

[First Reprint]

**ASSEMBLY, No. 2369**

**STATE OF NEW JERSEY**  
**221st LEGISLATURE**

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

**Sponsored by:**

**Assemblyman WILLIAM W. SPEARMAN**

**District 5 (Camden and Gloucester)**

**Assemblywoman ANNETTE QUIJANO**

**District 20 (Union)**

**Assemblywoman VERLINA REYNOLDS-JACKSON**

**District 15 (Hunterdon and Mercer)**

**Co-Sponsored by:**

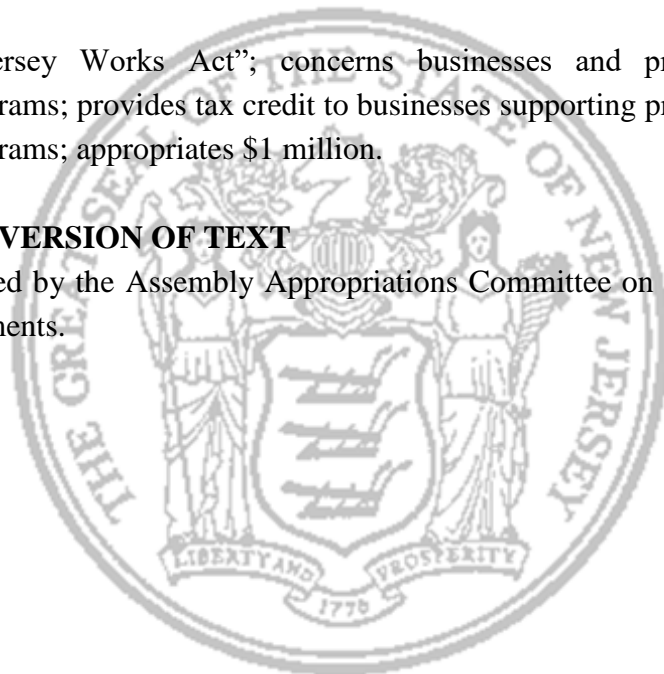
**Assemblyman Calabrese, Assemblywomen Sumter, Haider, Assemblymen Atkins, Simonsen, McClellan, Wimberly, Assemblywomen Speight, Lampitt, Assemblymen Karabinchak, Freiman, Assemblywomen Murphy, Swain, Hall, Fantasia and Assemblyman Rodriguez**

**SYNOPSIS**

“New Jersey Works Act”; concerns businesses and pre-employment training programs; provides tax credit to businesses supporting pre-employment training programs; appropriates \$1 million.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Appropriations Committee on June 24, 2024, with amendments.



**(Sponsorship Updated As Of: 6/24/2024)**

1 AN ACT concerning pre-employment training programs,  
2 supplementing P.L.1992, c.43 (C.34:15D-1 et seq.), P.L.1945,  
3 c.162 (C.54:10A-1 et seq.), and Title 54A of the New Jersey  
4 Statutes, and making an appropriation.

5

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

8

9 1. This act shall be known and may be cited as the “New Jersey  
10 Works Act.”

11

12 2. As used in sections 1 through 4 of P.L. , c. (C. )  
13 (pending before the Legislature as this bill):

14 “Agreement” means an agreement between one or more business  
15 entities and one or more institutions of higher education,  
16 comprehensive high schools, county vocational schools, or nonprofit  
17 organizations to establish a pre-employment and work readiness  
18 training program. “Assistance” means the contribution of moneys  
19 to aid in the provision of a pre-employment and work readiness  
20 training program established by a business entity in partnership with  
21 an institution of higher education or a comprehensive high school or  
22 county vocational school or nonprofit organization.

23 “Business entity” means any corporation, company, association,  
24 society, firm, partnership, joint stock company, sole proprietorship,  
25 limited liability entity or individual which is authorized to conduct or  
26 operate a trade or business in the State. “Business entity” shall not  
27 include any business entity engaged in a construction trade.

28 “Comprehensive high school” means a public or non-public high  
29 school located in the State that may grant a State-endorsed diploma to  
30 students and offers <sup>1</sup>**[vocational]** approved career and technical  
31 education <sup>1</sup>programs of study<sup>1</sup>.

32 “Department” means the Department of Labor and Workforce  
33 Development.

34 “Director” means the Director of the Division of Taxation in the  
35 Department of the Treasury.

36 “Educational institution” means an institution of higher education,  
37 a comprehensive high school, or a county vocational school.

38 “Institution of higher education” means any public or independent  
39 four-year institution of higher education or a county college.

