

**ASSEMBLY, No. 4558**

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**STATE OF NEW JERSEY**

**221st LEGISLATURE**

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INTRODUCED JUNE 13, 2024

**Sponsored by:**

**Assemblyman CHRIS TULLY**

**District 38 (Bergen)**

**Assemblyman WILLIAM B. SAMPSON, IV**

**District 31 (Hudson)**

**Assemblyman ROBERT J. KARABINCHAK**

**District 18 (Middlesex)**

**Co-Sponsored by:**

**Assemblymen Miller, Atkins, Assemblywomen Murphy and Speight**

**SYNOPSIS**

Establishes Next New Jersey Program for artificial intelligence investments.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/28/2024)**

1 AN ACT concerning the development of artificial intelligence  
2 innovations, ventures, and facilities, and amending and  
3 supplementing P.L.2020, c.156.

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

7  
8 1. (New section) P.L. , c. (C. ) (pending before the  
9 Legislature as this bill) shall be known and may be cited as the  
10 "Next New Jersey Program Act."

11  
12 2. (New section) As used in P.L. , c. (C. ) (pending  
13 before the Legislature as this bill):

14 "Affiliate" means an entity that directly or indirectly controls, is  
15 under common control with, or is controlled by an eligible business.  
16 Control exists in all cases in which the entity is a member of a  
17 controlled group of corporations as defined pursuant to section 1563  
18 of the federal Internal Revenue Code (26 U.S.C. s.1563) or the  
19 entity is an organization in a group of organizations under common  
20 control that is subject to the regulations applicable to organizations  
21 pursuant to subsection (b) or (c) of section 414 of the federal  
22 Internal Revenue Code (26 U.S.C. s.414). An eligible business may  
23 establish by clear and convincing evidence, as determined by the  
24 authority, that control exists in situations involving lesser  
25 percentages of ownership than required by the above referenced  
26 federal statutes if the eligible business shall have control, at a  
27 minimum, of all aspects of compliance with this program. An  
28 affiliate of an eligible business may contribute towards the capital  
29 investment requirement and may satisfy the requirement for site  
30 control during construction and the eligibility period, but in no  
31 event shall the tax credit certificate be issued to any affiliate.

32 "AI data center" means a facility specifically to handle the  
33 demanding computational needs of artificial intelligence  
34 applications, designed for tasks like machine learning training, deep  
35 learning algorithms, and complex data analysis, whose services are  
36 the storage, management, and processing of digital data; that is used  
37 to house: computer and network systems, including associated  
38 components such as servers, network equipment and appliances,  
39 telecommunications, and data storage systems; systems for  
40 monitoring and managing infrastructure performance; Internet-  
41 related equipment and services; data communications connections;  
42 environmental controls; fire protection systems; and security  
43 systems and services specifically for artificial intelligence  
44 applications.

**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 "Artificial intelligence" or "AI" means the development of  
2 software and hardware, and the end-use application of technologies  
3 that are able to perform tasks normally requiring human  
4 intelligence, including, but not limited to, visual perception, speech  
5 recognition, decision-making, translation between languages, and  
6 generative artificial intelligence, which generates new content in  
7 response to user inputs of data.

8 "Authority" means the New Jersey Economic Development  
9 Authority established by section 4 of P.L.1974, c.80 (C.34:1B-4).

10 "Board" means the Board of the New Jersey Economic  
11 Development Authority, established by section 4 of P.L.1974, c.80  
12 (C.34:1B-4).

13 "Building services" means any cleaning or routine building  
14 maintenance work, including but not limited to sweeping,  
15 vacuuming, floor cleaning, cleaning of rest rooms, collecting refuse  
16 or trash, window cleaning, securing, patrolling, or other work in  
17 connection with the care or securing of an existing building,  
18 including services typically provided by a door-attendant or  
19 concierge. "Building services" shall not include any skilled  
20 maintenance work, professional services, or other public work for  
21 which a contractor is required to pay the "prevailing wage" as  
22 defined in section 2 of P.L.1963, c.150 (C.34:11-56.26).

23 "Business" means an applicant proposing to own or lease  
24 premises in a qualified business facility that is: a corporation that is  
25 subject to the tax imposed pursuant to section 5 of P.L.1945, c.162  
26 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and  
27 C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or  
28 N.J.S.17B:23-5, or is a partnership, S corporation, limited liability  
29 company, or non-profit corporation. A business shall include an  
30 affiliate of the business if that business applies for a credit based  
31 upon any capital investment made by or full-time employees of an  
32 affiliate. If the business or tenant is a cooperative or part of a  
33 cooperative, then the cooperative may qualify for credits by  
34 counting the full-time employees and capital investments of its  
35 member organizations, and the cooperative may distribute credits to  
36 its member organizations. If the business or tenant is a cooperative  
37 that leases to its member organizations, the lease shall be treated as  
38 a lease to an affiliate or affiliates.

39 "Capital investment" means expenses that a business or an  
40 affiliate of the business incurs, or is incurred on behalf of the  
41 business or affiliate by its landlord, following its submission of an  
42 application to the authority pursuant to section 5 of  
43 P.L. , c. (C. ) (pending before the Legislature as this bill),  
44 but prior to the project completion date, as shall be defined in the  
45 project agreement, for: a. site preparation and construction, repair,  
46 renovation, improvement, equipping, or furnishing on real property  
47 or of a building, structure, facility, or improvement to real property;  
48 b. obtaining and installing furnishings and machinery, apparatus, or

1 equipment, including but not limited to computer systems,  
2 hardware, software, and equipment and material goods subject to  
3 bonus depreciation under sections 168 and 179 of the federal  
4 Internal Revenue Code (26 U.S.C. ss.168 and 179), for the  
5 operation of a business on real property or in a building, structure,  
6 facility, or improvement to real property; or any combination of the  
7 foregoing.

8 "Commitment period" means a period that is no less than two  
9 times the eligibility period specified in the project agreement  
10 entered into pursuant to section 6 of P.L. , c. (C. ) (pending  
11 before the Legislature as this bill).

12 "Eligibility period" means the period in which an eligible  
13 business may claim a tax credit under the program, beginning with  
14 the tax period in which the authority accepts certification of the  
15 eligible business that it has met the capital investment and  
16 employment requirements of the program and extending thereafter  
17 for a term of five years.

