

**ASSEMBLY, No. 583**

---

**STATE OF NEW JERSEY**

**220th LEGISLATURE**

---

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

**Sponsored by:**

**Assemblyman WILLIAM W. SPEARMAN**

**District 5 (Camden and Gloucester)**

**Assemblywoman ANNETTE QUIJANO**

**District 20 (Union)**

**Co-Sponsored by:**

**Assemblyman Calabrese and Assemblywoman Sumter**

**SYNOPSIS**

“New Jersey Works Act”; Permits businesses to create pre-employment training programs in partnership with nonprofit organizations or educational institutions; provides tax credit to businesses that provide financial assistance to pre-employment training programs.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



A583 SPEARMAN, QUIJANO

2

1 AN ACT concerning pre-employment training programs, and  
2 supplementing P.L.1992, c.43 (C.34:15D-1 et seq.), P.L.1945,  
3 c.162 (C.54:10A-1 et seq.), and Title 54A of the New Jersey  
4 Statutes.

5

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

8

9 1. This act shall be known and may be cited as the “New Jersey  
10 Works Act.”

11

12 2. As used in P.L. , c. (C. ) (pending before the  
13 Legislature as this bill):

14 “Assistance” means the contribution of moneys to aid in the  
15 provision of a pre-employment and work readiness training program  
16 established by a business entity in partnership with an institution of  
17 higher education or a comprehensive high school or county  
18 vocational school or nonprofit organization.

19 “Business entity” means any corporation, company, association,  
20 society, firm, partnership, joint stock company, sole proprietorship,  
21 limited liability entity or individual which is authorized to conduct  
22 or operate a trade or business in the State.

23 “Commission” means the State Employment and Training  
24 Commission established pursuant to section 5 of P.L.1989,  
25 c.293 (C.34:15C-2).

26 “Comprehensive high school” means a public or non-public high  
27 school located in the State that may grant a State-endorsed diploma  
28 to students and offers vocational education.

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

31 “Director” means the Director of the Division of Taxation in the  
32 Department of the Treasury.

33 “Institution of higher education” means any public or  
34 independent four-year institution of higher education or a county  
35 college

36 “Low income household” means a household whose gross  
37 household income is less than 50 percent of the median gross  
38 household income for the region in which the business entity is  
39 located for households of similar size as determined by the  
40 department.

41 “Moderate income household” means a household whose gross  
42 household income is greater than or equal to 50 percent but less  
43 than 80 percent of the median gross household income of the region  
44 in which the business entity is located for households of similar size  
45 as determined by the department.

46 “Nonprofit organization” means a private nonprofit corporation  
47 that has been determined by the Internal Revenue Service of the  
48 United States Department of the Treasury to be exempt from

1 income taxation pursuant to section 501(c)(3) of the federal Internal  
2 Revenue Code, 26 U.S.C. s.501(c)(3).

3 “Partnership” means an agreement between one or more business  
4 entities and one or more institutions of higher education,  
5 comprehensive high schools, county vocational schools, or  
6 nonprofit organizations to establish a pre-employment and work  
7 readiness training program.

8  
9 3. a. One or more institutions of higher education,  
10 comprehensive high schools, county vocational schools, or nonprofit  
11 organizations may enter into a partnership with a business entity to  
12 establish a pre-employment and work readiness training program. The  
13 purpose of the program shall be to recruit, prepare, and educate  
14 individuals for entry-level jobs with long-term career potential through  
15 paid training programs. The program shall target for recruitment low-  
16 and moderate-income households and current workers in need of skills  
17 development. A business entity that enters into a partnership may  
18 provide assistance for a pre-employment and work readiness training  
19 program that has been approved by the commission pursuant to section  
20 4 of P.L. , c. (C. ) (pending before the Legislature as this bill)  
21 and may receive a credit for such assistance pursuant to sections 5 and  
22 6 of P.L. , c. (C. ) (pending before the Legislature as this bill).

23 b. Each pre-employment and work readiness training program  
24 shall offer no less than 12 weeks of paid training for each participant,  
25 and include, but not be limited to training and instruction in the  
26 following areas: basic math and English literacy, communication  
27 skills, critical thinking, leadership, life skills and job readiness skills  
28 training such as conflict management, finance concepts, resume  
29 preparation, problem solving, self-awareness and management, and  
30 any other requirement deemed necessary by the commission. Each  
31 pre-employment and work readiness training program participant shall  
32 be paid the minimum wage pursuant to section 5 of P.L.1966, c.113  
33 (C.34:11-56a4) or any order issued by the Commissioner of Labor and  
34 Workforce Development pursuant to that act.

