

[Second Reprint]

**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)**

**Assemblywoman VERLINA REYNOLDS-JACKSON**

**District 15 (Hunterdon and Mercer)**

**Co-Sponsored by:**

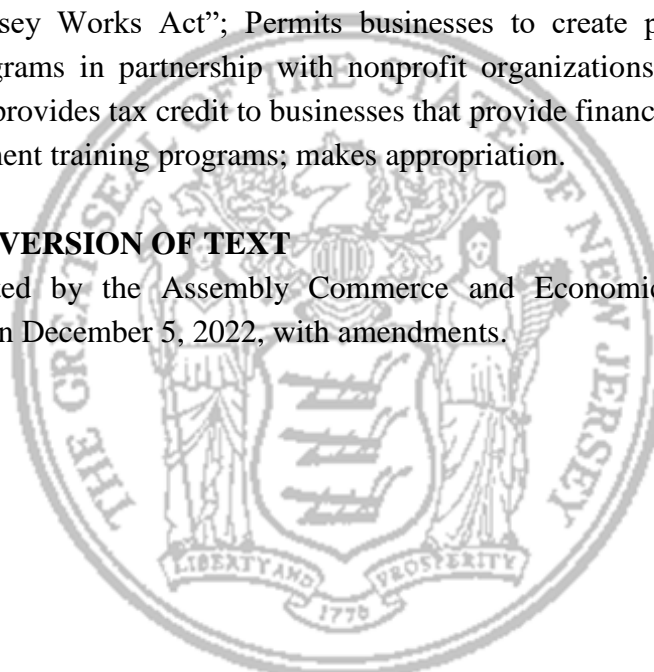
**Assemblyman Calabrese, Assemblywomen Sumter, Haider, Assemblymen Atkins, Simonsen, McClellan, Assemblywomen McKnight, Jasey, Assemblyman Wimberly and Assemblywoman Speight**

**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; makes appropriation.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Commerce and Economic Development Committee on December 5, 2022, with amendments.



**(Sponsorship Updated As Of: 2/6/2023)**

1 AN ACT concerning pre-employment training programs, <sup>2</sup>**[and]**<sup>2</sup>  
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 <sup>2</sup>, and making an appropriation<sup>2</sup>.

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 <sup>2</sup>sections 1 through 4 of<sup>2</sup> P.L. , c. (C. )  
13 (pending before the Legislature as this bill):

14 <sup>2</sup>“Agreement” means an agreement between one or more  
15 business entities and one or more institutions of higher education,  
16 comprehensive high schools, county vocational schools, or  
17 nonprofit organizations to establish a pre-employment and work  
18 readiness training program.<sup>2</sup> “Assistance” means the contribution of  
19 moneys to aid in the provision of a pre-employment and work  
20 readiness training program established by a business entity in  
21 partnership with an institution of higher education or a  
22 comprehensive high school or county vocational school or  
23 nonprofit organization.

24 “Business entity” means any corporation, company, association,  
25 society, firm, partnership, joint stock company, sole proprietorship,  
26 limited liability entity or individual which is authorized to conduct  
27 or operate a trade or business in the State. <sup>1</sup>“Business entity” shall  
28 not include any business entity engaged in a construction trade.<sup>1</sup>

29 <sup>2</sup>**[**“Commission” means the State Employment and Training  
30 Commission established pursuant to section 5 of P.L.1989,  
31 c.293 (C.34:15C-2).**]**<sup>2</sup>

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

35 “Department” means the Department of Labor and Workforce  
36 Development.

37 “Director” means the Director of the Division of Taxation in the  
38 Department of the Treasury.

39 <sup>2</sup>“Educational institution ” means an institution of higher  
40 education, a comprehensive high school, or a county vocational  
41 school.<sup>2</sup>

42 “Institution of higher education” means any public or  
43 independent four-year institution of higher education or a county  
44 college.

**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:

<sup>1</sup>Assembly ALA committee amendments adopted March 10, 2022.

<sup>2</sup>Assembly ACE committee amendments adopted December 5, 2022.

1 “Low income household” means a household whose gross  
2 household income is less than 50 percent of the median gross  
3 household income for the region in which the business entity is  
4 located for households of similar size as determined by the  
5 department.

6 “Moderate income household” means a household whose gross  
7 household income is greater than or equal to 50 percent but less  
8 than 80 percent of the median gross household income of the region  
9 in which the business entity is located for households of similar size  
10 as determined by the department.