18 "Eligible business" means any business that satisfies the criteria  
19 set forth in section 4 of P.L. , c. (C. ) (pending before the  
20 Legislature as this bill) at the time of application for tax credits  
21 under the program.

22 "Eligible position" or "full-time job" means a full-time position  
23 in a business in this State which a business has filled with a full-  
24 time employee who is paid no less than 120 percent of the median  
25 salary for the county in which the project is located and for which  
26 the business provides employee health benefits under a group health  
27 plan as defined under section 14 of P.L.1997, c.146 (C.17B:27-54),  
28 a health benefits plan as defined under section 1 of P.L.1992, c.162  
29 (C.17B:27A-17), or a policy or contract of health insurance  
30 covering more than one person issued pursuant to Article 2 of  
31 Chapter 27 of Title 17B of the New Jersey Statutes; provided,  
32 however, the requirement that employee health benefits are to be  
33 provided shall be deemed to be satisfied if the benefits are provided  
34 by the business or pursuant to a collective bargaining agreement, no  
35 later than 90 days of employee start date, under a health benefits  
36 plan authorized pursuant to State or federal law. An eligible  
37 position shall not include an independent contractor or a consultant.

38 "Full-time employee" means a person:

39 a. who is employed by a business for consideration for at least  
40 35 hours a week, or who renders any other standard of service  
41 generally accepted by custom or practice as full-time employment,  
42 and whose wages are subject to withholding as provided in the  
43 "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq.; or

44 b. who is employed by a professional employer organization  
45 pursuant to an employee leasing agreement between the business  
46 and the professional employer organization, pursuant to P.L.2001,  
47 c.260 (C.34:8-67 et seq.) for at least 35 hours a week, or who  
48 renders any other standard of service generally accepted by custom

1 or practice as full-time employment, and whose wages are subject  
2 to withholding as provided in the "New Jersey Gross Income Tax  
3 Act," N.J.S.54A:1-1 et seq.; or

4 c. who is a resident of another State, but whose income is not  
5 subject to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1  
6 et seq., due to a reciprocity agreement with the other state, or who  
7 is a partner of a business who works for the partnership for at least  
8 35 hours a week, or who renders any other standard of service  
9 generally accepted by custom or practice as full-time employment,  
10 and whose distributive share of income, gain, loss, or deduction, or  
11 whose guaranteed payments, or any combination thereof, is subject  
12 to the payment of estimated taxes, as provided in the "New Jersey  
13 Gross Income Tax Act," N.J.S.54A:1-1 et seq., due to a reciprocity  
14 agreement with the other state.

15 A "full-time employee" shall include, but shall not be limited to,  
16 an employee that has been hired by way of a labor union hiring hall  
17 or its equivalent. 35 hours of employment per week in the State  
18 shall constitute one "full-time employee," regardless of whether or  
19 not the hours of work were performed by one or more persons.

20 "Full-time employee" shall not include any person who works as  
21 an independent contractor or on a consulting basis for the business  
22 or a contract worker.

23 "Minimum environmental and sustainability standards" means  
24 standards established by the authority in accordance with the green  
25 building manual prepared by the Commissioner of Community  
26 Affairs pursuant to section 1 of P.L.2007, c.132 (C.52:27D-130.6),  
27 regarding the use of renewable energy, energy-efficient technology,  
28 and non-renewable resources to reduce environmental degradation  
29 and encourage long-term cost reduction.

30 "New full-time job" means an eligible position created by a  
31 business, following approval of such business's application by the  
32 board, that did not previously exist in this State. For the purposes  
33 of determining the number of new full-time jobs, the eligible  
34 positions of an affiliate shall be considered eligible positions of the  
35 business.

36 "Partnership" means an entity classified as a partnership for  
37 federal income tax purposes.

38 "Professional employer organization" means an employee leasing  
39 company registered with the Department of Labor and Workforce  
40 Development pursuant to P.L.2001, c.260 (C.34:8-67 et seq.).

41 "Program" means the Next New Jersey Program established by  
42 section 3 of P.L. , c. (C. ) (pending before the Legislature as  
43 this bill).

44 "Project" means the capital investment at a qualified business  
45 facility and the employment commitment pursuant to the project  
46 agreement.

1 "Project agreement" means the contract executed between an  
2 eligible business and the authority pursuant to section 6 of P.L. ,  
3 c. (C. ) (pending before the Legislature as this bill), which  
4 sets forth the terms and conditions under which the eligible business  
5 may receive the tax credits authorized pursuant to the program.

6 "Qualified business facility" means any building, complex of  
7 buildings, or structural components of buildings, and all machinery  
8 and equipment located therein, used in connection with the  
9 operation of an eligible business.

10 "Technology startup company" means a for-profit business  
11 located in the State that has been in operation fewer than seven  
12 years and is developing or possesses a proprietary technology or  
13 business method of a high technology or life science-related  
14 product, process, or service, which proprietary technology or  
15 business method the business intends to move to commercialization.  
16 The business shall be deemed to have begun operation on the date  
17 that the business first hired at least one employee in a full-time  
18 position.

19  
20 3. (New section) a. The Next New Jersey Program is hereby  
21 established as a program under the jurisdiction of the New Jersey  
22 Economic Development Authority. The authority shall administer  
23 the program to attract new investment to New Jersey in key  
24 industries, create new jobs and economic opportunities, and  
25 position New Jersey as a leader in the innovation economy. The  
26 board may approve the award of tax credits to an eligible business  
27 upon application of the chief executive officer, or equivalent  
28 officer, of the eligible business and following the payment of fees,  
29 subject to the limitations set forth in subsection b. of this section.

