SENATE, No. 210

STATE OF NEW JERSEY

221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:
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District 17 (Middlesex and Somerset)
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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

As reported by the Senate Environment and Energy Committee with technical review.

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

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

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

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

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

(2) 50 percent of the difference between the amount paid during the privilege period 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 shall not 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.

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

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

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

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

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

d. As used in this section:

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

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

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

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

(2) 50 percent of the difference between the amount paid during the 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 shall not 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.

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

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

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

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

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

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

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

e. As used in this section:

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

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

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

4. This act shall take effect immediately.