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

16 <sup>2</sup>“Partnership” means an agreement between one or more  
17 business entities and one or more institutions of higher education,  
18 comprehensive high schools, county vocational schools, or  
19 nonprofit organizations to establish a pre-employment and work  
20 readiness training program.]<sup>2</sup>

21

22 3. a. One or more institutions of higher education,  
23 comprehensive high schools, county vocational schools, or  
24 nonprofit organizations may enter into <sup>2</sup>[a partnership] an  
25 agreement<sup>2</sup> with a business entity to establish a pre-employment  
26 and work readiness training program. The purpose of the program  
27 shall be to recruit, prepare, and educate individuals for entry-level  
28 jobs with long-term career potential through paid training programs.  
29 The program shall target for recruitment low- and moderate-income  
30 households and current workers in need of skills development. A  
31 business entity <sup>2</sup>[that enters into a partnership]<sup>2</sup> may provide  
32 assistance for a pre-employment and work readiness training  
33 program <sup>2</sup>[that has been] if the program is<sup>2</sup> approved by the  
34 <sup>2</sup>[commission] department<sup>2</sup> pursuant to section 4 of P.L. ,  
35 c. (C. ) (pending before the Legislature as this bill) and may  
36 receive a credit for such assistance pursuant to <sup>2</sup>[sections] section<sup>2</sup>  
37 5 <sup>2</sup>[and] or<sup>2</sup> 6 of P.L. , c. (C. or C. ) (pending before the  
38 Legislature as this bill).

39 b. Each pre-employment and work readiness training program  
40 shall offer no less than 12 weeks of paid training for each  
41 participant, and include, but not be limited to training and  
42 instruction in the following areas: basic math and English literacy,  
43 communication skills, critical thinking, leadership, life skills and  
44 job readiness skills training such as conflict management, finance  
45 concepts, resume preparation, problem solving, self-awareness and  
46 management, and any other requirement deemed necessary by the  
47 <sup>2</sup>[commission] department<sup>2</sup>. Each pre-employment and work

1 readiness training program participant shall be paid the minimum  
 2 wage pursuant to section 5 of P.L.1966, c.113 (C.34:11-56a4) or  
 3 any order issued by the Commissioner of Labor and Workforce  
 4 Development pursuant to that act.

5 c. Each trainee shall be a minimum of 16 years old <sup>2</sup>[, and  
 6 no] . An educational<sup>2</sup> institution <sup>2</sup>[of higher education]<sup>2</sup> or  
 7 nonprofit organization shall <sup>2</sup>not<sup>2</sup> determine a trainee's eligibility  
 8 for participation in a training program based on the trainee's  
 9 possession of a high school diploma or any high school  
 10 equivalency. Following the successful completion of a pre-  
 11 employment and work readiness training program, each program  
 12 shall offer trainees<sup>2</sup>: (1) college credits for all applicable course  
 13 work of the program provided through an institution of higher  
 14 education, comprehensive high school, or county vocational school;  
 15 or (2)<sup>2</sup> employment provided through a business entity which has  
 16 provided funding for a qualified pre-employment and work  
 17 readiness training program, or both.

18 d. Each <sup>2</sup>educational<sup>2</sup> institution <sup>2</sup>[of higher education]<sup>2</sup> or  
 19 nonprofit organization shall submit to the <sup>2</sup>[commission]  
 20 department<sup>2</sup> the following information three months, six months,  
 21 and nine months following the close of <sup>2</sup>[the] a<sup>2</sup> training program:  
 22 the number of participants who successfully completed the training  
 23 program and the number of participants currently employed by a  
 24 business entity, including each participant's job title and salary.

