SENATE MILITARY AND VETERANS' AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 1579

STATE OF NEW JERSEY

DATED: FEBRUARY 8, 2024

The Senate Military and Veterans' Affairs Committee reports favorably Senate Bill No. 1579.

This bill provides tax credits, to be awarded by the Commissioner of Labor and Workforce Development, for the hiring of certain military spouses. Under the bill, an employer may claim a tax credit for hiring an employee who is a nonresident of this State and is the spouse of an active duty member of the Armed Forces of the United States who has been transferred to this State in the course of the member's service, is legally domiciled in this State, or has moved to this State on a permanent change-of-station basis.

The final amount of the tax credit provided to an employer for hiring a nonresident military spouse employee is to equal:

(1) for a nonresident military spouse employee who works for an employer for at least 120 hours but less than 400 hours in a taxable year or privilege period, 15 percent of the wages provided by the employer to the nonresident military spouse employee; or

(2) for a nonresident military spouse employee who works for an employer for at least 400 hours in a taxable year or privilege period, 25 percent of the wages provided by the employer to the military spouse employee.

The bill limits the final amount of a tax credit for hiring a nonresident military spouse employee to $2,400 in a tax year.

This bill was prefiled 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.