ASSEMBLY, No. 2532

STATE OF NEW JERSEY
220th LEGISLATURE

INTRODUCED FEBRUARY 14, 2022

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SYNOPSIS

Allows gross income tax deduction for charitable contributions to certain New Jersey-based charitable organizations.

CURRENT VERSION OF TEXT

As introduced.
AN ACT allowing a gross income tax deduction for charitable contributions to certain New Jersey-based charitable organizations, supplementing chapter 3 of Title 54A of the New Jersey Statutes.

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

1. a. A taxpayer shall be allowed to deduct from gross income the amount of charitable contributions made to a qualified New Jersey-based charitable organization in the taxable year equal to the amount that is allowable as a deduction from federal adjusted gross income for the federal taxable year pursuant to section 170 of the federal Internal Revenue Code (26 U.S.C. s.170), but the deduction allowed pursuant to this section shall not exceed $20,000 for a married couple filing jointly, $10,000 for a married person filing separately, or $10,000 for an individual filing as a single taxpayer or an individual determining tax pursuant to subsection a. of N.J.S.54A:2-1.

b. For the purposes of this section, “qualified New Jersey-based charitable organization” means a charitable organization that is registered pursuant to the "Charitable Registration and Investigation Act," P.L.1994, c.16 (C.45:17A-18 et seq.), or an organization that is exempt from the registration requirements of that act pursuant to section 9 of P.L.1994, c.16 (C.45:17A-26), and that maintains an office, employs persons, and provides services in this State.

2. This act shall take effect immediately and apply to charitable contributions made in taxable years beginning on or after the January 1 next following the date of enactment.

STATEMENT

This bill allows a New Jersey gross income tax deduction for charitable contributions that are made to certain New Jersey-based charitable organizations to encourage philanthropic giving to Garden State charities.

Under the bill, New Jersey gross income taxpayers are allowed to deduct from gross income charitable contributions that are made during the taxable year to a qualified New Jersey-based charitable organization. The bill provides that the amount of the deduction is limited to the amount of charitable contributions that is allowable as a deduction from federal adjusted gross income to the taxpayer for the federal taxable year pursuant to section 170 of the federal Internal Revenue Code (26 U.S.C. s.170). The bill further limits the amount of the deduction to not more than $20,000 for a married
couple filing jointly, $10,000 for a married person filing separately, or $10,000 for an individual.

The deduction allowed by the bill mirrors the federal income tax deduction for charitable contributions and is allowed regardless of whether the federal itemized deduction is taken by the taxpayer. Thus, the deduction, within limits, is equal to the amount "allowable" by Internal Revenue Code section 170, not just the deduction allowed and taken.

The bill defines “qualified New Jersey-based charitable organization” as a charitable organization that is registered pursuant to the "Charitable Registration and Investigation Act," or an organization that is exempt from the registration requirements of that act, and that maintains an office, employs persons, and provides services in this State.

The bill takes effect immediately upon enactment and applies to charitable contributions that are made in taxable years beginning on or after the January 1 next following the date of enactment.