40 <sup>1</sup>“Labor demand occupation” means an occupation in which the  
41 Center for Occupational Employment Information has determined,  
42 pursuant to subsection d. of section 27 of P.L.2005, c.354 (C.34:1A-  
43 86):

**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:

<sup>1</sup>Assembly AAP committee amendments adopted June 24, 2024.

1       a. is or will be, on regional basis, subject to a significant excess of  
 2 demand over supply for trained workers, based on a comparison of the  
 3 total need or anticipated need for trained workers with the total  
 4 number being trained; or

5       b. in conjunction with a Workforce Investment Board, is or will  
 6 be, in the region for which the board is responsible, subject to a  
 7 significant excess of demand over supply for adequately trained  
 8 workers, based on a comparison of total need or anticipated need for  
 9 trained workers with the total number being trained.<sup>1</sup>

10       “Low income household” means a household whose gross  
 11 household income is less than 50 percent of the median gross  
 12 household income for the region in which the business entity is located  
 13 for households of similar size as determined by the department.

14       “Moderate income household” means a household whose gross  
 15 household income is greater than or equal to 50 percent but less than  
 16 80 percent of the median gross household income of the region in  
 17 which the business entity is located for households of similar size as  
 18 determined by the department.

19       “Nonprofit organization” means a private nonprofit corporation  
 20 that has been determined by the Internal Revenue Service of the  
 21 United States Department of the Treasury to be exempt from income  
 22 taxation pursuant to section 501(c)(3) of the federal Internal Revenue  
 23 Code, 26 U.S.C. s.501(c)(3).

24       <sup>1</sup>“State Eligible Training Provider List” means the Statewide list of  
 25 eligible training providers maintained pursuant to section 14 of  
 26 P.L.2005, c.354 (C.34:15C-10.2).<sup>1</sup>

27  
 28       3. a. One or more institutions of higher education,  
 29 comprehensive high schools, county vocational schools, or nonprofit  
 30 organizations may enter into an agreement with a business entity to  
 31 establish a pre-employment and work readiness training program. The  
 32 purpose of the program shall be to recruit, prepare, and educate  
 33 individuals for <sup>1</sup>entry-level in-demand<sup>1</sup> jobs with long-term career  
 34 potential <sup>1</sup>in a labor demand occupation<sup>1</sup> through paid training  
 35 programs. The program shall target for recruitment low- and  
 36 moderate-income households and current workers in need of skills  
 37 development. A business entity may provide assistance for a pre-  
 38 employment and work readiness training program if the program is  
 39 approved by the department pursuant to section 4 of  
 40 P.L. , c. (C. ) (pending before the Legislature as this bill) and  
 41 may receive a credit for such assistance pursuant to section <sup>1</sup>[5] 6<sup>1</sup> or  
 42 <sup>1</sup>[6] 7<sup>1</sup> of P.L. , c. (C. or C. ) (pending before the  
 43 Legislature as this bill).

44       b. Each pre-employment and work readiness training program  
 45 shall offer no less than 12 weeks of paid training for each participant,  
 46 and include, but not be limited to training and instruction in the  
 47 following areas: basic math and English literacy, communication

1 skills, critical thinking, leadership, life skills and job readiness skills  
2 training such as conflict management, finance concepts, resume  
3 preparation, problem solving, self-awareness and management, and  
4 any other requirement deemed necessary by the department. Each pre-  
5 employment and work readiness training program participant shall be  
6 paid the minimum wage pursuant to section 5 of P.L.1966, c.113  
7 (C.34:11-56a4) or any order issued by the Commissioner of Labor and  
8 Workforce Development pursuant to that act.

9 c. <sup>1</sup>Each pre-employment and work readiness training program  
10 established pursuant to P.L. , c. (C. ) (pending before the  
11 Legislature as this bill) shall comply with all child labor laws and  
12 regulations, including, but not limited to N.J.A.C.12:58-1,  
13 N.J.A.C.12:56-18, and N.J.A.C.6A:19-4.<sup>1</sup> Each trainee shall be a  
14 minimum of 16 years old. An educational institution or nonprofit  
15 organization shall not determine a trainee's eligibility for participation  
16 in a training program based on the trainee's possession of a high  
17 school diploma or any high school equivalency. Following the  
18 successful completion of a pre-employment and work readiness  
19 training program, each program shall offer trainees employment  
20 provided through a business entity which has provided funding for a  
21 qualified pre-employment and work readiness training program, or  
22 both.

