

SENATE No. 990

STATE OF NEW JERSEY 221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Senator TROY SINGLETON

District 7 (Burlington)

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SYNOPSIS

The New Jersey Battlefield to Boardroom Act; provides corporation business tax credits and gross income tax credits for qualified wages of certain veterans.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 2/27/2024)

1 AN ACT establishing a corporation business tax credit and gross
2 income tax credit for qualified wages of certain veterans,
3 supplementing P.L.1945, c.162 (C.54:10A-1 et seq.) and Title
4 54A of the New Jersey Statutes.

5

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

8

9 1. This act shall be known and may be cited as “The New
10 Jersey Battlefield to Boardroom Act.”

11

12 2. a. (1) For privilege periods commencing on or after
13 January 1, 2020 but before January 1, 2024, a taxpayer shall be
14 allowed a credit against the tax imposed pursuant to section 5 of
15 P.L.1945, c.162 (C.54:10A-5), in an amount equal to the value of
16 ten percent of qualified wages paid in the privilege period to a
17 qualified veteran in the course of sustained employment. For each
18 privilege period, a taxpayer’s credit allowed pursuant to this section
19 shall not exceed \$1,200 for each qualified veteran.

20 (2) For a taxpayer to qualify for the credit allowed pursuant to
21 this section for a privilege period, the taxpayer shall comply with
22 the requirements of this paragraph.

23 Twenty-five percent of the taxpayer’s new employees for the
24 privilege period for which credit is claimed shall be qualified
25 veterans.

26 If the taxpayer received the credit allowed pursuant to this
27 section for the privilege period immediately preceding the privilege
28 period for which credit is claimed, then 50 percent of the qualified
29 veterans hired in the immediately preceding privilege period shall
30 remain employed by the taxpayer for the privilege period for which
31 credit is claimed.

32 The taxpayer shall provide veteran support services that are
33 accessible in the workplace, which services may, but not
34 necessarily, be procured through a private veteran support services
35 service provider.

36 The taxpayer shall regularly conduct specific recruitment efforts
37 to hire qualified veterans and their nuclear family members.

38 The taxpayer shall provide support to outreach efforts of veteran
39 support organizations.

40 The taxpayer shall comply with the federal Uniformed Services
41 Employment and Reemployment Rights Act
42 (38 U.S.C. s.4301 et seq.) and provide additional privileges in
43 excess of the rights protected by the federal Uniformed Services
44 Employment and Reemployment Rights Act.

45 b. (1) The order of priority of the application of the credit
46 allowed pursuant to this section and any other credits allowed
47 against the tax imposed pursuant to section 5 of P.L.1945, c.162

1 (C.54:10A-5) for a privilege period shall be as prescribed by the
2 director.

3 The amount of the credit applied pursuant to this section, added
4 together with any other credit allowed against the tax imposed
5 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), shall not
6 exceed 50% of the tax liability otherwise due and shall not reduce
7 the tax liability to an amount less than the statutory minimum
8 provided in subsection (e) of section 5 of P.L.1945, c.162.

9 Unused credit resulting from the limitations of this paragraph
10 may be carried forward, if necessary, for use in the seven privilege
11 periods following the privilege period for which the credit is
12 allowed.

13 (2) A taxpayer shall not be granted a credit pursuant to this
14 section for the qualified wages paid to a qualified veteran in a
15 privilege period if the qualified wages of the qualified veteran or
16 the job providing qualified wages to the qualified veteran is
17 included in the calculation of another credit against any State tax or
18 a grant pursuant to P.L.1996, c.26 (C.34:1B-124 et seq.) for a
19 period of time that coincides with the applicable privilege period.

20 (3) If the director determines that a taxpayer is displacing
21 employees and replacing the employees with qualified veterans for
22 the primary purposes of obtaining the credit allowed pursuant to
23 this section, the director shall deny the credit allowed under this
24 section for the taxpayer and shall issue a tax assessment for the
25 recapture of credit previously allowed to the taxpayer under this
26 section plus an assessment of 50% of any credit subject to recapture
27 as penalty.

