

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4704

STATE OF NEW JERSEY

DATED: JUNE 26, 2024

The Assembly Budget Committee reports favorably Assembly Bill No. 4704.

This bill imposes a 2.5 percent surtax, to be called the “Corporate Transit Fee,” on certain corporation business tax (CBT) taxpayers that have New Jersey allocated taxable net income in excess of \$10 million for privilege periods beginning on and after January 1, 2024 through December 31, 2028.

The bill defines “allocated taxable net income” to mean the same as the term “taxable net income” is defined in the Corporation Business Tax Act (C.54:10A-1 et seq.) for purposes of calculating a taxpayer’s CBT liability.

The Corporate Transit Fee would be imposed in addition to the taxpayer’s regular CBT liability, except that the surtax would not be imposed on any S corporation or public utility. No credits would be allowed against the corporate transit fee, except for credits for installment payments, estimated payments made with request for an extension of time for filing a return, or overpayments from prior privilege periods.

All revenue collected from the Corporate Transit Fee, except for amounts constitutionally dedicated for open space, farmland, and historic preservation, would be deposited into the General Fund and, beginning in State fiscal year 2026, appropriated annually to support New Jersey Transit’s operating expenses and to pay for the State’s matching funds required to receive federal funding for eligible New Jersey Transit capital projects.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.