SYNOPSIS

Allows gross income tax credit for certain child care staff and registered family day care providers.

CURRENT VERSION OF TEXT

As reported by the Assembly Women and Children Committee on June 9, 2022, with amendments.
AN ACT allowing a gross income tax credit for certain child care providers and supplementing Title 54A of New Jersey Statutes.

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

1. The Legislature finds and declares that:
   a. Even before the start of the coronavirus disease 2019 (COVID-19) pandemic, New Jersey’s child care industry struggled to find and retain teaching staff due to chronically low wages paid to child care employees.
   b. Since the COVID-19 pandemic, child care programs throughout New Jersey are not only losing teachers and assistant teachers but are struggling to find qualified staff to take their places.
   c. Over the last year, the responsibilities of child care teachers have become increasingly demanding and complex, yet many child care programs cannot afford to compensate their teachers above a minimum wage.
   d. While the Department of Human Services has increased State child care subsidy rates and continues to pay child care programs based on the number of children enrolled rather than attendance, the State’s child care system has been inadequately funded for so long that any additional financial assistance is often not reflected in augmented wages for child care program staff.
   e. Without sufficient staffing, child care programs cannot adequately care for and educate the number of children needing care, which directly impacts their parents’ ability to participate in the workforce.
   f. In order to address the State’s child care staffing crisis and to ensure the continued success of child care programs and the teaching staff who care for, educate, and support the low-income families, it is in the best interest of the State to provide direct relief to financially struggling child care program employees.

2. a. A credit against the tax otherwise due for the taxable year under the “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et seq., shall be allowed on the New Jersey gross income of any staff member working for a child care provider, licensed pursuant to the “Child Care Center Licensing Act,” P.L.1983, c.492 (C.30:5B 1 et seq.), who directly supervises children as defined in N.J.A.C. 3A:52-4.3 or a family day care provider, registered by a family day care sponsoring organization pursuant to the “Family Day Care Provider Registration Act,” P.L.1987, c.27

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:
Assembly AWC committee amendments adopted June 9, 2022.
A1469 [1R] LOPEZ, FREIMAN

1 (C.30:5B-16 et seq.), who has been employed by a licensed child
2 care provider or worked as a registered family day care provider in
3 their current position for a 1 minimum of 1,260 hours for a
4 continuous 1 six month period during the taxable year.
5
6 b. 1(1) For a staff member working for a child care provider
7 who directly supervises children or registered family day care
8 provider with an individual gross income:
9 1[(1)] (a) If less than $25,000, the amount of the credit shall
10 be equal to $1,000 for providing child care services to children 30
11 months of age or older, and $1,500 for providing child care services
12 to children from birth to the age of 30 months;
13 1[(2)] (b) Between $25,000 and $35,000, the amount of
14 the credit shall be equal to $750 for providing child care services to
15 children 30 months of age or older, and $1,000 for providing child
16 care services to children from birth to the age of 30 months; and
17 1[(3)] (c) Between $35,001 and $45,000, the amount of the
18 credit shall be equal to $500 for providing child care services to
19 children 30 months of age or older, and $750 for providing child
20 care services to children from birth to the age of 30 months.
21 1[(4)] (2) The amount of credit allowed on the gross income of
22 a staff member working for a child care provider who directly
23 supervises children or registered family day care provider for
24 providing child care services to children from birth to the age of 30
25 months shall only apply to a staff member or provider who spends
26 at least 50 % percent of the classroom teacher’s or provider’s
27 employment time providing such services.
28
29 c. (1) For a staff member working for a child care provider who
30 directly supervises children 1 thereof and 1 registered family day care
31 provider who has 1 gross income for the taxable year of less than
32 $45,000: if the amount of credit allowed pursuant to this section for
33 the taxable year, together with any other payments or credits against
34 the tax, reduces the tax liability otherwise due for the taxable year
35 to zero, any amount of credit remaining shall be paid to the
36 taxpayer as a refund of an overpayment of tax pursuant to
37 N.J.S.54A:9-7, provided that subsection (f) of N.J.S.54A:9-7 shall
38 not apply.
39
40 (2) For a staff member working for a child care provider who
41 directly supervises children 1 thereof and 1 registered family day care
42 provider who has 1 gross income for the taxable year of $45,000:
43 if the amount of credit allowed pursuant to this section for the
44 taxable year, together with any other payments or credits against the
45 tax, reduces the tax liability otherwise due for the taxable year to
46 zero, any amount of credit remaining shall be carried forward to the
47 next taxable year. No portion of a credit shall carry forward to more
48 than the next taxable year following the year in which the credit is
49 first allowed.
d. The order of priority of the application of the credit allowed pursuant to this section and any other credits allowed against the gross income tax for the taxable year shall be as prescribed by the Director of the Division of Taxation in the Department of the Treasury.

e. A credit allowed pursuant to this section shall not be taken into account as income or receipts for purposes of determining the eligibility of a taxpayer for benefits or assistance or the amount or extent of benefits or assistance under any State program and, to the extent permitted by federal law, under any State program financed in whole or in part with federal funds.

3. This act shall take effect immediately and apply to taxable years beginning January 1 next following enactment.