30 b. The value of all tax credits approved by the authority for  
31 businesses eligible pursuant to section 4 of P.L. , c. (C. )  
32 (pending before the Legislature as this bill) shall be subject to the  
33 limitations set forth in section 98 of P.L.2020, c.156 (C.34:1B-362).  
34

35 4. (New section) a. Beginning on the effective date of P.L. ,  
36 c. (C. ) (pending before the Legislature as this bill), but prior  
37 to March 1, 2029, to be eligible for tax credits under the program, a  
38 business's chief executive officer, or equivalent officer, shall  
39 demonstrate to the authority at the time of application that:

40 (1) the business will make, acquire, or lease a capital investment  
41 at the qualified business facility equal to or greater than the  
42 applicable amount set forth in subsection b. of this section;

43 (2) the business will create new full-time jobs in the State in an  
44 amount equal to or greater than the applicable number set forth in  
45 subsection c. of this section;

46 (3) the business or its division is primarily engaged in the  
47 artificial intelligence industry or the large-scale artificial  
48 intelligence data center industry. A business or its division shall be

1 considered to be primarily engaged in an industry set forth herein if  
2 more than 50 percent of the business's employees are engaged in  
3 AI-related activities or more than 50 percent of the business's  
4 revenue is generated from AI-related activities, or both; provided,  
5 however, the use of AI applications in the furtherance of a  
6 business's own operations shall not be considered in determining  
7 whether a business or division is primarily engaged in artificial  
8 intelligence or large-scale artificial intelligence data centers. AI-  
9 related activities include, but are not limited to: developing new AI  
10 algorithms and techniques, such as machine learning, natural  
11 language processing, and computer vision; creating AI-powered  
12 software and hardware products for various applications; medical  
13 AI modelling or programing; development of AI chatbots for  
14 customer service; AI development for vehicles, and collecting,  
15 storing, and managing the vast amount of data needed to train and  
16 use AI models;

17 (4) the business will enter into a collaborative relationship,  
18 evidenced by the provision of price concessions, artificial  
19 intelligence support services, or other measures determined  
20 appropriate by the authority, with New Jersey-based public or  
21 private research universities or technology startup companies, or  
22 both;

23 (5) the qualified business facility shall be in compliance with  
24 minimum environmental and sustainability standards;

25 (6) for construction contracts valued in excess of \$2,000, the  
26 project shall comply with the authority's affirmative action  
27 requirements, adopted pursuant to section 4 of P.L.1979, c.303  
28 (C.34:1B-5.4); and

29 (7) each worker employed to perform construction work in  
30 connection with a capital improvement or building services work at  
31 the qualified business facility shall be paid not less than the  
32 prevailing wage rate for the worker's craft or trade, as determined  
33 by the Commissioner of Labor and Workforce Development  
34 pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.) and P.L.2005,  
35 c.379 (C.34:11-56.58 et seq.).

36 b. The minimum capital investment at the qualified business  
37 facility required to be eligible under the program shall be  
38 \$100,000,000.

39 c. The minimum number of new full-time jobs in the State  
40 required to be eligible under the program shall be 100 new full-time  
41 jobs.

42 d. The chief executive officer of the business, or an equivalent  
43 officer, shall certify that all factual representations made by the  
44 business to the authority pursuant to subsection a. of this section are  
45 true under the penalty of perjury.

46 e. A business shall not be awarded a tax credit pursuant to the  
47 program if the business receives a tax credit pursuant to the  
48 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156

1 (C.34:1B-336 et al.), or section 6 of P.L.2010, c.57 (C.34:1B-  
2 209.4), relating to the same capital investment and employees that  
3 qualify the business for a tax credit under the program.

4 f. A business eligible pursuant to this section may submit an  
5 application to the authority in accordance with the provisions of  
6 section 5 of P.L. , c. (C. ) (pending before the Legislature  
7 as this bill) on or after the effective date of P.L. , c. (C. )  
8 (pending before the Legislature as this bill) but prior to March 1,  
9 2029.

10

11 5. (New section) a. A business that meets the eligibility  
12 criteria in section 4 of P.L. , c. (C. ) (pending before the  
13 Legislature as this bill) and is seeking tax credits for a project under  
14 the program shall submit an application for approval of the project  
15 to the authority in a form and manner prescribed by the authority.

16 b. (1) Before the board may consider an eligible business's  
17 application for tax credits, the authority shall confirm with the  
18 Department of Labor and Workforce Development, the Department  
19 of Environmental Protection, and the Department of the Treasury  
20 whether the eligible business is in substantial good standing with  
21 the respective department, or, if necessary, has entered into an  
22 agreement with the respective department that includes a practical  
23 corrective action plan for the eligible business. The business entity  
24 shall certify that contractors or subcontractors that will perform  
25 work at the qualified business facility: are registered as required by  
26 "The Public Works Contractor Registration Act," P.L.1999, c.238  
27 (C.34:11-56.48 et seq.); have not been debarred by the Department  
28 of Labor and Workforce Development from engaging in or bidding  
29 on Public Works Contracts in the State; and possess a tax clearance  
30 certificate issued by the Division of Taxation in the Department of  
31 the Treasury. The authority may also contract with an independent  
32 third party to perform a background check on the eligible business.

33 c. An eligible business shall pay to the authority the full  
34 amount of the direct costs of an analysis concerning the eligible  
35 business's application for a tax credit, which a third party retained  
36 by the authority performs, if the authority deems such retention to  
37 be necessary. The authority shall have the discretion to waive all or  
38 a portion of the costs of application for a small business.

39 d. If at any time during the eligibility period the authority  
40 determines that the eligible business made a material  
41 misrepresentation on the eligible business's application, the eligible  
42 business shall forfeit all tax credits awarded under the program,  
43 which shall be in addition to any other criminal or civil penalties to  
44 which the business and the officer may be subject.

45 e. If circumstances require an eligible business to amend its  
46 application to the authority, then the chief executive officer of the  
47 eligible business, or an equivalent officer, shall certify to the



1 authority that the information provided in its amended application is  
2 true under the penalty of perjury.

3 f. Nothing shall preclude a business from applying for tax  
4 credits under the program for more than one project pursuant to one  
5 or more applications.

6  
7 6. (New section) a. Following board approval, within a time  
8 established by the authority and prior to the authority and an  
9 eligible business executing a project agreement, the eligible  
10 business shall demonstrate that it has obtained site plan approval  
11 and has committed financing for, and established site control of, the  
12 qualified business facility. The chief executive officer of the  
13 business, or an equivalent officer, shall certify that all factual  
14 representations made by the business to the authority pursuant to  
15 this subsection are true under the penalty of perjury.