25  
 26 4. a. An institution of higher education, comprehensive high  
 27 school, county vocational school, or nonprofit organization which  
 28 <sup>2</sup>[is the recipient of funding provided by the] has entered into an  
 29 agreement under section 3 of P.L. , c. (C. ) (pending before  
 30 the Legislature as this bill) with a<sup>2</sup> business entity shall submit a  
 31 <sup>2</sup>proposed<sup>2</sup> pre-employment <sup>2</sup>and work-readiness<sup>2</sup> training plan to  
 32 the <sup>2</sup>[commission] department<sup>2</sup> for approval. Two or more  
 33 institutions of higher education, comprehensive high schools,  
 34 county vocational schools, or nonprofit organizations may submit a  
 35 plan to the <sup>2</sup>[commission] department<sup>2</sup> jointly. Any plan submitted  
 36 by two or more institutions of higher education, comprehensive  
 37 high schools, vocational schools, or nonprofit organizations shall  
 38 designate one institution of higher education, comprehensive high  
 39 school, vocational school, or nonprofit organization as the lead  
 40 organization with responsibility for the plan. An institution of  
 41 higher education, comprehensive high school, <sup>2</sup>[or] county<sup>2</sup>  
 42 vocational school, or <sup>2</sup>[a]<sup>2</sup> nonprofit organization that has  
 43 <sup>2</sup>[submitted] proposed<sup>2</sup> a pre-employment <sup>2</sup>and work-readiness<sup>2</sup>  
 44 training plan to the <sup>2</sup>[commission] department<sup>2</sup> may seek to amend  
 45 it at any time. The <sup>2</sup>[commission] department<sup>2</sup> shall approve the  
 46 amendments so long as the pre-employment and work readiness

1 training <sup>2</sup>**[program]** plan<sup>2</sup> complies with the minimum  
2 requirements set forth in subsection c. of this section.

3 b. The <sup>2</sup>**[commission]** department<sup>2</sup> shall review a <sup>2</sup>proposed<sup>2</sup>  
4 pre-employment <sup>2</sup>and work-readiness<sup>2</sup> training plan to  
5 <sup>2</sup>**[determine]** make an initial determination as to<sup>2</sup> whether a  
6 proposed pre-employment and work readiness training program  
7 qualifies for assistance for which a tax credit may be granted  
8 pursuant to <sup>2</sup>**[sections]** section<sup>2</sup> 5 <sup>2</sup>**[and]** or section<sup>2</sup> 6 of P.L. ,  
9 c. (C. or C. ) (pending before the Legislature as this bill).  
10 <sup>2</sup>Upon the department's initial determination of qualification, the  
11 department shall refer the proposed program and application to the  
12 Director of Taxation in the Department of the Treasury for final  
13 approval, and the Treasury shall notify the department of the final  
14 approval.<sup>2</sup>

15 c. The <sup>2</sup>**[commission]** department<sup>2</sup> shall determine that a  
16 <sup>2</sup>proposed plan for a<sup>2</sup> pre-employment and work readiness training  
17 program qualifies for assistance if <sup>2</sup>**[it]** the plan<sup>2</sup> meets all of the  
18 following standards:

19 (1) The <sup>2</sup>proposed<sup>2</sup> program consists of pre-employment and  
20 work readiness training activities <sup>2</sup>**[that will]** to<sup>2</sup> benefit low- and  
21 moderate-income households and persons in need of early and mid-  
22 career skills training or vocational retraining.

23 (2) The <sup>2</sup>proposed<sup>2</sup> program is reasonably designed to  
24 accomplish its intended purpose and it would further the purposes  
25 of the pre-employment <sup>2</sup>and work-readiness<sup>2</sup> training plan.

26 (3) The <sup>2</sup>educational<sup>2</sup> institution <sup>2</sup>**[of higher education]**<sup>2</sup> or  
27 nonprofit organization demonstrates that it has the capacity to  
28 implement the <sup>2</sup>proposed<sup>2</sup> pre-employment <sup>2</sup>and work-readiness<sup>2</sup>  
29 training plan.

30 (4) The <sup>2</sup>educational<sup>2</sup> institution <sup>2</sup>**[of higher education]**<sup>2</sup> or  
31 nonprofit organization <sup>2</sup>**[provides adequate assurances]** ensures<sup>2</sup>  
32 that <sup>2</sup>**[the]** financial<sup>2</sup> assistance <sup>2</sup>**[will]** is to<sup>2</sup> be expended  
33 exclusively to implement the pre-employment <sup>2</sup>and work-readiness<sup>2</sup>  
34 training plan.

35 (5) The <sup>2</sup>educational<sup>2</sup> institution <sup>2</sup>**[of higher education]**<sup>2</sup> or  
36 nonprofit organization provides documentation of its <sup>2</sup>**[graduation]**  
37 completion<sup>2</sup> rates <sup>2</sup>**[and of the percentage of students placed in**  
38 employment relevant to their training and coursework]<sup>2</sup>.