28 c. As used in this section:

29 "Sustained employment" means a period of time no less than 185
30 business days during the privilege period in which a qualified
31 veteran is earning qualified wages.

32 "Qualified veteran" means a resident of this State initially hired
33 by the taxpayer on or after January 1, 2010 that has been honorably
34 discharged or released under honorable circumstances from active
35 service, occurring on or after January 1, 1965, in any branch of the
36 Armed Forces of the United States , and who has shown proof of
37 military service by providing a copy of the DD-214 form, its
38 equivalent, or federal activation orders showing service under Title
39 10, section 672 or section 12301, of the United States Code.

40 "Qualified wages" mean any salaries, wages and remuneration
41 subject to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
42 et seq., paid to a qualified veteran on or after January 1, 2020 but
43 before January 1, 2024 for labor rendered in service to an enterprise
44 of the taxpayer.

45

46 3. a. (1) For taxable years commencing on or after January
47 1, 2020 but before January 1, 2024, a taxpayer shall be allowed a
48 credit against the tax due pursuant to the "New Jersey Gross Income

1 Tax Act,” N.J.S.54A:1-1 et seq., in an amount equal to the value of
2 ten percent of qualified wages paid in the taxable year to a qualified
3 veteran in the course of sustained employment. For each taxable
4 year, a taxpayer’s credit allowed pursuant to this section shall not
5 exceed \$1,200 for each qualified veteran.

6 (2) For a taxpayer to qualify for the credit allowed pursuant to
7 this section for a taxable year, the taxpayer shall comply with the
8 requirements of this paragraph.

9 Twenty-five percent of the taxpayer’s new employees for the
10 taxable year for which credit is claimed shall be qualified veterans.

11 If the taxpayer received the credit allowed pursuant to this
12 section for the taxable year immediately preceding the taxable year
13 for which credit is claimed, then 50 percent of the qualified veterans
14 hired in the immediately preceding taxable year shall remain
15 employed by the taxpayer for the taxable year for which credit is
16 claimed.

17 The taxpayer shall provide veteran support services that are
18 accessible in the workplace, which services may, but not
19 necessarily, be procured through a private veteran support services
20 service provider.

21 The taxpayer shall regularly conduct specific recruitment efforts
22 to hire qualified veterans and their nuclear family members.

23 The taxpayer shall provide support to outreach efforts of veteran
24 support organizations.

25 The taxpayer shall comply with the federal Uniformed Services
26 Employment and Reemployment Rights Act (38 U.S.C. s.4301 et
27 seq.) and provide additional privileges in excess of the rights
28 protected by the federal Uniformed Services Employment and
29 Reemployment Rights Act.

30 b. (1) A credit allowed pursuant to this section shall not
31 reduce the tax liability otherwise due pursuant to the “New Jersey
32 Gross Income Tax Act,” N.J.S.54A:1-1 et seq., for a taxable year to
33 less than zero.

34 Unused credit resulting from the limitations of this paragraph
35 may be carried forward if necessary to the seven taxable years
36 following the taxable year for which the credit was allowed. The
37 form and method of carry forward shall be as prescribed by the
38 director.

39 (2) A taxpayer shall not be granted a credit pursuant to this
40 section for the qualified wages paid to a qualified veteran in a
41 taxable year if the qualified wages of the qualified veteran or the
42 job providing qualified wages to the qualified veteran is included in
43 the calculation of another credit against any State tax or a grant
44 pursuant to P.L.1996, c.26 (C.34:1B-124 et seq.) for a period of
45 time that coincides with the applicable taxable year.

46 (3) If the director determines that a taxpayer is displacing
47 employees and replacing the employees with qualified veterans for
48 the primary purposes of obtaining the credit allowed pursuant to

1 this section, the director shall deny the credit allowed under this
2 section for the taxpayer and shall issue a tax assessment for the
3 recapture of credit previously allowed to the taxpayer under this
4 section plus an assessment of 50% of any credit subject to recapture
5 as penalty.

