

SENATE MILITARY AND VETERANS' AFFAIRS
COMMITTEE

STATEMENT TO

SENATE, No. 3465

STATE OF NEW JERSEY

DATED: JUNE 12, 2023

The Senate Military and Veterans' Affairs Committee reports favorably Senate Bill No. 3465.

This bill would index the amount of the veterans' gross income tax exemption, which is currently \$6,000, for inflation.

The bill would require that, beginning in tax year 2023, the amount of the exemption would be adjusted annually based on the percentage change in the Chained Consumer Price Index for all Urban Consumers (C-CPI-U) for the 12-month period ending August 31 of the previous tax year. The C-CPI-U is the index currently used by the federal government to adjust federal income tax brackets for inflation. If there is no increase in that index, the amount of the exemption would remain unchanged for the applicable tax year.