

**ASSEMBLY, No. 4324**

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**STATE OF NEW JERSEY**

**220th LEGISLATURE**

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INTRODUCED JUNE 20, 2022

**Sponsored by:**

**Assemblyman JOHN DIMAIO**

**District 23 (Hunterdon, Somerset and Warren)**

**Assemblywoman NANCY F. MUNOZ**

**District 21 (Morris, Somerset and Union)**

**Assemblyman HAROLD "HAL" J. WIRTHS**

**District 24 (Morris, Sussex and Warren)**

**Co-Sponsored by:**

**Assemblyman Umba and Assemblywoman Dunn**

**SYNOPSIS**

Modifies certain tax brackets under gross income tax.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/23/2022)**

1 AN ACT modifying certain tax brackets under the gross income tax  
2 and amending N.J.S.54A:2-1.

3  
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5 *of New Jersey:*

6  
7 1. N.J.S.54A:2-1 is amended to read as follows:

8 54A:2-1. Imposition of tax. There is hereby imposed a tax for  
9 each taxable year (which shall be the same as the taxable year for  
10 federal income tax purposes) on the New Jersey gross income as  
11 herein defined of every individual, estate or trust (other than a  
12 charitable trust or a trust forming part of a pension or profit-sharing  
13 plan), subject to the deductions, limitations and modifications  
14 hereinafter provided, determined in accordance with the following  
15 tables with respect to taxpayers' taxable income:

16 a. For married individuals filing a joint return and individuals  
17 filing as head of household or as surviving spouse for federal  
18 income tax purposes:

19 (1) for taxable years beginning on or after January 1, 1991 but  
20 before January 1, 1994:

21		
22	If the taxable income is:	The tax is:
23		
24	Not over \$20,000.00 . . . .	2% of taxable income
25		
26	Over \$20,000.00 but not	
27	over \$50,000.00 . . . . .	\$400.00 plus 2.5% of the excess
28		over \$20,000.00
29	Over \$50,000.00 but not	
30	over \$70,000.00 . . . . .	\$1,150.00 plus 3.5% of the
31		excess over \$50,000.00
32	Over \$70,000.00 but not	
33	over \$80,000.00 . . . . .	\$1,850.00 plus 5.0% of the
34		excess over \$70,000.00
35	Over \$80,000.00 but not	
36	over \$150,000.00 . . . . .	\$2,350.00 plus 6.5% of the
37		excess over \$80,000.00
38		
39	Over \$150,000.00 . . . . .	\$6,900.00 plus 7.0% of the
40		excess over \$150,000.00
41		

42 (2) for taxable years beginning on or after January 1, 1994 but  
43 before January 1, 1995:

44  
45 If the taxable income is: The tax is:

**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.

1	Not over \$20,000.00 . . .	1.900% of taxable income
2		
3	Over \$20,000.00 but not	
4	over \$50,000.00 . . . .	\$380.00 plus 2.375% of the
5		excess over \$20,000.00
6	Over \$50,000.00 but not	
7	over \$70,000.00 . . . .	\$1,092.50 plus 3.325% of the
8		excess over \$50,000.00
9	Over \$70,000.00 but not	
10	over \$80,000.00 . . . .	\$1,757.50 plus 4.750% of the
11		excess over \$70,000.00
12	Over \$80,000.00 but not	
13	over \$150,000.00 . . . .	\$2,232.50 plus 6.175% of the
14		excess over \$80,000.00
15		
16	Over \$150,000.00 . . . . .	\$6,555.00 plus 6.650% of the
17		excess over \$150,000.00
18		

19 (3) for taxable years beginning on or after January 1, 1995 but  
20 before January 1, 1996:

21		
22	If the taxable income is:	The tax is:
23		
24	Not over \$20,000.00 . . . .	1.700% of taxable income
25		
26	Over \$20,000.00 but not	
27	over \$50,000.00 . . . . .	\$340.00 plus 2.125% of the
28		excess over \$20,000.00
29	Over \$50,000.00 but not	
30	over \$70,000.00 . . . . .	\$977.50 plus 2.975% of the
31		excess over \$50,000.00
32	Over \$70,000.00 but not	
33	over \$80,000.00 . . . . .	\$1,572.50 plus 4.250% of the
34		excess over \$70,000.00
35	Over \$80,000.00 but not	
36	over \$150,000.00 . . . . .	\$1,997.50 plus 6.013% of the
37		excess over \$80,000.00
38		
39	Over \$150,000.00 . . . . .	\$6,206.60 plus 6.580% of the
40		excess over \$150,000.00
41		