6 c. As used in this section:

7 “Sustained employment” means a period of time no less than 185
8 business days during the privilege period in which a qualified
9 veteran is earning qualified wages.

10 “Qualified veteran” means a resident of this State initially hired
11 by the taxpayer on or after January 1, 2010 that has been honorably
12 discharged or released under honorable circumstances from active
13 service, occurring on or after January 1, 1965, in any branch of the
14 Armed Forces of the United States, and who has shown proof of
15 military service by providing a copy of the DD-214 form, its
16 equivalent, or federal activation orders showing service under Title
17 10, section 672 or section 12301, of the United States Code.

18 “Qualified wages” mean any salaries, wages and remuneration
19 subject to the “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1et
20 seq., paid to a qualified veteran on or after January 1, 2020 but
21 before January 1, 2024 for labor rendered in service to an enterprise
22 of the taxpayer.

23

24 4. This act shall take effect immediately.

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STATEMENT

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29 This bill is entitled “The New Jersey Battlefield to Boardroom
30 Act.” The bill provides a corporation business tax credit and gross
31 income tax credit for qualified wages of certain veterans.

32 The two credits established by this bill provide an employer with
33 a credit in the amount of 10 percent of the wages paid to a qualified
34 veteran. The credits may not exceed \$1,200 for each qualified
35 veteran per tax year. The bill defines a qualified veteran as a
36 resident of this State initially hired by the taxpayer on or after
37 January 1, 2010 that has been honorably discharged or released
38 under honorable circumstances from active service, occurring on or
39 after January 1, 1965, in any branch of the Armed Forces of the
40 United States, and shows proof of military service by providing a
41 copy of the DD-214 form, its equivalent, or federal activation
42 orders showing service under Title 10, section 672 or section
43 12301, of the United States Code. The bill requires that for
44 purposes of the credits’ availability, the wages of a qualified
45 veteran must be subject to the gross income tax and paid on or after
46 January 1, 2020 but before January 1, 2024. To be creditable,
47 wages must also arise from employment of a qualified veteran for at
48 least 185 business days of the applicable tax year.

1 To qualify for a credit, the bill imposes a series of conditions on
2 a taxpayer as an employer. For a tax year that the credit is claimed,
3 the bill requires that 25 percent of the taxpayer's new employees be
4 qualified veterans. For tax years immediately subsequent to a prior
5 credit year, the bill further requires that 50 percent of the qualified
6 veterans hired in that prior tax year must remain employed by the
7 taxpayer.

8 In addition to employment criteria, the bill conditions credit
9 qualification on other aspects of veteran employment. The bill
10 requires a taxpayer to provide veteran support services that are
11 accessible in the workplace. The bill further conditions credit
12 qualification on a taxpayer's regular recruitment efforts to hire
13 qualified veterans and their nuclear family members while
14 providing support to outreach efforts of veteran support
15 organizations. The bill also conditions credit qualification on
16 compliance with the federal Uniformed Services Employment and
17 Reemployment Rights Act and the provision of privileges in excess
18 of the rights protected by that act.

19 In addition to providing the terms of credit qualification, the bill
20 contains provisions aimed at preventing potential misuse of the
21 credit. The bill prohibits taxpayers from simultaneously using the
22 wages or employment of a qualified veteran to qualify for the credit
23 and any other generally available employment incentive that comes
24 in the form of a State tax credit or grant. The bill also empowers
25 the Director of the Division of Taxation to recapture credit, plus an
26 additional 50% penalty, if the Director determines that the employer
27 displaced employees to replace them with qualified veterans for the
28 primary purpose of taking advantage of the credit.

29 The credits established by this bill are limited in duration in that
30 they are available for tax years commencing on or after January 1,
31 2020 but before January 1, 2024.