

[First Reprint]

ASSEMBLY, No. 583

STATE OF NEW JERSEY
220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

Sponsored by:

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District 5 (Camden and Gloucester)

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District 20 (Union)

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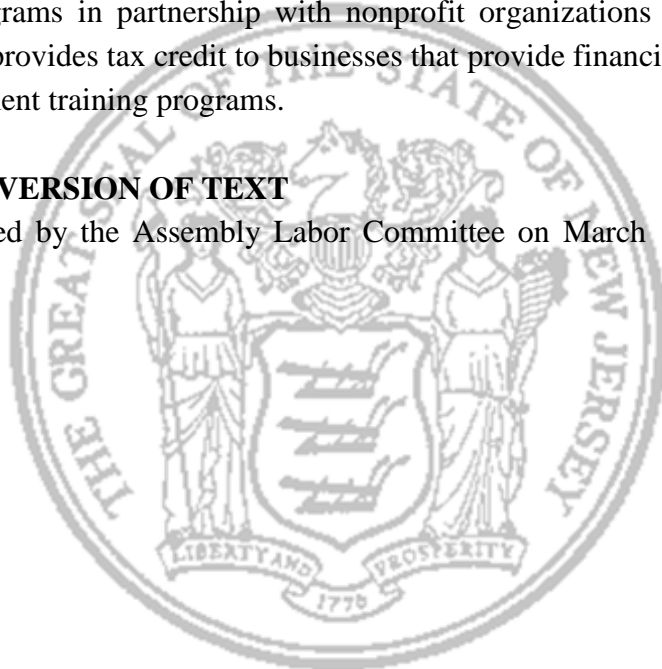
**Assemblyman Calabrese, Assemblywomen Sumter, Haider and
Assemblyman Atkins**

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

As reported by the Assembly Labor Committee on March 10, 2022, with amendments.



(Sponsorship Updated As Of: 12/5/2022)

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. ¹“Business entity” shall
23 not include any business entity engaged in a construction trade.¹

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

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

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

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

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

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

42 “Moderate income household” means a household whose gross
43 household income is greater than or equal to 50 percent but less
44 than 80 percent of the median gross household income of the region

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ALA committee amendments adopted March 10, 2022.

1 in which the business entity is located for households of similar size
2 as determined by the department.

3 “Nonprofit organization” means a private nonprofit corporation
4 that has been determined by the Internal Revenue Service of the
5 United States Department of the Treasury to be exempt from
6 income taxation pursuant to section 501(c)(3) of the federal Internal
7 Revenue Code, 26 U.S.C. s.501(c)(3).

8 “Partnership” means an agreement between one or more business
9 entities and one or more institutions of higher education,
10 comprehensive high schools, county vocational schools, or
11 nonprofit organizations to establish a pre-employment and work
12 readiness training program.

13

14 3. a. One or more institutions of higher education,
15 comprehensive high schools, county vocational schools, or nonprofit
16 organizations may enter into a partnership with a business entity to
17 establish a pre-employment and work readiness training program. The
18 purpose of the program shall be to recruit, prepare, and educate
19 individuals for entry-level jobs with long-term career potential through
20 paid training programs. The program shall target for recruitment low-
21 and moderate-income households and current workers in need of skills
22 development. A business entity that enters into a partnership may
23 provide assistance for a pre-employment and work readiness training
24 program that has been approved by the commission pursuant to section
25 4 of P.L. , c. (C.) (pending before the Legislature as this bill)
26 and may receive a credit for such assistance pursuant to sections 5 and
27 6 of P.L. , c. (C.) (pending before the Legislature as this bill).

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

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

1 employment provided through a business entity which has provided
2 funding for a qualified pre-employment and work readiness training
3 program, or both.

4 d. Each institution of higher education or nonprofit organization
5 shall submit to the commission the following information three
6 months, six months, and nine months following the close of the
7 training program: the number of participants who successfully
8 completed the training program and the number of participants
9 currently employed by a business entity, including each participant's
10 job title and salary.

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

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

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

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

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

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

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

4 (5) The institution of higher education or nonprofit organization
5 provides documentation of its graduation rates and of the percentage of
6 students placed in employment relevant to their training and
7 coursework.

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

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

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

1 and have not been allowed a tax credit for that reason shall be allowed,
2 in the order in which they have submitted an application, the amount
3 of the tax credit on the first day of the next succeeding fiscal year in
4 which tax credits under subsection a. of this section and subsection a.
5 of section 6 of P.L. , c. (C.) (pending before the Legislature as
6 this bill) are not in excess of the amount of credits available.

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

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

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

44 c. (1) A business entity that is classified as a partnership for
45 federal income tax purposes shall not be allowed a tax credit pursuant
46 to this section directly, but the amount of tax credit of a taxpayer in
47 respect to a distributive share of entity income shall be determined by
48 allocating to the taxpayer that proportion of the tax credit acquired by

1 the entity that is equal to the taxpayer's share, whether or not
2 distributed, of the total distributive income or gain of the entity for its
3 taxable year ending within or with the taxpayer's taxable year.

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

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

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

40
41 ¹⁷ Following two years from the effective date of this act, the
42 State Treasurer shall prepare, or cause to be prepared, an
43 appropriate study and analysis of the efficacy of the training
44 programs and tax credits, including but not limited to, employment
45 and education outcomes of participants and the costs and benefits of
46 the programs and tax credits to the State. Upon its completion,
47 copies of the report shall be transmitted to the Governor and the

1 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-
2 19.1).¹

3

4 ¹**[7.] 8.**¹ The Commissioner of Labor and Workforce
5 Development shall adopt rules and regulations pursuant to the
6 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
7 seq.), to effectuate sections 3 and 4 of this act.

8

9 ¹**[8.] 9.**¹ The Director of the Division of Taxation in the
10 Department of the Treasury shall adopt rules and regulations
11 pursuant to the “Administrative Procedure Act,” P.L.1968, c.410
12 (C.52:14B-1 et seq.), to effectuate sections 5 and 6 of this act.

13

14 ¹**[9.] 10.**¹ This act shall take effect immediately and sections 5
15 and 6 shall apply to privilege periods and taxable years beginning
16 on or after the January 1 next following the date of enactment¹, and
17 the act shall expire 30 days following the completion of the study
18 conducted by the State Treasurer pursuant to section 7 of this act.¹