42 (4) for taxable years beginning on or after January 1, 1996 but  
43 before January 1, 2004:

44		
45	If the taxable income is:	The tax is:
46	Not over \$20,000.00 . . . . .	1.400% of taxable income
47		
48	Over \$20,000.00 but not	

1	over \$50,000.00 . . . . .	\$280.00 plus 1.750% of the
2		excess over \$20,000.00
3		
4	Over \$50,000.00 but not	
5	over \$70,000.00 . . . . .	\$805.00 plus 2.450% of the
6		excess over \$50,000.00
7	Over \$70,000.00 but not	
8	over \$80,000.00 . . . . .	\$1,295.50 plus 3.500% of the
9		excess over \$70,000.00
10	Over \$80,000.00 but not	
11	over \$150,000.00 . . . . .	\$1,645.00 plus 5.525% of the
12		excess over \$80,000.00
13		
14	Over \$150,000.00 . . . . .	\$5,512.50 plus 6.370% of the
15		excess over \$150,000.00
16		

17 (5) for taxable years beginning on or after January 1, 2004 but  
18 before January 1, 2018:

19		
20	If the taxable income is:	The tax is:
21		
22	Not over \$20,000.00 . . . . .	1.400% of taxable income
23		
24	Over \$20,000.00 but not	
25	over \$50,000.00 . . . . .	\$280.00 plus 1.750% of the
26		excess over \$20,000.00
27	Over \$50,000.00 but not	
28	over \$70,000.00 . . . . .	\$805.00 plus 2.450% of the
29		excess over \$50,000.00
30	Over \$70,000.00 but not	
31	over \$80,000.00 . . . . .	\$1,295.50 plus 3.500% of the
32		excess over \$70,000.00
33	Over \$80,000.00 but not	
34	over \$150,000.00 . . . . .	\$1,645.00 plus 5.525% of the
35		excess over \$80,000.00
36	Over \$150,000.00 but not	
37	over \$500,000.00 . . . . .	\$5,512.50 plus 6.370% of the
38		excess over \$150,000.00
39		
40	Over \$500,000.00 . . . . .	\$27,807.50 plus 8.970% of the
41		excess over \$500,000.00
42		

43 (6) for taxable years beginning on or after January 1, 2018 but  
44 before January 1, 2020:

45		
46	If the taxable income is:	The tax is:
47		
48	Not over \$20,000.00 . . . . .	1.400% of taxable income

1	Over \$20,000.00 but not	
2	over \$50,000.00 . . . . .	\$280.00 plus 1.750% of the
3		excess over \$20,000.00
4	Over \$50,000.00 but not	
5	over \$70,000.00 . . . . .	\$805.00 plus 2.450% of the
6		excess over \$50,000.00
7	Over \$70,000.00 but not	
8	over \$80,000.00 . . . . .	\$1,295.50 plus 3.500% of the
9		excess over \$70,000.00
10	Over \$80,000.00 but not	
11	over \$150,000.00 . . . . .	\$1,645.00 plus 5.525% of the
12		excess over \$80,000.00
13	Over \$150,000.00 but not	
14	over \$500,000.00 . . . . .	\$5,512.50 plus 6.370% of the
15		excess over \$150,000.00
16	Over \$500,000.00 but not	
17	over \$5,000,000.00 . . . . .	\$27,807.50 plus 8.970% of the
18		excess over \$500,000.00
19		
20	Over \$5,000,000.00 . . . . .	\$431,457.50 plus 10.75% of the
21		excess over \$5,000,000.00
22		
23	(7) for taxable years beginning on or after January 1, 2020 <u>but</u>	
24	<u>before January 1, 2022:</u>	
25		
26	If the taxable income is:	The tax is:
27		
28	Not over \$20,000.00 . . . . .	1.400% of taxable income
29		
30	Over \$20,000.00 but not	
31	over \$50,000.00 . . . . .	\$280.00 plus 1.750% of the
32		excess over \$20,000.00
33	Over \$50,000.00 but not	
34	over \$70,000.00 . . . . .	\$805.00 plus 2.450% of the
35		excess over \$50,000.00
36	Over \$70,000.00 but not	
37	over \$80,000.00 . . . . .	\$1,295.50 plus 3.500% of the
38		excess over \$70,000.00
39	Over \$80,000.00 but not	
40	over \$150,000.00 . . . . .	\$1,645.00 plus 5.525% of the
41		excess over \$80,000.00
42	Over \$150,000.00 but not	
43	over \$500,000.00 . . . . .	\$5,512.50 plus 6.370% of the
44		excess over \$150,000.00
45	Over \$500,000.00 but not	
46	over \$1,000,000.00 . . . . .	\$27,807.50 plus 8.970% of the
47		excess over \$500,000.00