39  
40 5. a. A taxpayer, upon <sup>2</sup>final<sup>2</sup> approval of an application <sup>2</sup>**[to]**  
41 by<sup>2</sup> the director, shall be allowed a credit against the tax imposed  
42 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) in an amount  
43 equal to 100 percent of the amount of assistance provided by the  
44 taxpayer to an institution of higher education, comprehensive high  
45 school, county vocational school, or nonprofit organization during a

1 privilege period commencing on or after January 1 next following  
2 the enactment of P.L. , c. (C. ) (pending before the  
3 Legislature as this bill) for an approved pre-employment and work  
4 readiness training program established in <sup>2</sup>**[partnership] agreement**<sup>2</sup>  
5 with an institution of higher education, comprehensive high school,  
6 county vocational school, or nonprofit organization pursuant to  
7 section 3 of P.L. , c. (C. ) (pending before the Legislature as  
8 this bill).

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

24 c. The value of tax credits approved by the director pursuant to  
25 subsection a. of this section and pursuant to subsection a. of section  
26 6 of P.L. , c. (C. ) (pending before the Legislature as this  
27 bill) shall not exceed a cumulative total of \$12,000,000 in State  
28 fiscal year <sup>2</sup>**[2020] 2023**<sup>2</sup>, and in each State fiscal year thereafter,  
29 to apply against the tax imposed pursuant to section 5 of P.L.1945,  
30 c.162 (C.54:10A-5) and the tax imposed pursuant to the "New  
31 Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq. If the  
32 cumulative total amount of tax credits allowed to taxpayers  
33 <sup>2</sup>**[pursuant]**<sup>2</sup> for privilege periods or taxable years commencing  
34 during a single fiscal year under subsection a. of this section and  
35 subsection a. of section 6 of P.L. , c. (C. ) (pending before  
36 the Legislature as this bill) exceeds the amount of tax credits  
37 available in that fiscal year, then taxpayers who have first applied  
38 for and have not been allowed a tax credit for that reason shall be  
39 allowed, in the order in which they have submitted an application,  
40 the amount of the tax credit on the first day of the next succeeding  
41 fiscal year in which tax credits under subsection a. of this section  
42 and subsection a. of section 6 of P.L. , c. (C. ) (pending  
43 before the Legislature as this bill) are not in excess of the amount of  
44 credits available.

45 d. A taxpayer shall submit to the director a report to verify the  
46 taxpayer's tax credit claim. The report shall include a certification  
47 from an institution of higher education, a comprehensive high  
48 school, a county vocational school, or a nonprofit organization that

1 the assistance <sup>2</sup>~~is to be~~ was<sup>2</sup> used for an approved pre-  
2 employment and work readiness training program <sup>2</sup>,<sup>2</sup> and <sup>2</sup>shall  
3 include<sup>2</sup> such other information as <sup>2</sup>~~shall be determined by~~<sup>2</sup> the  
4 director <sup>2</sup>may require<sup>2</sup>. The certification shall be provided to the  
5 taxpayer and a copy of the certification shall be included in the  
6 filing of a return that includes a claim for a tax credit allowed  
7 pursuant to this section.

8  
9 6. a. A taxpayer, upon approval of an application to the  
10 director, shall be allowed a credit against the tax otherwise due for  
11 the taxable year under the “New Jersey Gross Income Tax Act,”  
12 N.J.S.54A:1-1 et seq., in an amount equal to 100 percent of the  
13 amount of assistance provided by the taxpayer to an institution of  
14 higher education, comprehensive high school, county vocational  
15 school, or nonprofit organization during a taxable year commencing  
16 on or after January 1 next following the enactment of P.L. ,  
17 c. (C. ) (pending before the Legislature as this bill) for an  
18 approved pre-employment and work readiness training program  
19 established in <sup>2</sup>~~partnership~~ agreement<sup>2</sup> with an <sup>2</sup>educational<sup>2</sup>  
20 institution <sup>2</sup>~~of higher education~~<sup>2</sup> or a nonprofit organization  
21 pursuant to section 3 of P.L. , c. (C. ) (pending before the  
22 Legislature as this bill).

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

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

45 (2) A New Jersey S Corporation shall not be allowed a tax credit  
46 pursuant to this section directly, but the amount of the tax credit of  
47 a taxpayer in respect of a pro rata share of S Corporation income

1 shall be determined by allocating to the taxpayer that proportion of  
 2 the tax credit acquired by the New Jersey S Corporation that is  
 3 equal to the taxpayer's share, whether or not distributed, of the total  
 4 pro rata share of S Corporation income of the New Jersey S  
 5 Corporation for its privilege period ending within or with the  
 6 taxpayer's taxable year.