23 d. <sup>1</sup>Any institution of higher education, comprehensive high  
24 school, county vocational school, or nonprofit organization that enters  
25 into an agreement with a business entity to establish a pre-employment  
26 and work readiness training program shall be an approved training  
27 provider included on the State Eligible Training Provider List.

28 e.<sup>1</sup> Each educational institution or nonprofit organization shall  
29 submit to the department the following information three months, six  
30 months, and nine months following the close of a training program:  
31 the number of participants who successfully completed the training  
32 program and the number of participants currently employed by a  
33 business entity, including each participant's job title and salary.  
34

35 4. a. An institution of higher education, comprehensive high  
36 school, county vocational school, or nonprofit organization which has  
37 entered into an agreement under section 3 of P.L. , c. (C. )  
38 (pending before the Legislature as this bill) with a business entity shall  
39 submit a proposed pre-employment and work-readiness training plan  
40 to the department for approval. Two or more institutions of higher  
41 education, comprehensive high schools, county vocational schools, or  
42 nonprofit organizations may submit a plan to the department jointly.  
43 Any plan submitted by two or more institutions of higher education,  
44 comprehensive high schools, vocational schools, or nonprofit  
45 organizations shall designate one institution of higher education,  
46 comprehensive high school, vocational school, or nonprofit  
47 organization as the lead organization with responsibility for the plan.  
48 An institution of higher education, comprehensive high school, county

1 vocational school, or nonprofit organization that has proposed a pre-  
2 employment and work-readiness training plan to the department may  
3 seek to amend it at any time. The department shall approve the  
4 amendments so long as the pre-employment and work readiness  
5 training plan complies with the minimum requirements set forth in  
6 subsection c. of this section.

7 b. The department shall review a proposed pre-employment and  
8 work-readiness training plan to make a determination as to whether a  
9 proposed pre-employment and work readiness training program  
10 qualifies for assistance for which a tax credit may be granted pursuant  
11 to section <sup>1</sup>~~5~~ 6<sup>1</sup> or section <sup>1</sup>~~6~~ 7<sup>1</sup> of P.L. , c. (C. or C. )  
12 (pending before the Legislature as this bill). Upon the department's  
13 determination and certification of qualification and calculation of  
14 credit, the department shall send the certification and calculation of  
15 credit to the Director of Taxation in the Department of the Treasury to  
16 allow the tax credit to be claimed.

17 c. The department shall determine that a proposed plan for a pre-  
18 employment and work readiness training program qualifies for  
19 assistance if the plan meets all of the following standards:

20 (1) The proposed program consists of pre-employment and work  
21 readiness training activities to benefit low- and moderate-income  
22 households and persons in need of early and mid-career skills training  
23 or vocational retraining.

24 (2) The proposed program is reasonably designed to accomplish its  
25 intended purpose and it would further the purposes of the pre-  
26 employment and work-readiness training plan.

27 (3) The educational institution or nonprofit organization  
28 demonstrates that it has the capacity to implement the proposed pre-  
29 employment and work-readiness training plan.

30 (4) <sup>1</sup>The educational institution or nonprofit organization ensures  
31 supervision and placement by a trained work-based learning  
32 coordinator, if the student is enrolled in a secondary education school-  
33 sponsored work-based learning experience.

34 (5)<sup>1</sup> The educational institution or nonprofit organization ensures  
35 that financial assistance is to be expended exclusively to implement  
36 the pre-employment and work-readiness training plan.

37 <sup>1</sup>~~5~~ 6<sup>1</sup> The educational institution or nonprofit organization  
38 provides documentation of its completion rates.

39

40 <sup>1</sup>5. The Department of Labor and Workforce Development shall  
41 consult with the Department of Education regarding the development  
42 of, and may consult with the Department of Education regarding the  
43 approval and implementation of, pre-employment and work readiness  
44 training programs for students enrolled in secondary education school-  
45 sponsored work-based learning experiences.<sup>1</sup>

1 <sup>1</sup>**[5.] 6.**<sup>1</sup> a. A taxpayer, upon final approval of an application by  
 2 the department, shall be allowed a credit against the tax imposed  
 3 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) in an amount  
 4 equal to 100 percent of the amount of assistance provided by the  
 5 taxpayer to an institution of higher education, comprehensive high  
 6 school, county vocational school, or nonprofit organization during a  
 7 privilege period commencing on or after January 1 next following the  
 8 enactment of P.L. , c. (C. ) (pending before the Legislature as  
 9 this bill) for an approved pre-employment and work readiness training  
 10 program established in agreement with an institution of higher  
 11 education, comprehensive high school, county vocational school, or  
 12 nonprofit organization pursuant to section 3 of P.L. , c. (C. )  
 13 (pending before the Legislature as this bill).