35 c. Each trainee shall be a minimum of 16 years old, and no  
36 institution of higher education or nonprofit organization shall  
37 determine a trainee’s eligibility for participation in a training program  
38 based on the trainee’s possession of a high school diploma or any high  
39 school equivalency. Following the successful completion of a pre-  
40 employment and work readiness training program, each program shall  
41 offer trainees: (1) college credits for all applicable course work of the  
42 program provided through an institution of higher education,  
43 comprehensive high school, or county vocational school; or (2)  
44 employment provided through a business entity which has provided  
45 funding for a qualified pre-employment and work readiness training  
46 program, or both.

47 d. Each institution of higher education or nonprofit organization  
48 shall submit to the commission the following information three

1 months, six months, and nine months following the close of the  
2 training program: the number of participants who successfully  
3 completed the training program and the number of participants  
4 currently employed by a business entity, including each participant's  
5 job title and salary.

6  
7 4. a. An institution of higher education, comprehensive high  
8 school, county vocational school, or nonprofit organization which is  
9 the recipient of funding provided by the business entity shall submit a  
10 pre-employment training plan to the commission for approval. Two or  
11 more institutions of higher education, comprehensive high schools,  
12 county vocational schools, or nonprofit organizations may submit a  
13 plan to the commission jointly. Any plan submitted by two or more  
14 institutions of higher education, comprehensive high schools,  
15 vocational schools, or nonprofit organizations shall designate one  
16 institution of higher education, comprehensive high school, vocational  
17 school, or nonprofit organization as the lead organization with  
18 responsibility for the plan. An institution of higher education,  
19 comprehensive high school, or vocational school, or a nonprofit  
20 organization that has submitted a pre-employment training plan to the  
21 commission may seek to amend it at any time. The commission shall  
22 approve the amendments so long as the pre-employment and work  
23 readiness training program complies with the minimum requirements  
24 set forth in subsection c. of this section.

25 b. The commission shall review a pre-employment training plan  
26 to determine whether a proposed pre-employment and work readiness  
27 training program qualifies for assistance for which a tax credit may be  
28 granted pursuant to sections 5 and 6 of P.L. , c. (C. ) (pending  
29 before the Legislature as this bill).

30 c. The commission shall determine that a pre-employment and  
31 work readiness training program qualifies for assistance if it meets all  
32 of the following standards:

33 (1) The program consists of pre-employment and work readiness  
34 training activities that will benefit low- and moderate-income  
35 households and persons in need of early and mid-career skills training  
36 or vocational retraining.

37 (2) The program is reasonably designed to accomplish its intended  
38 purpose and it would further the purposes of the pre-employment  
39 training plan.

40 (3) The institution of higher education or nonprofit organization  
41 demonstrates that it has the capacity to implement the pre-employment  
42 training plan.

43 (4) The institution of higher education or nonprofit organization  
44 provides adequate assurances that the assistance will be expended  
45 exclusively to implement the pre-employment training plan.

46 (5) The institution of higher education or nonprofit organization  
47 provides documentation of its graduation rates and of the percentage of

1 students placed in employment relevant to their training and  
2 coursework.

3  
4 5. a. A taxpayer, upon approval of an application to the director,  
5 shall be allowed a credit against the tax imposed pursuant to section 5  
6 of P.L.1945, c.162 (C.54:10A-5) in an amount equal to 100 percent of  
7 the amount of assistance provided by the taxpayer to an institution of  
8 higher education, comprehensive high school, county vocational  
9 school, or nonprofit organization during a privilege period  
10 commencing on or after January 1 next following the enactment of  
11 P.L. , c. (C. ) (pending before the Legislature as this bill) for an  
12 approved pre-employment and work readiness training program  
13 established in partnership with an institution of higher education,  
14 comprehensive high school, county vocational school, or nonprofit  
15 organization pursuant to section 3 of P.L. , c. (C. ) (pending  
16 before the Legislature as this bill).