1	Over \$1,000,000.00 . . . . .	\$72,657.50 plus 10.75% of the
2		excess over \$1,000,000.00
3		
4	<u>(8) for taxable years beginning on or after January 1, 2022:</u>	
5		
6	<u>If the taxable income is:</u>	<u>The tax is:</u>
7		
8	<u>Not over \$68,510.00 . . . . .</u>	<u>1.400% of taxable income</u>
9		
10	<u>Over \$68,510.00 but not</u>	
11	<u>over \$119,892.00 . . . . .</u>	<u>\$959.14 plus 1.750% of the</u>
12		<u>excess over \$68,510.00</u>
13	<u>Over \$119,892.00 but not</u>	
14	<u>over \$137,020.00 . . . . .</u>	<u>\$1,858.33 plus 3.500% of the</u>
15		<u>excess over \$119,892.00</u>
16	<u>Over \$137,020.00 but not</u>	
17	<u>over \$256,910.00 . . . . .</u>	<u>\$2,457.81 plus 5.525% of the</u>
18		<u>excess over \$137,020.00</u>
19	<u>Over \$256,910.00 but not</u>	
20	<u>over \$500,000.00 . . . . .</u>	<u>\$9,081.73 plus 6.370% of the</u>
21		<u>excess over \$256,910.00</u>
22	<u>Over \$500,000.00 but not</u>	
23	<u>over \$1,000,000.00 . . . . .</u>	<u>\$24,566.56 plus 8.970% of the</u>
24		<u>excess over \$500,000.00</u>
25		
26	<u>Over \$1,000,000.00 . . . . .</u>	<u>\$69,416.56 plus 10.75% of the</u>
27		<u>excess over \$1,000,000.00</u>
28		

29     b. For married individuals filing separately, unmarried  
30 individuals other than individuals filing as head of household or as  
31 a surviving spouse for federal income tax purposes, and estates and  
32 trusts:

33     (1) for taxable years beginning on or after January 1, 1991 but  
34 before January 1, 1994:

36	<u>If the taxable income is:</u>	<u>The tax is:</u>
37		
38	<u>Not over \$20,000.00 . . . . .</u>	<u>2% of taxable income</u>
39		
40	<u>Over \$20,000.00 but not</u>	
41	<u>over \$35,000.00 . . . . .</u>	<u>\$400.00 plus 2.5% of the excess</u>
42		<u>over \$20,000.00</u>
43	<u>Over \$35,000.00 but not</u>	
44	<u>over \$40,000.00 . . . . .</u>	<u>\$775.00 plus 5.0% of the excess</u>
45		<u>over \$35,000.00</u>
46	<u>Over \$40,000.00 but not</u>	
47	<u>over \$75,000.00 . . . . .</u>	<u>\$1,025.00 plus 6.5% of the</u>
48		<u>excess over \$40,000.00</u>

1	Over \$75,000.00 . . . . .	\$3,300.00 plus 7.0% of the
2		excess over \$75,000.00
3		
4	(2) for taxable years beginning on or after January 1, 1994 but	
5	before January 1, 1995:	
6		
7	If the taxable income is:	The tax is:
8		
9	Not over \$20,000.00 . . . . .	1.900% of taxable income
10		
11	Over \$20,000.00 but not	
12	over \$35,000.00 . . . . .	\$380.00 plus 2.375% of the
13		excess over \$20,000.00
14	Over \$35,000.00 but not	
15	over \$40,000.00 . . . . .	\$736.25 plus 4.750% of the
16		excess over \$35,000.00
17	Over \$40,000.00 but not	
18	over \$75,000.00 . . . . .	\$973.75 plus 6.175% of the
19		excess over \$40,000.00
20		
21	Over \$75,000.00 . . . . .	\$3,135.00 plus 6.650% of the
22		excess over \$75,000.00
23		
24	(3) for taxable years beginning on or after January 1, 1995 but	
25	before January 1, 1996:	
26		
27	If the taxable income is:	The tax is:
28		
29	Not over \$20,000.00 . . . . .	1.700% of taxable income
30		
31	Over \$20,000.00 but not	
32	over \$35,000.00 . . . . .	\$340.00 plus 2.125% of the
33		excess over \$20,000.00
34	Over \$35,000.00 but not	
35	over \$40,000.00 . . . . .	\$658.75 plus 4.250% of the
36		excess over \$35,000.00
37	Over \$40,000.00 but not	
38	over \$75,000.00 . . . . .	\$871.25 plus 6.013% of the
39		excess over \$40,000.00
40		
41	Over \$75,000.00 . . . . .	\$2,975.80 plus 6.580% of the
42		excess over \$75,000.00
43		
44	(4) for taxable years beginning on or after January 1, 1996 but	
45	before January 1, 2004:	
46		
47	If the taxable income is:	The tax is:
48	Not over \$20,000.00 . . . . .	1.400% of taxable income

