SENATE ENVIRONMENT AND ENERGY COMMITTEE

STATEMENT TO

SENATE, No. 210

STATE OF NEW JERSEY

DATED: FEBRUARY 5, 2024

The Senate Environment and Energy Committee reports favorably Senate Bill No. 210.

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

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

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

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

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

This bill was pre-filed for introduction in the 2024-2025 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.