7 d. The value of tax credits approved by the director pursuant to  
 8 subsection a. of this section and pursuant to subsection a. of section  
 9 5 of P.L. , c. (C. ) (pending before the Legislature as this  
 10 bill) shall not exceed a cumulative total of \$12,000,000 in State  
 11 fiscal year <sup>2</sup>~~2020~~ 2023<sup>2</sup> and in State each fiscal year thereafter to  
 12 apply against the tax imposed pursuant to section 5 of P.L.1945,  
 13 c.162 (C.54:10A-5) and the tax imposed pursuant to the "New  
 14 Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq. If the  
 15 cumulative total amount of tax credits allowed to taxpayers for  
 16 taxable years or privilege period commencing during a single fiscal  
 17 year under subsection a. of this section and subsection a. of section  
 18 5 of P.L. , c. (C. ) (pending before the Legislature as this  
 19 bill) exceeds the amount of tax credits available in that fiscal year,  
 20 then taxpayers who have first applied for and have not been allowed  
 21 a tax credit for that reason shall be allowed, in the order in which  
 22 they have submitted an application, the amount of tax credit on the  
 23 first day of the next succeeding fiscal year in which tax credits  
 24 under subsection a. of this section and subsection a. of section 5 of  
 25 P.L. , c. (C. ) (pending before the Legislature as this bill) are  
 26 not in excess of the amount of credits available.

27 e. A taxpayer shall submit to the director a report to verify the  
 28 taxpayer's tax credit claim. The report shall include a certification  
 29 from an institution of higher education, a comprehensive high  
 30 school, a county vocational school, or a nonprofit organization that  
 31 the assistance <sup>2</sup>~~is to be~~ was<sup>2</sup> used for an approved pre-  
 32 employment and work readiness training program <sup>2</sup>~~and~~ <sup>2</sup>shall  
 33 include<sup>2</sup> such other information as <sup>2</sup>~~shall be determined by~~<sup>2</sup>  
 34 director <sup>2</sup>may require<sup>2</sup>. The certification shall be provided to the  
 35 taxpayer and a copy of the certification shall be included in the  
 36 filing of a return that includes a claim for a tax credit allowed  
 37 pursuant to this section.

38  
 39 <sup>1</sup>7. Following two years from the effective date of this act, the  
 40 <sup>2</sup>[State Treasurer] Department of State<sup>2</sup> shall prepare, or cause to  
 41 be prepared, an appropriate study and analysis of the efficacy of the  
 42 training programs and tax credits, including but not limited to,  
 43 employment and education outcomes of participants and the costs  
 44 and benefits of the programs and tax credits to the State. Upon its  
 45 completion, copies of the report shall be transmitted to the  
 46 Governor and the Legislature pursuant to section 2 of P.L.1991,  
 47 c.164 (C.52:14-19.1).<sup>1</sup>



1       <sup>2</sup>8. There is appropriated from the General Fund to the  
2 Department of Labor and Workforce Development and the Division  
3 of Taxation such funds as are necessary to implement the provisions  
4 and to effectuate the purposes of this act.<sup>2</sup>

5

6       <sup>1</sup>[7.] <sup>2</sup>[8.1] 9.<sup>2</sup> The Commissioner of Labor and Workforce  
7 Development shall adopt rules and regulations pursuant to the  
8 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et  
9 seq.), to effectuate sections 3 and 4 of this act.

10

11       <sup>1</sup>[8.] <sup>2</sup>[9.1] 10.<sup>2</sup> The Director of the Division of Taxation in the  
12 Department of the Treasury shall adopt rules and regulations  
13 pursuant to the “Administrative Procedure Act,” P.L.1968, c.410  
14 (C.52:14B-1 et seq.), to effectuate sections 5 and 6 of this act.

15

16       <sup>1</sup>[9.] <sup>2</sup>[10.1] 11.<sup>2</sup> This act shall take effect <sup>2</sup>[immediately] 180  
17 days following the date of enactment,<sup>2</sup> and sections 5 and 6 shall  
18 apply to privilege periods and taxable years beginning on or after  
19 the January 1 next following the date of enactment<sup>2</sup>[<sup>1</sup>, and the act  
20 shall expire 30 days following the completion of the study  
21 conducted by the State Treasurer pursuant to section 7 of this  
22 act<sup>1</sup>]<sup>2</sup>.