1	Over \$20,000.00 but not	
2	over \$35,000.00 . . . . .	\$280.00 plus 1.750% of the
3		excess over \$20,000.00
4	Over \$35,000.00 but not	
5	over \$40,000.00 . . . . .	\$542.50 plus 3.500% of the
6		excess over \$35,000.00
7	Over \$40,000.00 but not	
8	over \$75,000.00 . . . . .	\$717.50 plus 5.525% of the
9		excess over \$40,000.00
10		
11	Over \$75,000.00 . . . . .	\$2,651.25 plus 6.370% of the
12		excess over \$75,000.00
13		
14	(5) for taxable years beginning on or after January 1, 2004 but	
15	before January 1, 2018:	
16		
17	If the taxable income is:	The tax is:
18		
19	Not over \$20,000.00 . . . . .	1.400% of taxable income
20		
21	Over \$20,000.00 but not	
22	over \$35,000.00 . . . . .	\$280.00 plus 1.750% of the
23		excess over \$20,000.00
24	Over \$35,000.00 but not	
25	over \$40,000.00 . . . . .	\$542.50 plus 3.500% of the
26		excess over \$35,000.00
27	Over \$40,000.00 but not	
28	over \$75,000.00 . . . . .	\$717.50 plus 5.525% of the
29		excess over \$40,000.00
30	Over \$75,000.00 but not	
31	over \$500,000.00 . . . . .	\$2,651.25 plus 6.370% of the
32		excess over \$75,000.00
33		
34	Over \$500,000.00 . . . . .	\$29,723.75 plus 8.970% of the
35		excess over \$500,000.00
36		
37	(6) for taxable years beginning on or after January 1, 2018, but	
38	before January 1, 2020:	
39		
40	If the taxable income is:	The tax is:
41		
42	Not over \$20,000.00 . . . . .	1.400% of taxable income
43		
44	Over \$20,000.00 but not	
45	over \$35,000.00 . . . . .	\$280.00 plus 1.750% of the
46		excess over \$20,000.00
47	Over \$35,000.00 but not	



1	over \$40,000.00 . . . . .	\$542.50 plus 3.500% of the
2		excess over \$35,000.00
3	Over \$40,000.00 but not	
4	over \$75,000.00 . . . . .	\$717.50 plus 5.525% of the
5		excess over \$40,000.00
6	Over \$75,000.00 but not	
7	over \$500,000.00 . . . . .	\$2,651.25 plus 6.370% of the
8		excess over \$75,000.00
9	Over \$500,000.00 but not	
10	over \$5,000,000.00 . . . . .	\$29,723.75 plus 8.970% of the
11		excess over \$500,000.00
12		
13	Over \$5,000,000.00 . . . . .	\$433,373.75 plus 10.75% of the
14		excess over \$5,000,000.00
15		

16 (7) for taxable years beginning on or after January 1, 2020 but  
 17 before January 1, 2022:

18		
19	If the taxable income is:	The tax is:
20		
21	Not over \$20,000.00 . . . . .	1.400% of taxable income
22		
23	Over \$20,000.00 but not	
24	over \$35,000.00 . . . . .	\$280.00 plus 1.750% of the
25		excess over \$20,000.00
26	Over \$35,000.00 but not	
27	over \$40,000.00 . . . . .	\$542.50 plus 3.500% of the
28		excess over \$35,000.00
29	Over \$40,000.00 but not	
30	over \$75,000.00 . . . . .	\$717.50 plus 5.525% of the
31		excess over \$40,000.00
32	Over \$75,000.00 but not	
33	over \$500,000.00 . . . . .	\$2,651.25 plus 6.370% of the
34		excess over \$75,000.00
35	Over \$500,000.00 but not	
36	over \$1,000,000.00 . . . . .	\$29,723.75 plus 8.970% of the
37		excess over \$500,000.00
38		
39	Over \$1,000,000.00 . . . . .	\$74,573.75 plus 10.75% of the
40		excess over \$1,000,000.00
41		

