

SENATE, No. 210

STATE OF NEW JERSEY

221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Senator JOHN F. MCKEON

District 27 (Essex and Passaic)

Co-Sponsored by:

Senators Diegnan and Johnson

SYNOPSIS

Provides corporation business tax and gross income tax credits for purchase and installation of electric vehicle charging stations and for commercial zero emission vehicle fleet conversions.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 2/5/2024)

1 **AN ACT** providing corporation business tax and gross income tax
2 credits for the purchase and installation of electric vehicle
3 charging stations and for commercial zero emission vehicle fleet
4 conversions, and supplementing P.L.1945, c.162 (C.54:10A-
5 1 et seq.) and Title 54A of the New Jersey Statutes.

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

9
10 1. a. For privilege periods beginning on or after January 1 next
11 following the effective date of P.L. , c. (C.) (pending before
12 the Legislature as this bill), and ending on or before December 31
13 of the fifth year following the effective date of P.L. , c. (C.)
14 (pending before the Legislature as this bill), a taxpayer shall be
15 allowed a credit against the tax imposed pursuant to section 5 of
16 P.L.1945, c.162 (C.54:10A-5) equal to:

17 (1) 50 percent of the amount paid during the privilege period
18 towards the purchase and installation of an electric vehicle charging
19 station that is used directly and exclusively by the taxpayer in the
20 taxpayer's business, trade, or occupation, or is made available for
21 use by tenants or guests at a multifamily or mixed-use property, or
22 \$1,000 per station, whichever amount is less; and

23 (2) 50 percent of the difference between the amount paid during
24 the privilege period towards the purchase of a qualified commercial
25 zero emission vehicle and the amount that would have been paid for
26 a comparable conventionally fueled vehicle, except that the credit
27 shall not exceed \$25,000 if the qualified commercial zero emission
28 vehicle weighs less than 14,000 pounds, \$50,000 if the vehicle
29 weighs 14,001 to 26,500 pounds, and \$100,000 if the vehicle
30 weighs more than 26,500 pounds.

31 b. (1) To qualify for the tax credits allowed pursuant to this
32 section, the taxpayer shall file an application for a certification from
33 the Commissioner of Environmental Protection. The application for
34 certification shall specifically indicate the date of purchase of the
35 electric vehicle charging station or qualified commercial zero
36 emission vehicle, the amount paid for the electric vehicle charging
37 station or qualified commercial zero emission vehicle, and, when
38 applicable, proof of completed installation of the charging station.
39 The commissioner shall prescribe the form for the application and
40 certification. The commissioner shall also provide a list of
41 comparable conventionally fueled vehicles for determining the
42 amount of the credit allowed pursuant to paragraph (2) of
43 subsection a. of this section.

44 (2) The Commissioner of Environmental Protection shall have
45 90 days from the date of receipt of a completed application to make
46 a determination as to the issuance of a certification.

47 (3) Upon certification, the Commissioner of Environmental
48 Protection shall submit a copy of the certification to the taxpayer
49 and the director. When filing a tax return that includes a claim for

1 the credit allowed pursuant to this section, the taxpayer shall
2 include a copy of the certification.

3 c. The director shall prescribe the order of priority of the
4 application of the credit allowed under this section and any other
5 credits allowed by law against the tax imposed under section 5 of
6 P.L.1945, c.162 (C.54:10A-5). The amount of the credit applied
7 under this section against the tax imposed pursuant to section 5 of
8 P.L.1945, c.162 (C.54:10A-5) for a privilege period, together with
9 any other credits allowed by law, shall not reduce the tax liability to
10 an amount less than the statutory minimum provided in subsection
11 (e) of section 5 of P.L.1945, c.162 (C.54:10A-5). The amount of
12 the tax credits otherwise allowable under this section that cannot be
13 applied for the privilege period may be carried forward, if
14 necessary, to the seven privilege periods following the privilege
15 period for which the tax credit was allowed.

