

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3064

with committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 22, 2020

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3064, with committee amendments.

This bill requires the State Treasurer to issue a report to the Legislature concerning New York's taxation of New Jersey resident's income. The report is required to include:

(1) an explanation of efforts the State has taken to address the inequity of New York's taxation of New Jersey residents' income,

(2) the estimated total credits the State has granted, or will grant, to New Jersey residents for income taxes paid to New York in each tax year beginning with Tax Year 2011 and ending with an estimate for Tax Year 2020,

(3) a discussion of steps that the State may take to protect the State of New Jersey's public fisc, and the paychecks of New Jersey residents, from New York and its political subdivisions taxing authority,

(4) an estimate of New Jersey residents' tax savings should the State be able to shift residents' income tax payments from New York and its political subdivisions to New Jersey,

(5) a discussion of any state or federal statutory or case law impediments to successfully achieving equitable taxation of New Jersey commuters working for employers in New York,

(6) an analysis of how other states and jurisdictions address the tax implications of residents living in one state and commuting to another,

(7) a discussion of the State's efforts to participate in the litigation between the State of New Hampshire and the Commonwealth of Massachusetts concerning Massachusetts' taxation of New Hampshire residents, and

(8) recommendations as to how the State may resolve the inequitable tax treatment of New Jersey commuters working for employers in New York.

The State Treasurer is permitted to contract with a third party to prepare all or a portion of the report. The report is to be delivered within six months of the bill's enactment.

COMMITTEE AMENDMENTS:

The committee amended the bill to require the Treasurer to include in the report a discussion of the State's efforts to participate in the litigation between the State of New Hampshire and the Commonwealth of Massachusetts concerning Massachusetts' taxation of New Hampshire residents.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.