16 b. Following approval by the board and compliance with the  
17 provisions of subsection a. of this section, but before the issuance of  
18 tax credits, the authority shall require an eligible business to enter  
19 into a project agreement. The terms of the project agreement shall  
20 be consistent with the eligibility requirements of section 4 of  
21 P.L. , c. (C. ) (pending before the Legislature as this bill),  
22 and shall include, but not be limited to, the following:

23 (1) a detailed description of the proposed project that will result  
24 in job creation, and the number of new full-time jobs that are  
25 approved for tax credits;

26 (2) any personnel information that will enable the authority to  
27 administer the program;

28 (3) a requirement that the eligible business maintain the project  
29 at a location in New Jersey for the commitment period and a  
30 provision to permit the authority to recapture all or part of any tax  
31 credits awarded, at its discretion, if the eligible business does not  
32 maintain the project at a location in New Jersey for the commitment  
33 period;

34 (4) a requirement that the eligible business maintain the number  
35 of new full-time jobs, or the salaries thereof, to which the eligible  
36 business certified at the commencement of the eligibility period and  
37 a provision to permit the authority to proportionally reduce the tax  
38 credit award in any tax period in which the number of new full-  
39 time jobs, or the salaries thereof, is reduced below the new full-time  
40 jobs to which the eligible business certified at the commencement  
41 of the eligibility period;

42 (5) a method for the eligible business to certify that it has met  
43 the capital investment and employment requirements of the program  
44 set forth in subsections b. and c. of section 4 of  
45 P.L. , c. (C. ) (pending before the Legislature as this bill)  
46 and to report annually to the authority the number of new full-time  
47 jobs, and the salaries thereof, for which the tax credits are to be  
48 allowed;

1 (6) representations that the eligible business is in substantial  
2 good standing with the Department of Environmental Protection,  
3 the Department of Labor and Workforce Development, and the  
4 Department of the Treasury or has entered into an agreement with  
5 the departments that includes a practical corrective action plan, and  
6 the project complies with all applicable laws, and specifically, that  
7 the project does not violate any environmental law;

8 (7) a provision permitting an audit of the payroll records of the  
9 business from time to time, as the authority deems necessary;

10 (8) a provision that the chief executive officer of the authority  
11 receives annual reports from the eligible business and that allows  
12 the authority to confirm that the eligible business is in substantial  
13 good standing with the Department of Environmental Protection,  
14 the Department of Labor and Workforce Development, and the  
15 Department of the Treasury, or has entered into an agreement with  
16 the respective department that includes a practical corrective action  
17 plan. As part of the annual reports required by this paragraph, the  
18 eligible business shall confirm that each contractor or subcontractor  
19 performing work at the qualified business facility: is registered as  
20 required by "The Public Works Contractor Registration Act,"  
21 P.L.1999, c.238 (C.34:11-56.48 et seq.); has not been debarred by  
22 the Department of Labor and Workforce Development from  
23 engaging in or bidding on Public Works Contracts in the State; and  
24 possesses a tax clearance certificate issued by the Division of  
25 Taxation in the Department of the Treasury. If the eligible business  
26 does not submit the report required under this paragraph, if the  
27 Department of Environmental Protection, the Department of Labor  
28 and Workforce Development, and the Department of the Treasury  
29 advises that the eligible business is neither in substantial good  
30 standing nor has entered into a practical corrective action plan, or if  
31 the eligible business fails to confirm that each contractor or  
32 subcontractor is in compliance with this paragraph, then the eligible  
33 business may forfeit the issuance of tax credits, pending resolution  
34 of the underlying violations or other issues;

35 (9) a requirement for the eligible business to engage in on-site  
36 consultations with the Division of Workplace Safety and Health in  
37 the Department of Health;

38 (10) a provision permitting the authority to amend the  
39 agreement; and

40 (11) a provision establishing the conditions under which the  
41 authority, the eligible business, or both, may terminate the  
42 agreement.

43 c. (1) The authority may recapture all or part of a tax credit  
44 awarded if an eligible business does not remain in compliance with  
45 the requirements of a project agreement for the duration of the  
46 commitment period. A recapture pursuant to this subsection may  
47 include interest on the recapture amount, at a rate equal to the  
48 statutory rate for corporate business or insurance premiums tax

1 deficiencies, plus any statutory penalties, and all costs incurred by  
2 the authority and the Division of Taxation in the Department of the  
3 Treasury in connection with the pursuit of the recapture, including,  
4 but not limited to, counsel fees, court costs, and other costs of  
5 collection. Failure of the eligible business to meet any program  
6 criteria shall constitute a default and shall result in the recapture of  
7 all or part of the tax credit awarded.

8 (2) If all or part of a tax credit sold or assigned pursuant to  
9 section 8 of P.L. , c. (C. ) (pending before the Legislature  
10 as this bill) is subject to recapture, then the authority shall pursue  
11 recapture from the eligible business and not from the purchaser or  
12 assignee of the tax credit transfer certificate. The purchaser or  
13 assignee of a tax credit transfer certificate shall be subject to any  
14 limitations and conditions that apply to the use of the tax credits by  
15 the eligible business.

16 (3) Any funds recaptured pursuant to this subsection, including  
17 penalties and interest, shall be deposited into the General Fund.

18 d. A business may include an affiliate for any period, provided  
19 that the business provides a valid tax clearance certificate for the  
20 affiliate and a verification of the nature of the affiliate relationship  
21 during the relevant period, and provided further that the affiliate  
22 provides acceptable responses to the authority's legal disclosures  
23 inquiries, as determined by the authority. A formal modification of  
24 the authority's approval of the project agreement shall not be  
25 necessary to add or remove an affiliate after approval or execution  
26 of the project agreement.

27 e. A business may change its name filed with the authority by  
28 providing a copy of the filed amendment to the certificate of  
29 incorporation or formation, as the case may be, of the business and  
30 a valid tax clearance certificate with the business's new name. A  
31 formal modification of the authority's approval shall not be  
32 necessary to change a business's name after approval or execution  
33 of the project agreement.

