LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 5025

STATE OF NEW JERSEY
221st LEGISLATURE

DATED: JANUARY 15, 2026

SUMMARY

Synopsis: Modifies provisions concerning net positive benefits test and special economic importance for certain transformative projects under New Jersey Aspire Program.

Type of Impact: Multi-year State revenue decrease.

Agencies Affected: New Jersey Economic Development Authority.

Office of Legislative Services Estimate

Annual Fiscal Impact	
Multi-Year State Revenue Decrease	Indeterminate

- The Office of Legislative Services (OLS) estimates that the bill may result in an indeterminate State revenue decrease over multiple fiscal years by increasing the number of transformative projects that are eligible to receive enhanced tax credit awards under the New Jersey Aspire Program.

- The timing and magnitude of any fiscal impact are indeterminate and would depend on future project approvals, the exercise of discretion by the New Jersey Economic Development Authority, and taxpayer utilization of awarded credits.

BILL DESCRIPTION

This bill modifies certain eligibility and evaluation criteria for transformative projects under the New Jersey Aspire Program, which was established pursuant to the New Jersey Economic Recovery Act of 2020.

Under current law, a transformative project is required to be designated by the New Jersey Economic Development Authority as being of special economic importance and to demonstrate that the project will yield a net positive benefit to the State to qualify for Aspire tax credits. This bill provides that certain transformative projects meeting specified statutory criteria are deemed to

be of special economic importance and are exempt from the requirement to demonstrate a net positive benefit to the State.

The bill applies to transformative projects that are in government-restricted municipalities and are located in proximity, as determined by the authority, to a multi-modal transportation hub, a public or private institution of higher education, and a licensed health care facility that serves underrepresented populations.

The Economic Development Authority retains authority to review applications and approve tax credit awards in accordance with existing law, as modified by the provisions of this bill.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that this bill may result in an indeterminate decrease in State revenues over multiple fiscal years. The bill modifies eligibility and evaluation criteria for certain transformative projects under the New Jersey Aspire Program.

Specifically, the bill deems certain transformative projects to be of special economic importance and exempts those projects from the requirement that the New Jersey Economic Development Authority determine that the project will yield a net positive benefit to the State. By lowering the approval threshold for qualifying projects, the bill may increase the number of projects eligible to receive tax credits under existing Aspire authority.

To the extent that these changes result in additional tax credit awards that would not otherwise have been approved under current law, the bill may accelerate or increase utilization of tax credits already authorized under the New Jersey Economic Recovery Act of 2020. Any resulting revenue loss would occur as awarded tax credits are applied against State tax liability.

However, the bill does not increase the overall Aspire Program cap, the per-project cap applicable to transformative projects, or the total tax credit authorization under the New Jersey Economic Recovery Act. Accordingly, the timing and magnitude of any fiscal impact are indeterminate and would depend on future project approvals, the authority's discretion, and taxpayer utilization of the credits.

Section:	*Revenue, Finance, and Appropriations*
Analyst:	*Patrick Walsh* *Associate Fiscal Analyst*
Approved:	*Thomas Koenig* *Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).