16 d. As used in this section:

17 "Electric vehicle charging station" means a station that is
18 designed in compliance with the State Uniform Construction Code,
19 adopted pursuant to P.L.1975, c.217 (C.52:27D-119 et seq.), that
20 delivers electricity from a source outside an electric vehicle into
21 one or more electric vehicles, and that is capable of providing, at a
22 minimum, Level 2 charging. An electric vehicle charging station
23 may include several charge points simultaneously connecting
24 several electric vehicles to the station and any related equipment
25 needed to facilitate charging plug-in electric vehicles.

26 "Qualified commercial zero emission vehicle" means a vehicle
27 certified as a zero emission vehicle pursuant to the California Air
28 Resources Board zero emission vehicle standards for the applicable
29 model year and is used to transport commodities, merchandise,
30 produce, refuse, freight, animals, or passengers as part a taxpayer's
31 business, trade, or occupation, but shall not include an advanced
32 technology partial zero emission vehicle or a partial zero emission
33 vehicle.

34

35 2. a. For the taxable year beginning on January 1 next
36 following the effective date of P.L. , c. (C.) (pending before
37 the Legislature as this bill), and for the four taxable years thereafter,
38 a taxpayer shall be allowed a credit against the tax otherwise due
39 for the taxable year under the "New Jersey Gross Income Tax Act,"
40 N.J.S.54A:1-1 et seq. equal to:

41 (1) 50 percent of the amount paid during the taxable year
42 towards the purchase and installation of an electric vehicle charging
43 station that is used directly and exclusively by the taxpayer in the
44 taxpayer's business, trade, or occupation, at the taxpayer's primary
45 residence in this State, or is made available for use by tenants or
46 guests at a multifamily or mixed-use property, or \$1,000 per station,
47 whichever amount is less; and

48 (2) 50 percent of the difference between the amount paid during
49 the taxable year towards the purchase of a qualified commercial

1 zero emission vehicle and the amount that would have been paid for
2 a comparable conventionally fueled vehicle, except that the credit
3 shall not exceed \$25,000 if the qualified commercial zero emission
4 vehicle weighs less than 14,000 pounds, \$50,000 if the vehicle
5 weighs 14,001 to 26,500 pounds, and \$100,000 if the vehicle
6 weighs more than 26,500 pounds.

7 b. (1) To qualify for the tax credits allowed pursuant to this
8 section, the taxpayer shall file an application for a certification from
9 the Commissioner of Environmental Protection. The application for
10 certification shall specifically indicate the date of purchase of the
11 electric vehicle charging station or qualified commercial zero
12 emission vehicle, the amount paid for the electric vehicle charging
13 station or qualified commercial zero emission vehicle, and, when
14 applicable, proof of completed installation of the charging station.
15 The commissioner shall prescribe the form for the application and
16 certification. The commissioner shall also provide a list of
17 comparable conventionally fueled vehicles for determining the
18 amount of the credit allowed pursuant to paragraph (2) of
19 subsection a. of this section.

20 (2) The Commissioner of Environmental Protection shall have
21 90 days from the date of receipt of a completed application to make
22 a determination as to the issuance of a certification.

23 (3) Upon certification, the Commissioner of Environmental
24 Protection shall submit a copy of the certification to the taxpayer
25 and the director. When filing a tax return that includes a claim for
26 the credit allowed pursuant to this section, the taxpayer shall
27 include a copy of the certification.

28 c. The order of priority of the application of the credit allowed
29 pursuant to this section and any other credits allowed against the tax
30 due pursuant to N.J.S.54A:1-1 et seq. for a taxable year shall be as
31 prescribed by the director. The amount of the credit applied against
32 the tax due pursuant to N.J.S.54A:1-1 et seq. shall not reduce a
33 taxpayer's liability to an amount less than zero. The amount of the
34 tax credits otherwise allowable under this section that cannot be
35 applied for the taxable year may be carried forward, if necessary, to
36 the seven taxable years following the taxable year for which the tax
37 credit was allowed.

38 d. (1) A business entity that is classified as a partnership for
39 federal income tax purposes shall not be allowed a tax credit
40 pursuant to this section directly, but the amount of tax credit of a
41 taxpayer in respect to the distributive share of entity income, shall
42 be determined by allocating to the taxpayer that proportion of the
43 tax credit acquired by the entity that is equal to the taxpayer's share,
44 whether or not distributed, of the total distributive income or gain
45 of the entity for its taxable year ending within or with the taxpayer's
46 taxable year.