34  
35 7. (New section) a. Upon completion of the capital investment  
36 and employment requirements of the program, an eligible business  
37 shall submit to the authority certifications evidencing that the  
38 eligible business has satisfied the conditions relating to the capital  
39 investment and employment requirements of the project agreement  
40 with supporting evidence satisfactory to the authority. The chief  
41 executive officer of the business, or an equivalent officer, shall  
42 certify that all factual representations made by the business to the  
43 authority pursuant to this subsection are true under the penalty of  
44 perjury.

45 b. (1) In accordance with the project agreement, beginning  
46 upon the receipt of occupancy permits for any portion of the  
47 project, or upon any other event evidencing project completion as  
48 set forth in the project agreement, an eligible business shall be

1 allowed a tax credit in an amount determined pursuant to paragraph  
2 (2) of this subsection. No more than the amount of tax credits equal  
3 to the total credit amount awarded under the program divided by the  
4 duration of the eligibility period in years may be taken in any tax  
5 period.

6 (2) The amount of the tax credit allowed under the program to  
7 an eligible business shall be the lesser of:

8 (a) the product of 0.1 percent of the eligible business's total  
9 capital investment multiplied by the number of new full-time jobs;

10 (b) 25 percent of the eligible business's total capital investment;

11 or

12 (c) \$250,000,000.

13 c. (1) An eligible business which is awarded tax credits under  
14 the program shall submit annually, no later than the date indicated  
15 in the project agreement, commencing in the year in which the grant  
16 of tax credits is issued and for the remainder of the commitment  
17 period, a report that indicates that the eligible business continues to  
18 maintain the number of new full-time jobs, and the salaries thereof,  
19 specified in the project agreement. As part of the annual report  
20 required pursuant to this subsection, an eligible business shall  
21 provide to the authority a copy of its applicable New Jersey tax  
22 return showing business income and withholdings as a condition of  
23 its continuation in the program, and the quarterly wage report  
24 required under R.S.43:21-14 submitted to the Department of Labor  
25 and Workforce Development, together with an annual payroll report  
26 showing: the new full-time jobs which were created in accordance  
27 with the project agreement and the new full-time jobs created  
28 during each subsequent year of the commitment period. The failure  
29 of an eligible business to submit to the authority a copy of its  
30 annual payroll report or submit the quarterly wage report in  
31 accordance with the provisions of this subsection during the  
32 eligibility period shall result in the forfeiture of the award for that  
33 year. An eligible business shall explain, in the reports required by  
34 this subsection, the reason for any discrepancies between the annual  
35 payroll report submitted by the eligible business and the quarterly  
36 wage report. The chief executive officer of the eligible business, or  
37 an equivalent officer, shall certify that the information provided  
38 pursuant to this paragraph is true under the penalty of perjury.  
39 Claims, records, or statements submitted by an eligible business to  
40 the authority in order to receive tax credits shall not be considered  
41 claims, records, or statements made in connection with State tax  
42 laws.

43 (2) Upon receipt and review of each report submitted during the  
44 eligibility period, the authority shall provide to the eligible business  
45 and the director a certificate of compliance indicating the amount of  
46 tax credits that the eligible business may apply against its tax  
47 liability. The authority shall pro rate the tax credit for the first and  
48 last years of the eligibility period based on the number of full

1 months the project was certified in the year the eligible business  
2 first certifies.

3 d. (1) Upon receipt by the director of the certificate of  
4 compliance, the director shall allow the eligible business a tax  
5 credit. The eligible business may apply the credit allowed by the  
6 director against the eligible business's tax liability for the tax period  
7 in which the director allowed the tax credit, or may carry forward  
8 the credit for use by the eligible business in any of the next 10  
9 successive tax periods, which credit shall expire thereafter.

10 (2) The amount of credit allowed may be applied against the tax  
11 liability otherwise due pursuant to section 5 of P.L.1945, c.162  
12 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and  
13 C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or  
14 N.J.S.17B:23-5.

15 (3) The director shall prescribe the order of priority of the  
16 application of the credit allowed under this section and any other  
17 credits allowed by law against the tax imposed under section 5 of  
18 P.L.1945, c.162 (C.54:10A-5). The amount of a credit applied  
19 under this section against the tax imposed pursuant to section 5 of  
20 P.L.1945, c.162 (C.54:10A-5) for a privilege period, together with  
21 any other credits allowed by law, shall not reduce the tax liability to  
22 an amount less than the statutory minimum provided in subsection  
23 (e) of section 5 of P.L.1945, c.162 (C.54:10A-5).

24 e. An eligible business shall forfeit the credit amount for any  
25 tax period for which the eligible business's documentation remains  
26 uncertified as of the date for certification indicated in the project  
27 agreement, although credit amounts for the remainder of the years  
28 of the eligibility period shall remain available to the eligible  
29 business.

30 f. If, in any tax period, the number of new employees in  
31 eligible positions, or the salaries thereof, drops below 80 percent of  
32 the number of new employees in eligible positions specified in the  
33 project agreement or required as a condition of program eligibility  
34 pursuant to section 4 of P.L. , c. (C. ) (pending before the  
35 Legislature as this bill), whichever is greater, then the eligible  
36 business shall forfeit its tax credit amount for that tax period and  
37 each subsequent tax period, until the first tax period for which  
38 documentation demonstrating the restoration of the number of new  
39 employees in eligible positions, or the salaries thereof, to 80 percent  
40 of the number specified in the project agreement or required as a  
41 condition of program eligibility pursuant to section 4 of P.L. , c.  
42 (C. ) (pending before the Legislature as this bill), whichever is  
43 greater, is reviewed and approved by the authority.

44  
45 8. (New section) a. An eligible business may apply to the  
46 director and the chief executive officer of the authority for a tax  
47 credit transfer certificate, within three years of the tax period in  
48 which the director allows the eligible business a tax credit, in lieu of

1 any amount of the tax credit against the eligible business's State tax  
2 liability. The tax credit transfer certificate, upon receipt thereof by  
3 the eligible business from the director and the chief executive  
4 officer of the authority, may be sold or assigned, in an amount not  
5 less than \$25,000, within three years of the tax period in which the  
6 eligible business receives the tax credit transfer certificate from the  
7 director, to another person that may have a tax liability pursuant to  
8 section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2 and 3 of  
9 P.L.1945, c.132 (C.54:18A-2 and 54:18A-3), section 1 of P.L.1950,  
10 c.231 (C.17:32-15), or N.J.S.17B:23-5. A purchaser or assignee of  
11 a tax credit transfer certificate pursuant to this section shall apply  
12 the transferred credit against the same tax for which the eligible  
13 business was approved a tax credit under the program. The tax  
14 credit transfer certificate provided to the eligible business shall  
15 include a statement waiving the eligible business's right to claim  
16 the credit that the eligible business has elected to sell or assign.

