

ASSEMBLY AGRICULTURE AND NATURAL RESOURCES
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5527

STATE OF NEW JERSEY

DATED: OCTOBER 22, 2026

The Assembly Agriculture and Natural Resources Committee reports favorably Assembly Bill No. 5527.

This bill authorizes a brewery to claim a credit against the alcoholic beverage tax based on the dry weight of spent grain byproduct that is donated to commercial farms in this State for agricultural or horticultural use. The bill defines a "brewery" as the holder of a limited brewery license, restricted brewery license, or farm brewery license under State law.

Under the bill, a brewery may claim the credit in an amount equal to \$0.12 multiplied by the number of pounds in dry weight of donated spent grain byproduct. A brewery may claim up to \$30,000 in a tax year, except that the credit may not reduce the tax liability of the brewery to an amount less than zero. Any unused credit may be carried forward for the five tax years next following the tax year for which the credit was allowed.

Under the bill, a brewery may claim the credit at the time of remitting the tax imposed pursuant to the "Alcoholic beverage tax law." The brewery is required to retain a written record of the following information: (1) documentation of the quantity of spent grain byproduct donated by the taxpayer during each reporting period for which a credit is claimed pursuant to this section, including the type of spent grain byproduct and the dry weight in pounds; (2) documentation of the donation of the spent grain byproduct, including the name of the recipient commercial farm and the intended use of the spent grain byproduct; and (3) any other information the director may require for the purpose of auditing the credit claimed under the bill. Under the bill, the brewery is required to retain this information for such time as the director may require and to produce this information upon the director's request.