14 b. No tax credit shall be awarded pursuant to this section for any  
 15 costs or expenses included in the calculation of any other tax credit or  
 16 exemption granted pursuant to a claim made on a tax return filed with  
 17 the director, or included in the calculation of an award of business  
 18 assistance or incentive, for a period of time that coincides with the  
 19 privilege period for which a tax credit pursuant to this section is  
 20 allowed. The order of priority of application of the tax credit allowed  
 21 pursuant to this section, and any other credits allowed against the tax  
 22 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) for a  
 23 privilege period, shall be as prescribed by the director. The amount of  
 24 the credit applied against the tax imposed pursuant to section 5 of  
 25 P.L.1945, c.162 (C.54:10A-5) shall not reduce a taxpayer's tax  
 26 liability to an amount less than the statutory minimum provided in  
 27 subsection (e) of section 5 of P.L.1945, c.162 (C.54:10A-5).

28 c. The value of tax credits approved by the director pursuant to  
 29 subsection a. of this section and pursuant to subsection a. of section  
 30 <sup>1</sup>**[6] 7**<sup>1</sup> of P.L. , c. (C. ) (pending before the Legislature as this  
 31 bill) shall not exceed a cumulative total of <sup>1</sup>**[\$12,000,000]**  
 32 **\$2,000,000**<sup>1</sup> in State fiscal year <sup>1</sup>**[2024] 2025**<sup>1</sup>, and in each State  
 33 fiscal year thereafter, to apply against the tax imposed pursuant to  
 34 section 5 of P.L.1945, c.162 (C.54:10A-5) and the tax imposed  
 35 pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1  
 36 et seq. If the cumulative total amount of tax credits allowed to  
 37 taxpayers for privilege periods or taxable years commencing during a  
 38 single fiscal year under subsection a. of this section and subsection a.  
 39 of section <sup>1</sup>**[6] 7**<sup>1</sup> of P.L. , c. (C. ) (pending before the  
 40 Legislature as this bill) exceeds the amount of tax credits available in  
 41 that fiscal year, then taxpayers who have first applied for and have not  
 42 been allowed a tax credit for that reason shall be allowed, in the order  
 43 in which they have submitted an application, the amount of the tax  
 44 credit on the first day of the next succeeding fiscal year in which tax  
 45 credits under subsection a. of this section and subsection a. of section  
 46 <sup>1</sup>**[6] 7**<sup>1</sup> of P.L. , c. (C. ) (pending before the Legislature as this  
 47 bill) are not in excess of the amount of credits available.

1 d. A taxpayer shall submit to the department a report to verify the  
2 taxpayer's tax credit claim. The report shall include a certification  
3 from an institution of higher education, a comprehensive high school,  
4 a county vocational school, or a nonprofit organization that the  
5 assistance was used for an approved pre-employment and work  
6 readiness training program, and shall include such other information as  
7 the department may require. The certification shall be provided to the  
8 taxpayer and a copy of the certification shall be provided to the  
9 director and included in the filing of a return that includes a claim for a  
10 tax credit allowed pursuant to this section.

11

12 <sup>1</sup>~~6.~~ <sup>1</sup>7. a. A taxpayer, upon approval of an application by the  
13 department, shall be allowed a credit against the tax otherwise due for  
14 the taxable year under the "New Jersey Gross Income Tax Act,"  
15 N.J.S.54A:1-1 et seq., in an amount equal to 100 percent of the amount  
16 of assistance provided by the taxpayer to an institution of higher  
17 education, comprehensive high school, county vocational school, or  
18 nonprofit organization during a taxable year commencing on or after  
19 January 1 next following the enactment of P.L. , c. (C. )  
20 (pending before the Legislature as this bill) for an approved pre-  
21 employment and work readiness training program established in  
22 agreement with an educational institution or a nonprofit organization  
23 pursuant to section 3 of P.L. , c. (C. ) (pending before the  
24 Legislature as this bill).

25 b. No tax credit shall be allowed pursuant to this section for any  
26 costs or expenses included in the calculation of any other tax credit or  
27 exemption granted pursuant to a claim made on a tax return filed with  
28 the director, or included in the calculation of an award of business  
29 assistance or incentive, for a period of the time that coincides with the  
30 taxable year, for which a tax credit authorized pursuant to this section  
31 is allowed.