17 b. The eligible business shall not sell or assign a tax credit  
18 transfer certificate allowed under this section for consideration  
19 received by the eligible business of less than 85 percent of the  
20 transferred credit amount before considering any further  
21 discounting to present value which shall be permitted. The tax  
22 credit transfer certificate issued to the eligible business by the  
23 director shall be subject to any limitations and conditions imposed  
24 on the application of State tax credits pursuant to  
25 P.L. , c. (C. ) (pending before the Legislature as this bill)  
26 and any other terms and conditions that the director may prescribe.

27 c. A purchaser or assignee of a tax credit transfer certificate  
28 pursuant to this section shall not make any subsequent transfers,  
29 assignments, or sales of the tax credit transfer certificate.

30 d. The authority shall publish on its Internet website the  
31 following information concerning each tax credit transfer certificate  
32 approved by the authority and the director pursuant to this section:

- 33 (1) the name of the transferrer;
- 34 (2) the name of the transferee;
- 35 (3) the value of the tax credit transfer certificate;
- 36 (4) the State tax against which the transferee may apply the tax  
37 credit; and
- 38 (5) the consideration received by the transferrer.

39  
40 9. (New section) Notwithstanding the provisions of the  
41 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
42 seq.) to the contrary, the chief executive officer of the authority  
43 shall adopt, immediately, upon filing with the Office of  
44 Administrative Law, such rules and regulations as the chief  
45 executive officer deems necessary to implement the provisions of  
46 sections P.L. , c. (C. ) (pending before the Legislature as this  
47 bill), which rules and regulations shall be effective for a period not  
48 to exceed 365 days after the date of the filing. Before the

1 expiration of the rules and regulations, the chief executive officer  
2 shall amend, adopt, or readopt the rules and regulations in  
3 accordance with the requirements of the "Administrative Procedure  
4 Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

5

6 10. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to  
7 read as follows:

8 98. a. The combined value of all tax credits awarded under the  
9 "Historic Property Reinvestment Act," sections 2 through 8 of  
10 P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the  
11 "Brownfields Redevelopment Incentive Program Act," sections 9  
12 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287);  
13 the "New Jersey Innovation Evergreen Act," sections 20 through 34  
14 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food  
15 Desert Relief Act," sections 35 through 42 of P.L.2020, c.156  
16 (C.34:1B-303 through 34:1B-310); the "New Jersey Community-  
17 Anchored Development Act," sections 43 through 53 of P.L.2020,  
18 c.156 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire  
19 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-  
20 322 through 34:1B-335); the "Emerge Program Act," sections 68  
21 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of  
22 P.L.2010, c.57 (C.34:1B-209.4) **], and ]** ; the "Cultural Arts  
23 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.); and  
24 the "Next New Jersey Program Act," P.L. , c. (C. ) (pending  
25 before the Legislature as this bill) shall not exceed an overall cap of  
26 \$11.5 billion over a nine-year period, subject to the conditions and  
27 limitations set forth in this section. Of this \$11.5 billion, \$2.5  
28 billion shall be reserved for transformative projects approved under  
29 the Aspire Program.

30 b. (1) The total value of tax credits awarded under any  
31 constituent program of the "New Jersey Economic Recovery Act of  
32 2020," P.L.2020, c.156 (C.34:1B-269 et al.) **], and ]**, the "Cultural  
33 Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.),  
34 and the "Next New Jersey Program Act," P.L. , c. (C. )  
35 (pending before the Legislature as this bill), shall be subject to the  
36 following limitations, except as otherwise provided in subsection c.  
37 of this section:

38 (a) for tax credits awarded under the "Historic Property  
39 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156  
40 (C.34:1B-270 through 34:1B-276), the total value of tax credits  
41 annually awarded during each of the first six years of the nine-year  
42 period shall not exceed \$50 million;

43 (b) for tax credits awarded under the "Brownfields  
44 Redevelopment Incentive Program Act," sections 9 through 19 of  
45 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value  
46 of tax credits annually awarded during each of the first six years of  
47 the nine-year period shall not exceed \$50 million;

1 (c) for tax credits awarded under the "New Jersey Innovation  
2 Evergreen Act," sections 20 through 34 of P.L.2020, c.156  
3 (C.34:1B-288 through 34:1B-302), the total value of tax credits  
4 annually awarded during each of the first six years of the nine-year  
5 period shall not exceed \$60 million and the total value of tax credits  
6 awarded over the entirety of the nine-year period shall not exceed  
7 \$300,000,000;

8 (d) for tax credits awarded under the "Food Desert Relief Act,"  
9 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through  
10 34:1B-310), the total value of tax credits annually awarded during  
11 each of the first six years of the nine-year period shall not exceed  
12 \$40 million;

13 (e) for tax credits awarded under the "New Jersey Community-  
14 Anchored Development Act," sections 43 through 53 of P.L.2020,  
15 c.156 (C.34:1B-311 through 34:1B-321), and the "Cultural Arts  
16 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), the  
17 total value of tax credits awarded during the nine-year period shall  
18 not exceed \$1,200,000,000; provided, however, tax credits shall not  
19 be available under the "New Jersey Community-Anchored  
20 Development Act," sections 43 through 53 of P.L.2020, c.156  
21 (C.34:1B-311 through 34:1B-321), until January 1, 2026.  
22 Beginning January 1, 2026, the authority shall annually award tax  
23 credits under the "New Jersey Community-Anchored Development  
24 Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311  
25 through 34:1B-321), valuing no greater than \$130 million for  
26 projects located in the 13 northern counties of the State, and the  
27 authority shall annually award tax credits valuing no greater than  
28 \$70 million for projects located in the eight southern counties of the  
29 State. If during any year of operation of the "New Jersey  
30 Community-Anchored Development Act," sections 43 through 53 of  
31 P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), the authority  
32 awards tax credits pursuant to the program in an amount less than  
33 the annual limitation for projects located in northern counties or  
34 southern counties, as applicable, the uncommitted portion of the  
35 annual limitation shall be available to be deployed by the authority  
36 in a subsequent year without consideration to the county in which a  
37 project is located;

