limits the total amount of income excludable under both N.J.S.54:6-10 and N.J.S.54A:6-15 at the end of the phase-in period to $20,000 for a married couple filing jointly, $15,000 if filing as a single taxpayer, or $10,000 for a married person filing separately.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 68

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 14, 1999

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 68.

This bill increases the amount of certain retirement income that a senior citizen or disabled individual may exclude from taxable income under the New Jersey gross income tax.

Currently, a person who is 62 years of age or older, or who is eligible for federal Social Security disability benefits, may exclude up to $10,000 in pension income if married and filing jointly, $5,000 if married but filing separately, or $7,500 if filing as a single taxpayer. Excludable pension income includes such items as payments upon an annuity, endowment or life insurance contract, pension, disability or retirement benefit payments from a private or public plan, or IRA withdrawals.

Under this bill, the excludable amounts for pension income will be increased from $10,000 to $20,000 for a married couple filing jointly, from $5,000 to $10,000 for a married person filing separately, and from $7,500 to $15,000 for an individual filing as a single taxpayer, in equal increments over a period of four years commencing with taxable years beginning on or after January 1, 2000.

In addition to the exclusion for pension income, current law provides that a person 62 years of age or older with less than $3,000 in earned income (income from salary and wages, net profits from business, or distributive share of partnership income or net share of S corporation income) may exclude *non*pension income (e.g., income from private investments). This nonpension income exclusion is coordinated with the pension exclusion so that the total amount excluded under the two provisions may not exceed the maximum exclusion amounts indicated above. The bill amends the nonpension retirement income exclusion so that the coordinated combined exclusion limits will increase in accordance with the increase in the pension exclusion under the bill. The bill leaves the $3,000 earned income limit to qualify for the nonpension exclusion unchanged.

This bill was pre-filed for introduction in the 1998 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.

COMMITTEE AMENDMENTS

Committee amendments change the four-year phase-in period from 1998-2001 to 2000-2003. As amended, the bill is identical to Assembly Bill No. 126 (1R).

FISCAL IMPACT

Based in part on a fiscal analysis by the Department of the Treasury, the Office of Legislative Services has estimated that the initial significant impact of the bill should occur with the final tax payments in April of 2001, which will affect FY2001 revenues; the impact will increase in subsequent fiscal years. OLS projects estimated losses of $8.9 million in FY 2001, $26.6 million in Fiscal Year 2002; $44.2 million in Fiscal Year 2003; and $61.5 million in Fiscal Year 2004, with continuing annual losses of similar magnitude thereafter.

LEGISLATIVE FISCAL ESTIMATE

SENATE, No. 68

STATE OF NEW JERSEY

208th LEGISLATURE

DATED: MAY 7, 1999

BILL SUMMARY

Senate Bill No. 68 of 1998 amends N.J.S.54A:6-10 and N.J.S.54A:6-15 of the New Jersey Gross Income Tax Act so that a person 62 years of age or older, or a disabled individual eligible for federal Social Security benefits, would be able to exclude from gross income up to $20,000 of certain retirement income if filing jointly as a married couple, $15,000 if filing as a single taxpayer, or $10,000 if married but filing separately. These amounts double current exemption limits and are phased in over a period of four years beginning with taxable year 1997.

Currently under N.J.S.54A:6-10, a person 62 years of age or older, or a disabled individual eligible for federal Social Security benefits, may exclude only up to $10,000 in pension income if married filing jointly, $5,000 if married filing separately and $7,500 if filing as a single taxpayer. Excludable pension income includes such items as payments upon an annuity, endowment or life insurance contract, pension, disability or retirement benefit payments from a private or public plan, or Individual Retirement Account withdrawals.

N.J.S.54A:6-15 is amended to increase the excludable amounts of other retirement income to match the levels in N.J.S.54A:6-10, but total pension income plus other retirement income excluded through these two statute sections may still not exceed the levels in N.J.S.54A:6-10. Currently N.J.S.54A:6-15 permits the exclusion from gross income of other retirement income, such as interest and dividend earnings from investments, but only if the taxpayer has less than $3,000 in income from such sources as a salary or wage, net profit from a business, or distribution of partnership income. The $3,000 income restriction is retained by the bill.

