

SENATE, No. 2290

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED MARCH 14, 2022

Sponsored by:

Senator EDWARD DURR

District 3 (Cumberland, Gloucester and Salem)

Co-Sponsored by:

Senators Oroho, Corrado, Holzapfel, O'Scanlon, Pennacchio, Schepisi, Singer, Testa, A.M.Bucco, Bramnick, Connors, Stanfield and Thompson

SYNOPSIS

“Gas Price and Inflation Tax Credit Act.”

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/14/2022)

1 AN ACT allowing a gross income tax credit for Tax Year 2021.

2

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

5

6 1. a. For Tax Year 2021, taxpayers who are married individuals
7 filing a joint return and an individual filing as a head of household
8 or as a surviving spouse with gross income of \$250,000 or less shall
9 be allowed a credit against the tax otherwise due pursuant to the
10 “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et seq., in the
11 amount of \$500, and taxpayers who are married individuals filing
12 separately or individuals filing as a single taxpayer with gross
13 income of \$125,000 or less shall be allowed a credit against the tax
14 otherwise due pursuant to the “New Jersey Gross Income Tax Act,”
15 N.J.S.54A:1-1 et seq., in the amount of \$250.

16 b. The amount of the credit allowed pursuant to this section
17 shall be applied against the tax otherwise due under N.J.S.54A:1-1
18 et seq., after all other credits and payments. If the credit exceeds the
19 amount of tax otherwise due, that amount of excess shall be an
20 overpayment for the purposes of N.J.S.54A:9-7; provided however,
21 that subsection (f) of N.J.S.54A:9-7 shall not apply.

22 c. If a taxpayer has already filed their Tax Year 2021 gross
23 income tax return, the Director of the Division of Taxation shall
24 credit the amount owed to the taxpayer pursuant to this section
25 based on the taxpayer’s filing status.

26

27 2. This act shall take effect immediately.

28

29

30

STATEMENT

31

32 This bill allows a tax credit against the gross income tax for Tax
33 Year 2021 to help offset soaring gas prices and the worst inflation
34 in 40 years.

35 The credit amount is \$500 for married individuals filing a joint
36 return and an individual filing as a head of household or as a
37 surviving spouse with income of \$250,000 or less, and \$250 for
38 individuals who are single or married and filing separately with
39 income of \$125,000 or less. The credit is refundable, meaning that
40 any excess credit beyond the taxpayer’s tax liability will be paid to
41 the taxpayer in the form of tax refund.

42 Together with the tax credit proposed in Senate Bill No. 2243 of
43 the 2022-2023 session, the sponsors intend to quickly prevent a
44 projected \$4.6 billion over-collection from taxpayers in the current
45 State fiscal year. Current year tax over-collections are attributable
46 to the worst inflation in 40 years and other factors causing
47 taxpayers to pay more in taxes than budgeted or needed and it
48 should be given back. Excess tax collections, if not prevented, will

S2290 DURR

3

1 remain unused and unallocated in State accounts. Getting money
2 back into the pockets of taxpayers will not only provide appropriate
3 and immediate relief from soaring gas prices, over-taxation, and
4 inflation, it will help increase economic activity and prevent the
5 value of over-collections from eroding over time due to inflation.