47 (2) A New Jersey S Corporation shall not be allowed a tax credit
48 pursuant to this section directly, but the amount of the tax credit of
49 a taxpayer in respect of a pro rata share of S Corporation income,

1 shall be determined by allocating to the taxpayer that proportion of
2 the tax credit acquired by the New Jersey S Corporation that is
3 equal to the taxpayer's share, whether or not distributed, of the total
4 pro rata share of S Corporation income of the New Jersey S
5 Corporation for its privilege period ending within or with the
6 taxpayer's taxable year.

7 e. As used in this section:

8 “Electric vehicle charging station” means a station that is
9 designed in compliance with the State Uniform Construction Code,
10 adopted pursuant to P.L.1975, c.217 (C.52:27D-119 et seq.), that
11 delivers electricity from a source outside an electric vehicle into
12 one or more electric vehicles, and that is capable of providing, at a
13 minimum, Level 2 charging. An electric vehicle charging station
14 may include several charge points simultaneously connecting
15 several electric vehicles to the station and any related equipment
16 needed to facilitate charging plug-in electric vehicles.

17 “Qualified commercial zero emission vehicle” means a vehicle
18 certified as a zero emission vehicle pursuant to the California Air
19 Resources Board zero emission vehicle standards for the applicable
20 model year and is used to transport commodities, merchandise,
21 produce, refuse, freight, animals, or passengers as part a taxpayer’s
22 business, trade, or occupation, but shall not include an advanced
23 technology partial zero emission vehicle or a partial zero emission
24 vehicle.

25
26 3. Notwithstanding any provision of the “Administrative
27 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.) to the
28 contrary, the Commissioner of Environmental Protection shall
29 adopt, immediately upon filing with the Office of Administrative
30 Law and no later than the 90th day after the effective date of this
31 act, such rules and regulations as the commissioner deems
32 necessary to implement the provisions of P.L. , c. (pending
33 before the Legislature as this bill), which regulations shall be
34 effective for a period not to exceed 18 months. The regulations
35 shall thereafter be amended, adopted, or readopted by the
36 commissioner in accordance with the provisions of P.L.1968, c.410
37 (C.52:14B-1 et seq.).

38
39 4. This act shall take effect immediately.
40
41

42 STATEMENT

43
44 This bill provides corporation business tax and gross income tax
45 credits for the purchase and installation of electric vehicle charging
46 stations and for the purchase of commercial zero emission vehicles.

47 The first component of the credit is based on the amount a taxpayer

1 pays to purchase and install an electric vehicle charging station at their
2 business, trade, or occupation, at the taxpayer's primary residence in
3 this State, or at a multi-family or mixed-use property for use by tenants
4 or guests. The credit is capped at 50 percent of the amount paid
5 towards the purchase and installation of the electric vehicle charging
6 station during a privilege period or taxable year, or \$1,000 per station,
7 whichever amount is less.

8 The second component of the credit is based on the difference in
9 the amount paid by a taxpayer for a qualified commercial zero
10 emission vehicle compared to what the taxpayer would have paid for a
11 comparable conventionally fueled vehicle. This credit is capped at 50
12 percent of the difference between the amount paid during the privilege
13 period or taxable year towards the purchase of a qualified commercial
14 zero emission vehicle and the amount that would have been paid for a
15 comparable conventionally fueled vehicle, except that the credit
16 cannot exceed \$25,000 if the qualified commercial zero emission
17 vehicle weighs less than 14,000 pounds, \$50,000 if the vehicle weighs
18 14,001 to 26,500 pounds, and \$100,000 if the vehicle weighs more
19 than 26,500 pounds.

20 A taxpayer is required to submit an application with the
21 Commissioner of Environmental Protection, who is responsible for
22 certifying a taxpayer's application for the credit, and providing a copy
23 of the certification to the taxpayer and the Division of Taxation in the
24 Department of the Treasury.

25 These tax credits are non-refundable, but may be carried forward
26 for seven years after the privilege period or taxable year during which
27 the credit are initially earned. The credit would be available for a five-
28 year period commencing on January 1 next following the effective
29 date of the bill.