42 (8) for taxable years beginning on or after January 1, 2022:

43		
44	<u>If the taxable income is:</u>	<u>The tax is:</u>
45		
46	<u>Not over \$34,255.00 . . . . .</u>	<u>1.400% of taxable income</u>
47		
48	<u>Over \$34,255.00 but not</u>	

1	<u>over \$59,946.00 . . . . .</u>	<u>\$479.57 plus 1.750% of the</u>
2		<u>excess over \$34,255.00</u>
3	<u>Over \$59,946.00 but not</u>	
4	<u>over \$68,510.00 . . . . .</u>	<u>\$929.16 plus 3.500% of the</u>
5		<u>excess over \$59,946.00</u>
6	<u>Over \$68,510.00 but not</u>	
7	<u>over \$128,455.00 . . . . .</u>	<u>\$1,228.90 plus 5.525% of the</u>
8		<u>excess over \$68,510.00</u>
9	<u>Over \$128,455.00 but not</u>	
10	<u>over \$500,000.00 . . . . .</u>	<u>\$4,540.86 plus 6.370% of the</u>
11		<u>excess over \$128,455.00</u>
12	<u>Over \$500,000.00 but not</u>	
13	<u>over \$1,000,000.00 . . . . .</u>	<u>\$28,208.28 plus 8.970% of the</u>
14		<u>excess over \$500,000.00</u>
15		
16	<u>Over \$1,000,000.00 . . . . .</u>	<u>\$73,058.28 plus 10.75% of the</u>
17		<u>excess over \$1,000,000.00</u>

18  
19 c. For the purposes of this section, an individual who would be  
20 eligible to file as a head of household for federal income tax  
21 purposes but for the fact that such taxpayer is a nonresident alien,  
22 shall determine tax pursuant to subsection a. of this section.

23 d. For the purposes of this section, for taxable year 2018,  
24 withholding by every employer from salaries, wages and other  
25 remuneration paid by an employer for services rendered described  
26 in subsections a. and b. of this section, in excess of \$5,000,000  
27 during that taxable year, shall be at the rate of 15.6% as soon as  
28 practicable but no later than September 1, 2018. The Director of the  
29 Division of Taxation is authorized to do all things necessary to  
30 implement the withholding tax prescribed by this section for taxable  
31 year 2018.

32 e. No additions to tax or penalty shall be imposed under  
33 N.J.S.54A:9-6 for insufficient payment of estimated tax that may  
34 otherwise be due on salaries, wages and other remuneration  
35 received before September 1, 2018, on which there is a rate of tax  
36 imposed pursuant to subsections a. and b. of this section.

37 f. An employer maintaining an office or transacting business  
38 within this State and making payment of any salaries, wages and  
39 remuneration subject to New Jersey gross income tax or making  
40 payment of any remuneration for employment subject to  
41 contribution under the New Jersey "unemployment compensation  
42 law," pursuant to R.S.43:21-1 et seq., that is subject to New Jersey  
43 gross income tax shall not be subject to interest, penalties or other  
44 costs that may otherwise be imposed for insufficient withholding of  
45 salaries, wages and other remuneration made before September 1,  
46 2018, that is directly attributable to the enactment of the taxable  
47 income tables and tax rates in subsections a. and b. of this section.

48 (cf: P.L.2020, c.94, s.1)

1       2. This act shall take effect immediately and apply to taxable  
2 years beginning on or after January 1, 2022.

3

4

5

STATEMENT

6

7       This bill modifies certain tax brackets under the New Jersey  
8 gross income tax. Specifically, the bill modifies the income  
9 thresholds of the four lowest tax brackets so that many low-income  
10 and middle-income taxpayers would be eligible for a lower  
11 marginal tax rate.

12       In recent months, record-high inflation has made it more difficult  
13 for Americans to afford food, gas, and other critical goods and  
14 services. This bill would help New Jerseyans weather this surge in  
15 prices by allowing them to keep more of their hard-earned money.