38 (f) for tax credits awarded under the "New Jersey Aspire  
39 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-  
40 322 through 34:1B-335), and the "Emerge Program Act," sections  
41 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not  
42 including tax credits awarded for transformative projects, the total  
43 value of tax credits annually awarded during each of the first six  
44 years of the nine-year period shall not exceed \$1.1 billion. If the  
45 authority awards tax credits in an amount less than the annual  
46 limitation, then the uncommitted portion of the annual limitation  
47 shall be made available for qualified offshore wind projects  
48 awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4),



1 pursuant to subparagraph (h) of this paragraph, projects awarded a  
2 tax credit pursuant to the "Next New Jersey Program Act," P.L. ,  
3 c. (C. ) (pending before the Legislature as this bill), pursuant  
4 to subparagraph (k) of this paragraph, or New Jersey studio partners  
5 and New Jersey film-lease production companies awarded under  
6 sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-  
7 12b), pursuant to subparagraph (i) of this paragraph and subsection  
8 d. of this section. During each of the first six years of the nine-year  
9 period, the authority shall annually award tax credits valuing no  
10 greater than \$715 million for projects located in the northern  
11 counties of the State, and the authority shall annually award tax  
12 credits valuing no greater than \$385 million for projects located in  
13 the southern counties of the State under the "New Jersey Aspire  
14 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-  
15 322 through 34:1B-335), and the "Emerge Program Act," sections  
16 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.). If during  
17 any of the first six years of the nine-year period, the authority  
18 awards tax credits under the "New Jersey Aspire Program Act,"  
19 sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through  
20 34:1B-335), and the "Emerge Program Act," sections 68 through 81  
21 of P.L.2020, c.156 (C.34:1B-336 et al.), in an amount less than the  
22 annual limitation for projects located in northern counties or  
23 southern counties, as applicable, the uncommitted portion of the  
24 annual limitation shall be available to be deployed by the authority  
25 in a subsequent year, provided that the uncommitted portion of tax  
26 credits shall be awarded for projects located in the applicable  
27 geographic area, except that (i) after the completion of the third  
28 year of the nine-year period, the authority may deploy 50 percent of  
29 the uncommitted portion of tax credits for any previous year  
30 without consideration to the county in which a project is located;  
31 and (ii) after the completion of the sixth year of the nine-year  
32 period, the authority may deploy all available tax credits, including  
33 the uncommitted portion of the annual limitation for any previous  
34 year, without consideration to the county in which a project is  
35 located;

36 (g) except as provided in subparagraph (j) of this paragraph, for  
37 tax credits awarded for transformative projects under the "New  
38 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,  
39 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax  
40 credits awarded during the nine-year period shall not exceed \$2.5  
41 billion. The total value of tax credits awarded for transformative  
42 projects in a given year shall not be subject to an annual limitation,  
43 except that the total value of tax credits awarded to any  
44 transformative project shall not exceed \$400 million;

45 (h) from the tax credits made available, pursuant to  
46 subparagraph (f) of this paragraph, to the "New Jersey Aspire  
47 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-  
48 322 through 34:1B-335), and the "Emerge Program Act," sections

1 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not  
2 including tax credits awarded for transformative projects, an  
3 amount not to exceed \$350,000,000 shall be made available for  
4 qualified offshore wind projects awarded a credit pursuant to  
5 section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three  
6 years of the nine-year period;

7 (i) beginning in fiscal year 2023, from the tax credits made  
8 available, pursuant to subparagraph (f) of this paragraph, to the  
9 "New Jersey Aspire Program Act," sections 54 through 67 of  
10 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the  
11 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156  
12 (C.34:1B-336 et al.), not including tax credits awarded for  
13 transformative projects, additional amounts shall be made available  
14 for New Jersey studio partners and New Jersey film-lease  
15 production companies pursuant to sections 1 and 2 of P.L.2018,  
16 c.56 (C.54:10A-5.39b and C.54A:4-12b); **[and]**

17 (j) beginning in fiscal year 2024, from the tax credits made  
18 available, pursuant to subparagraph (f) of this paragraph, to the  
19 "New Jersey Aspire Program Act," sections 54 through 67 of  
20 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge  
21 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-  
22 336 et al.), not including tax credits awarded for transformative  
23 projects, an amount not to exceed \$500,000,000 may be annually  
24 transferred for the award to transformative projects under the "New  
25 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,  
26 c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the  
27 remaining allocation of tax credits otherwise available for  
28 transformative projects, pursuant to subparagraph (g) of this  
29 paragraph, is less than \$1,000,000,000; and (ii) the authority board  
30 determines that the transfer of tax credits is warranted based on  
31 such criteria as the authority deems appropriate, which may include  
32 the criteria set forth in paragraph (2) of this subsection. If a transfer  
33 of tax credits is made pursuant to this subparagraph, the authority  
34 shall award no greater than 65 percent of the tax credits transferred  
35 pursuant to this subparagraph to transformative projects located in  
36 the northern counties of the State and no greater than 35 percent of  
37 the tax credits transferred pursuant to this subparagraph to  
38 transformative projects located in the southern counties of the State;  
39 and

40 (k) beginning in fiscal year 2025, from the tax credits made  
41 available, pursuant to subparagraph (f) of this paragraph, to the  
42 "New Jersey Aspire Program Act," sections 54 through 67 of  
43 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge  
44 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-  
45 336 et al.), but not including tax credits awarded for transformative  
46 projects, an amount not to exceed \$500,000,000 shall be made  
47 available for projects awarded a tax credit pursuant to the "Next

1 New Jersey Program Act," P.L. , c. (C. ) (pending before  
2 the Legislature as this bill).

3 (2) The authority may in any given year determine that it is in  
4 the State's interest to approve an amount of tax credits in excess of  
5 the annual limitations set forth in paragraph (1) of this subsection,  
6 but in no event more than \$200,000,000 in excess of the annual  
7 limitation, upon a determination by the authority board that such  
8 increase is warranted based on specific criteria that may include:

