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STATE OF NEW JERSEY
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SYNOPSIS

Provides child tax credit under gross income tax.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 27, 2022, with amendments.

(Sponsorship Updated As Of: 6/29/2022)

1 AN ACT allowing a child tax credit under the gross income tax,
2 supplementing Title 54A of the New Jersey Statutes.

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

6
7 1. a. ¹**[**There is established the New Jersey Child Tax Credit
8 program in the Division of Taxation in the Department of the
9 Treasury.

10 b. ¹**]**A ¹resident¹ taxpayer with New Jersey taxable income of
11 \$80,000 or less shall be allowed a credit against the tax otherwise
12 due pursuant to the "New Jersey Gross Income Tax Act,"
13 N.J.S.54A:1-1 et seq. for each child who has not attained the age of
14 six years as of the close of the taxable year and for which the
15 taxpayer is allowed a deduction under N.J.S.54A:3-1. ¹**[**For a
16 taxpayer with New Jersey taxable income of \$30,000 or less, the
17 credit amount shall be \$500 for each child. For a taxpayer with New
18 Jersey taxable income of more than \$30,000 but less than \$80,000
19 the credit amount shall be \$500 reduced by \$10 for every \$1,000 of
20 income that the taxpayer's taxable income exceeds \$30,000. ¹**]** The
21 credit shall be in the following amounts:

22 <u>If the taxable income is:</u>	<u>The credit is:</u>
23 <u>\$30,000 or under</u>	<u>\$500</u>
24 <u>over \$30,000 but not over \$40,000</u>	<u>\$400</u>
25 <u>over \$40,000 but not over \$50,000</u>	<u>\$300</u>
26 <u>over \$50,000 but not over \$60,000</u>	<u>\$200</u>
27 <u>over \$60,000 but not over \$80,000</u>	<u>\$100¹</u>

28 The income limit set forth in this section shall apply to taxpayers
29 of any filing status.

30 ¹**[**c.¹ b.¹ A taxpayer shall be allowed the credit pursuant to this
31 section whether the taxpayer uses a Social Security number or an
32 Individual Taxpayer Identification Number on their tax forms.

33 ¹**[**d.¹ c.¹ If the amount of the credit allowed pursuant to this
34 section exceeds the amount of tax otherwise due pursuant to the
35 "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., after
36 all other credits and deductions, the amount of excess shall be
37 treated as a refundable overpayment.

38 ¹**[**e.¹ d.¹ To qualify for the credit allowed pursuant to this
39 section, a taxpayer shall file a joint return if the taxpayer is married,
40 except for a taxpayer who files as a head of household or surviving
41 spouse for federal income tax purposes for the taxable year.

42 ¹**[**f.¹ e.¹ In the case of a part-year resident, the amount of the
43 credit allowed pursuant to this section shall be pro-rated, based
44 upon that proportion which the total number of months of the

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:

¹Senate SBA committee amendments adopted June 27, 2022.

1 taxpayer's residency in the taxable year bears to 12 in that period.
2 For this purpose, 15 days or more shall constitute a month.

3 ¹**[g.] f.** Any tax credit pursuant to this section shall not be
4 taken into account as income for purposes of determining the
5 eligibility of an individual for benefits or assistance or the amount
6 or extent of benefits or assistance under any State program and, to
7 the extent permitted by federal law, under any State program
8 financed in whole or in part with federal funds.

9 ¹**[h.] g.** The Division of Taxation shall issue data as part of
10 the annual tax expenditure report, as required by section 1 of
11 P.L.2009, c.189 (C.52:27B-20a) to include the number of taxpayers
12 claiming the New Jersey Child Tax Credit, as well as claimants'
13 income, the number of children benefitting, and the average credit
14 amount per child and per claimant.

15
16 2. This act shall take effect immediately and shall apply
17 ¹**[retroactively]** to taxable years ¹**[ending]** beginning¹ on and
18 after ¹**[the effective date]** January 1, 2023¹.