OFFICE OF LEGISLATIVE SERVICES COMMENTS

For a similar bill in the prior legislative session (Assembly Bill No.1899 of 1996), the Department of the Treasury and the Office of Management and Budget (OMB) estimated a reduction in gross income tax revenues of approximately $4.7 million in the first fiscal year fiscal year following enactment, $14.2 million in the second fiscal year, $23.7 million in the third fiscal year and $33.6 million in the fourth fiscal year. Thereafter, revenue losses were estimated to increase along with growth in New Jersey personal income. The Office of Legislative Services (OLS) concurs with this fiscal estimate. However, the OLS notes that the bill may need to be amended to begin the phase in period in a year after tax year 1997. Assuming the phase in period begins in tax year 1998, Treasury's cost estimates can be applied beginning in fiscal year 1998.

The Department of the Treasury and the OMB used data from a sample of 1993 gross income tax returns filed with the Division of Taxation. The sample contains approximately 79,000 returns matched with federal income tax data. The calculations contrast charged tax liabilities with and without the provisions of the bill.

The OLS accepts the methodology used in the prior Treasury analysis, although it has no independent ability at this time to review the 1993 sample data set. The OLS notes that the Treasury estimate is significantly lower than the estimate of $83 million for a similar bill in the 1993-94 Legislative session (S-1521 of 1994) that implemented the higher exclusion levels without a multiple year phase in period. In that analysis, Treasury used a different methodology based on aggregate data instead of sample data. The OLS also prepared similar fiscal estimates using aggregate data, estimating a $70 million loss of revenue. The Treasury's more recent use of sample data should provide a more accurate analysis because it permits calculations based on individual returns instead of aggregations of millions of returns spread over many income brackets.

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

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Office of the Governor
NEWS RELEASE

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RELEASE: August 3, 1999

Gov. Whitman Signs Bill to Double Tax Benefit for Seniors and Disabled

Gov. Christie Whitman today signed legislation to give significant tax relief to New Jersey senior citizens and individuals with disabilities, allowing them to double the amount of income excluded from the New Jersey Gross Income tax.

"I am pleased to be able to sign this law that will enable New Jersey's senior citizens and people with disabilities to keep more money in their pockets. Now they will have more money at the end of the year to spend or to save," said Gov. Whitman.

Senior citizens aged 62 and older, and persons with disabilities who are eligible for Social Security benefits, are permitted to exclude from their New Jersey gross income a portion of payments from annuities, endowments and life insurance plan benefits as well as income from pensions, disability benefits, retirement plans and Individual Retirement Account withdrawals. The new law doubles the amount of the exclusion, reducing the taxable income and therefore reducing the taxes paid.

"These are savings our senior citizens worked hard to earn, and we want to be able to make sure they reap the benefits," the Governor said.

They also may exclude income from interest and dividend earnings, providing they earn less than $3,000 from income sources such as wages, salaries, and business profits.

The bill, **A-126/S-68**, sponsored by Assembly Members James Holzapfel (R-Monmouth/Ocean) and David Wolfe (R-Monmouth/Ocean) and Senators Andrew Ciesla (R-Monmouth/Ocean) and Leonard Connors (R-Atlantic/Burlington/Ocean), increases the excludable amount from $10,000 to $20,000 for a married couple filing jointly; from $5,000 to $10,000 for a married person filing separately; and from $7,500 to $15,000 for a single individual. The increased amounts will be phased in over four taxable years, beginning on or after January 1, 2000.

The Governor signed the bill during a visit to Greenbriar Woodlands, an adult community in Toms River. She then visited with senior citizens at Leisure Village West in Manchester, and then stopped at Leisure Village Original in Toms River. At each stop, the Governor visited with residents of the adult communities and answered questions posed by them.