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

31 c. The value of tax credits approved by the director pursuant to  
32 subsection a. of this section and pursuant to subsection a. of section 6  
33 of P.L. , c. (C. ) (pending before the Legislature as this bill)  
34 shall not exceed a cumulative total of \$12,000,000 in State fiscal year  
35 2020, and in each State fiscal year thereafter, to apply against the tax  
36 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) and the  
37 tax imposed pursuant to the "New Jersey Gross Income Tax Act,"  
38 N.J.S.54A:1-1 et seq. If the cumulative total amount of tax credits  
39 allowed to taxpayers pursuant for privilege periods or taxable years  
40 commencing during a single fiscal year under subsection a. of this  
41 section and subsection a. of section 6 of P.L. , c. (C. ) (pending  
42 before the Legislature as this bill) exceeds the amount of tax credits  
43 available in that fiscal year, then taxpayers who have first applied for  
44 and have not been allowed a tax credit for that reason shall be allowed,  
45 in the order in which they have submitted an application, the amount  
46 of the tax credit on the first day of the next succeeding fiscal year in  
47 which tax credits under subsection a. of this section and subsection a.

1 of section 6 of P.L. , c. (C. ) (pending before the Legislature as  
2 this bill) are not in excess of the amount of credits available.

3 d. A taxpayer shall submit to the director a report to verify the  
4 taxpayer's tax credit claim. The report shall include a certification  
5 from an institution of higher education, a comprehensive high school,  
6 a county vocational school, or a nonprofit organization that the  
7 assistance is to be used for an approved pre-employment and work  
8 readiness training program and such other information as shall be  
9 determined by the director. The certification shall be provided to the  
10 taxpayer and a copy of the certification shall be included in the filing  
11 of a return that includes a claim for a tax credit allowed pursuant to  
12 this section.

13

14 6. a. A taxpayer, upon approval of an application to the director,  
15 shall be allowed a credit against the tax otherwise due for the taxable  
16 year under the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et  
17 seq., in an amount equal to 100 percent of the amount of assistance  
18 provided by the taxpayer to an institution of higher education,  
19 comprehensive high school, county vocational school, or nonprofit  
20 organization during a taxable year commencing on or after January 1  
21 next following the enactment of P.L. , c. (C. ) (pending before  
22 the Legislature as this bill) for an approved pre-employment and work  
23 readiness training program established in partnership with an  
24 institution of higher education or a nonprofit organization pursuant to  
25 section 3 of P.L. , c. (C. ) (pending before the Legislature as this  
26 bill).

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

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

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

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

28 e. A taxpayer shall submit to the director a report to verify the  
29 taxpayer's tax credit claim. The report shall include a certification  
30 from an institution of higher education, comprehensive high school,  
31 county vocational school, or nonprofit organization that the assistance  
32 is to be used for an approved pre-employment and work readiness  
33 training program and such other information as shall be determined by  
34 the director. The certification shall be provided to the taxpayer and a  
35 copy of the certification shall be included in the filing of a return that  
36 includes a claim for a tax credit allowed pursuant to this section.

37  
38 7. The Commissioner of Labor and Workforce Development  
39 shall adopt rules and regulations pursuant to the "Administrative  
40 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate  
41 sections 3 and 4 of this act.

42  
43 8. The Director of the Division of Taxation in the Department  
44 of the Treasury shall adopt rules and regulations pursuant to the  
45 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
46 seq.), to effectuate sections 5 and 6 of this act.





A583 SPEARMAN, QUIJANO

1       The bill requires the commission to review each pre-employment  
2 training plan to determine whether a proposed pre-employment and  
3 work readiness training program qualifies for financial assistance  
4 for which a tax credit may be granted. Each program is required to  
5 consist of pre-employment and work readiness training activities  
6 that will benefit low- and moderate-income trainees and persons in  
7 need of mid-career skills training or vocational retraining and be  
8 reasonably designed to accomplish its intended purpose and further  
9 the purposes of the pre-employment training plan. The institution  
10 of higher education, comprehensive high school, county vocational  
11 school, or nonprofit organization is required to demonstrate that it  
12 able to implement the plan, provide adequate assurances that the  
13 assistance provided by a business entity will be expended  
14 exclusively to implement the plan, and provide documentation of its  
15 graduation rates and of the percentage of students placed in  
16 employment relevant to their training and coursework.