9 (i) the increased demand for opportunities to create or retain  
10 employment and investment in the State as indicated by the volume  
11 of project applications and the amount of tax credits being sought  
12 by those applications;

13 (ii) the need to protect the State's economic position in the event  
14 of an economic downturn;

15 (iii) the quality of project applications and the net economic  
16 benefit to the State and municipalities associated with those  
17 applications;

18 (iv) opportunities for project applications to strengthen or protect  
19 the competitiveness of the State under the prevailing market  
20 conditions;

21 (v) enhanced access to employment and investment for  
22 underserved populations in distressed municipalities and qualified  
23 incentives tracts;

24 (vi) increased investment and employment in high-growth  
25 technology sectors and in projects that entail collaboration with  
26 education institutions in the State;

27 (vii) increased development proximate to mass transit facilities;

28 (viii) any other factor deemed relevant by the authority.

29 c. In the event that the authority in any year approves projects  
30 for tax credits in an amount less than the annual limitations set forth  
31 in paragraph (1) of subsection b. of this section, then the  
32 uncommitted portion of the annual limitation shall be available to  
33 be deployed by the authority in future years for projects under the  
34 same program; provided however, that in no event shall the  
35 aggregate amount of tax credits approved be in excess of the overall  
36 cap of \$11.5 billion, and in no event shall the uncommitted portion  
37 of the annual limitation for any previous year be deployed after the  
38 conclusion of the nine-year period.

39 d. Notwithstanding the provisions of any other law to the  
40 contrary, the uncommitted balance of the total value of tax credits  
41 authorized for award by the authority pursuant to subparagraph (f)  
42 of paragraph (1) of subsection b. of this section to the "New Jersey  
43 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156  
44 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68  
45 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made  
46 available for tax credits allowed to New Jersey studio partners and  
47 New Jersey film-lease production companies pursuant to sections 1  
48 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b). The

1 value of tax credits, including tax credits allowed through the  
2 granting of tax credit transfer certificates, made available to New  
3 Jersey studio partners and New Jersey film-lease production  
4 companies pursuant to this subsection shall be as follows:

5 (1) in fiscal year 2023, \$250,000,000 for New Jersey studio  
6 partners and \$250,000,000 for New Jersey film-lease production  
7 companies;

8 (2) in fiscal year 2024, \$250,000,000 for New Jersey studio  
9 partners and \$250,000,000 for New Jersey film-lease production  
10 companies; and

11 (3) in fiscal year 2025, \$250,000,000 for New Jersey studio  
12 partners and \$250,000,000 for New Jersey film-lease production  
13 companies.

14 If the value of tax credits, including tax credits allowed through  
15 the granting of tax credit transfer certificates, approved to New  
16 Jersey studio partners and New Jersey film-lease production  
17 companies in any fiscal year pursuant to this subsection is less than  
18 the cumulative total amount of tax credits permitted to be approved  
19 in that fiscal year, the authority shall certify the amount of the  
20 remaining tax credits available for approval to each such category  
21 in that fiscal year, and shall increase the cumulative total amount of  
22 tax credits permitted to be approved for New Jersey studio partners  
23 and New Jersey film-lease production companies in the subsequent  
24 fiscal year by the certified amount remaining for each such category  
25 from the prior fiscal year.

26 (cf: P.L.2023, c.197, s.13)

27

28 11. This act shall take effect immediately.

29

30

31

## STATEMENT

32

33 This bill establishes the "Next New Jersey Program" within the  
34 New Jersey Economic Development Authority (EDA) and modifies  
35 certain provisions of the "New Jersey Economic Recovery Act of  
36 2020," P.L.2020, c.156 (C.34:1B-269 et al.).

37 The purpose of the Next New Jersey Program would be to attract  
38 new investment to New Jersey in the artificial intelligence (or "AI")  
39 industry and AI-related industries, create new jobs and economic  
40 opportunities, and to position New Jersey as a leader in the  
41 innovation economy.

42 Under the program, the EDA would provide tax credits to  
43 eligible businesses, following approval of an application by the  
44 EDA, to eligible AI businesses. Eligible AI businesses would  
45 include a business or division that is primarily engaged in the  
46 artificial intelligence industry or large-scale artificial intelligence  
47 data center industry. A business would be considered primarily  
48 engaged in such an industry if at least 50 percent of the business's

1 employees are engaged in AI-related activities, or at least 50  
2 percent of the business's revenue is generated from AI-related  
3 activities. The bill defines "artificial intelligence" or "AI" to mean  
4 the development of software and hardware, and the end-use  
5 application of technologies that are able to perform tasks normally  
6 requiring human intelligence, including, but not limited to, visual  
7 perception, speech recognition, decision-making, translation  
8 between languages, and generative artificial intelligence, which  
9 generates new content in response to user inputs of data.

10 The bill provides that an eligible business that executes a project  
11 agreement with the EDA pursuant to the provisions of the Next  
12 New Jersey Program may receive tax credits as authorized under the  
13 project agreement. The bill defines "project" to mean a capital  
14 investment at a qualified business facility and an employment  
15 commitment specified in the eligible business's project agreement.  
16 The bill defines "qualified business facility" to mean any building,  
17 complex of buildings, or structural components of buildings, and all  
18 machinery and equipment located therein, used in connection with  
19 the operation of an eligible business.

20 Under the bill, the amount of the tax credit allowed for a  
21 particular project would equal to the lesser of: (1) the product of  
22 0.1 percent of the eligible business's total capital investment  
23 multiplied by the number of new full-time jobs; (2) 25 percent of  
24 the eligible business's total capital investment; or (3) \$250 million.

25 The bill provides that up to \$500 million in tax credits, originally  
26 allocated for the New Jersey Aspire Program and the Emerge  
27 Program, be made available to eligible AI businesses under the  
28 Next New Jersey Program. Additionally, the bill provides that if  
29 the EDA awards less than the annual limitation of tax credits under  
30 the New Jersey Aspire Program and the Emerge Program, then the  
31 uncommitted credits would also be made available to eligible AI  
32 businesses under the Next New Jersey Program.