32 c. (1) A business entity that is classified as a partnership for  
33 federal income tax purposes shall not be allowed a tax credit pursuant  
34 to this section directly, but the amount of tax credit of a taxpayer in  
35 respect to a distributive share of entity income shall be determined by  
36 allocating to the taxpayer that proportion of the tax credit acquired by  
37 the entity that is equal to the taxpayer's share, whether or not  
38 distributed, of the total distributive income or gain of the entity for its  
39 taxable year ending within or with the taxpayer's taxable year.

40 (2) A New Jersey S Corporation shall not be allowed a tax credit  
41 pursuant to this section directly, but the amount of the tax credit of a  
42 taxpayer in respect of a pro rata share of S Corporation income shall  
43 be determined by allocating to the taxpayer that proportion of the tax  
44 credit acquired by the New Jersey S Corporation that is equal to the  
45 taxpayer's share, whether or not distributed, of the total pro rata share  
46 of S Corporation income of the New Jersey S Corporation for its  
47 privilege period ending within or with the taxpayer's taxable year.

1 d. The value of tax credits approved by the department pursuant  
2 to subsection a. of this section and pursuant to subsection a. of section  
3 <sup>1</sup>**[5]** 6<sup>1</sup> of P.L. , c. (C. ) (pending before the Legislature as this  
4 bill) shall not exceed a cumulative total of <sup>1</sup>**[\$12,000,000]**  
5 \$2,000,000<sup>1</sup> in State fiscal year <sup>1</sup>**[2024]** 2025<sup>1</sup> and in State each fiscal  
6 year thereafter to apply against the tax imposed pursuant to section 5  
7 of P.L.1945, c.162 (C.54:10A-5) and the tax imposed pursuant to the  
8 “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et seq. If the  
9 cumulative total amount of tax credits allowed to taxpayers for taxable  
10 years or privilege period commencing during a single fiscal year under  
11 subsection a. of this section and subsection a. of section <sup>1</sup>**[5]** 6<sup>1</sup> of  
12 P.L. , c. (C. ) (pending before the Legislature as this bill)  
13 exceeds the amount of tax credits available in that fiscal year, then  
14 taxpayers who have first applied for and have not been allowed a tax  
15 credit for that reason shall be allowed, in the order in which they have  
16 submitted an application, the amount of tax credit on the first day of  
17 the next succeeding fiscal year in which tax credits under subsection a.  
18 of this section and subsection a. of section <sup>1</sup>**[5]** 6<sup>1</sup> of  
19 P.L. , c. (C. ) (pending before the Legislature as this bill) are not  
20 in excess of the amount of credits available.

21 e. A taxpayer shall submit to the department a report to verify the  
22 taxpayer’s tax credit claim. The report shall include a certification  
23 from an institution of higher education, a comprehensive high school,  
24 a county vocational school, or a nonprofit organization that the  
25 assistance was used for an approved pre-employment and work  
26 readiness training program, and shall include such other information as  
27 the department may require. The certification shall be provided to the  
28 taxpayer and a copy of the certification shall be provided to the  
29 director and included in the filing of a return that includes a claim for a  
30 tax credit allowed pursuant to this section.

31  
32 <sup>1</sup>**[7.]** 8<sup>1</sup> Following two years from the effective date of this  
33 act, the Department of State shall prepare, or cause to be prepared,  
34 an appropriate study and analysis of the efficacy of the training  
35 programs and tax credits, including but not limited to, employment  
36 and education outcomes of participants and the costs and benefits of  
37 the programs and tax credits to the State. Upon its completion,  
38 copies of the report shall be transmitted to the Governor and the  
39 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1).

40  
41 <sup>1</sup>**[8.]** 9<sup>1</sup> There is appropriated from the General Fund to the  
42 Department of Labor and Workforce Development <sup>1</sup>**[\$3 million]**  
43 \$1,000,000<sup>1</sup> to implement the provisions and to effectuate the  
44 purposes of this act.

45  
46 <sup>1</sup>**[9.]** 10<sup>1</sup> The Commissioner of Labor and Workforce  
47 Development shall, in consultation with the Director of the Division of



1 Taxation <sup>1</sup>and the Commissioner of Education<sup>1</sup>, adopt rules and  
2 regulations pursuant to the “Administrative Procedure Act,” P.L.1968,  
3 c.410 (C.52:14B-1 et seq.), to effectuate the purposes of this act.

4

5 <sup>1</sup>~~10.~~ 11.<sup>1</sup> This act shall take effect 180 days following the date  
6 of enactment, and sections <sup>1</sup>~~5~~ 6<sup>1</sup> and <sup>1</sup>~~6~~ 7<sup>1</sup> shall apply to privilege  
7 periods and taxable years beginning on or after the January 1 next  
8 following the effective date.