

ASSEMBLY, No. 5579

STATE OF NEW JERSEY

222nd LEGISLATURE

INTRODUCED OCTOBER 5, 2026

Sponsored by:

Assemblywoman MAUREEN ROWAN

District 2 (Atlantic)

Assemblyman MICHAEL VENEZIA

District 34 (Essex)

SYNOPSIS

Expands Neighborhood Revitalization Tax Credit Program including eligible neighborhoods and annual tax credit limit.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/5/2026)

1 AN ACT expanding the Neighborhood Revitalization Tax Credit
2 Program and amending P.L.2001, c.415.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. Section 2 of P.L.2001, c.415 (C.52:27D-491) is amended to
8 read as follows:

9 2. As used in P.L.2001, c.415 (C.52:27D-490 et seq.):

10 "Assistance" means the contribution of moneys to aid in the
11 provision of neighborhood preservation and revitalization services
12 or community services.

13 "Business entity" means any business firm or individual which is
14 authorized to conduct or operate a trade or business in the State and
15 is subject to taxes on business related income.

16 "Certificate for neighborhood revitalization State tax credits"
17 means the certificate in the form prescribed by the Treasurer and
18 issued by the commissioner to a business entity that specifies the
19 dollar amount of neighborhood preservation and revitalization State
20 tax credits that business entity may take as an annual credit against
21 certain State taxes pursuant to P.L.2001, c.415 (C.52:27D-490 et
22 seq.).

23 "Commissioner" means the Commissioner of Community
24 Affairs.

25 "Department" means the Department of Community Affairs.

26 "Eligible neighborhood" means: a. a contiguous area located in
27 one or more municipalities that, at the time of the application to the
28 department for approval of a neighborhood preservation and
29 revitalization plan, shall be designated by the commissioner based
30 on factors including, but not limited to, population change, non-
31 seasonal housing vacancy rates, total household and child recipients
32 of the Temporary Assistance for Needy Families or a successor
33 program, poverty levels, unemployment rates, high school
34 completion rates, median household income, property tax rates, and
35 equalized property valuation per capita; **[or]** b. an area that (1) is
36 adjacent to a neighborhood that fulfills the requirements of
37 subsection a. of this definition, and has received approval of a
38 neighborhood preservation and revitalization plan pursuant to
39 section 5 of P.L.2001, c.415 (C.52:27D-494); (2) increases the area
40 of the adjacent eligible neighborhood by no more than 25 percent;
41 and (3) shares similar characteristics as determined by the
42 commissioner or the commissioner's designee; c. an area located
43 within a qualified urban aid municipality, as determined pursuant to
44 paragraph (1) of subsection c. of section 7 of P.L.2024, c.2
45 (C.52:27D-304.3); or d. an area located within a municipality that

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 demonstrates economic distress, housing shortages, or community
2 development needs, as determined by the commissioner.

3 "Housing and economic development activities" means those
4 activities carried out in furtherance of a neighborhood preservation
5 and revitalization plan in an eligible neighborhood approved
6 pursuant to P.L.2001, c.415 (C.52:27D-490 et seq.), to improve the
7 housing and economic conditions of the neighborhood; and shall
8 include, without limitation, measures to foster the rehabilitation and
9 construction of housing affordable to low and moderate income
10 households within the neighborhood, including planning, design,
11 rehabilitation, construction, and management of low and moderate
12 income housing, home buyer counseling, and related activities
13 needed to effectuate the rehabilitation and construction of housing
14 affordable to low and moderate income households; measures to
15 increase business activity within the neighborhood, including the
16 rehabilitation and construction of commercial facilities and the
17 provision of assistance to small business entities; and measures to
18 increase the income and labor force participation of neighborhood
19 residents, including provision of education, training, child care,
20 broadband telecommunications expansion, and transportation
21 assistance to enable low income neighborhood residents to obtain or
22 retain employment.

23 "Low income household" means a household whose gross
24 household income is less than 50 percent of the median gross
25 household income for the region in which the neighborhood is
26 located for households of similar size as determined by the
27 department.

28 "Moderate income household" means a household whose gross
29 household income is greater than or equal to 50 percent but less
30 than 80 percent of the median gross household income of the region
31 in which the neighborhood is located for households of similar size
32 as determined by the department.

33 "Neighborhood preservation and revitalization activities" means
34 housing and economic development activities and other
35 neighborhood preservation and revitalization activities.

36 "Neighborhood Revitalization Plan" means a plan for the
37 preservation or revitalization of an eligible neighborhood.

38 "Nonprofit organization" means a private nonprofit corporation
39 that has been determined by the Internal Revenue Service of the
40 United States Department of the Treasury to be exempt from
41 income taxation under 26 U.S.C. s.501(c)(3).

42 "Other Neighborhood Revitalization Activities" means those
43 activities, other than housing and economic development activities,
44 carried out in furtherance of a State-approved neighborhood
45 preservation and revitalization plan in a qualified low and moderate
46 income neighborhood, and may include, without limitation,
47 improvements to infrastructure, street scape, public open space, and
48 transportation systems; provision of social and community services,

1 health care, crime prevention, recreation activities, community and
2 environmental health services; and community outreach and
3 organizing activities.

4 "Qualified nonprofit organization" means a nonprofit
5 organization that has demonstrated a commitment to the
6 neighborhood for which it is submitting a plan or project, as
7 reflected in its past activities or proposed activities in a preservation
8 and revitalization plan.

9 "Qualified project" means one or more housing and economic
10 development activities and which may also include one or more
11 other neighborhood revitalization activities to be carried out in
12 accordance with a neighborhood revitalization plan as approved by
13 the commissioner with funds provided by a business entity eligible
14 to receive a certificate for neighborhood revitalization State tax
15 credits.

16 "Similar characteristics" means comparable socioeconomic
17 qualities as determined by the commissioner or his designee, using
18 the smallest Census unit for which data are available.

19 (cf: P.L.2019, c.144, s.1)

20

21 2. Section 3 of P.L.2001, c.415 (C.52:27D-492) is amended to
22 read as follows:

23 3. A business entity shall be eligible for a certificate for
24 neighborhood revitalization State tax credits if it has provided
25 funding for a qualified project that has been approved in accordance
26 with sections 4 and 5 of P.L.2001, c.415 (C.52:27D-493 and
27 C.52:27D-494).

28 a. Credits may be granted in an amount up to 100 percent of
29 the approved assistance provided to a nonprofit organization to
30 implement a qualified neighborhood preservation and revitalization
31 project.

32 b. The credit may be applied by the business entity receiving
33 the certificate as credit against tax imposed on business related
34 income including, but not limited to, business income subject to the
35 provisions of the Corporation Business Tax Act (1945), P.L.1945,
36 c.162 (C.54:10A-1 et al.), "New Jersey Gross Income Tax Act,"
37 N.J.S.54A:1-1 et seq., the tax imposed on marine insurance
38 companies pursuant to R.S.54:16-1 et seq., the tax imposed on
39 insurers generally, pursuant to P.L.1945, c.132 (C.54:18A-1 et
40 seq.), the sewer and water utility excise tax imposed pursuant to
41 section 6 of P.L.1940, c.5 (C.54:30A-54) and the petroleum
42 products gross receipts tax imposed pursuant to section 3 of
43 P.L.1990, c.42 (C.54:15B-3).

44 For a taxpayer applying credit to liability due pursuant to the
45 "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., the
46 credit allowed pursuant to this section shall only be applied to the
47 amount of gross income tax liability for the taxable year, which as a
48 percentage of gross income tax liability, is equal to the percentage

1 of the taxpayer's gross income that is attributable to the taxpayer's
2 business entity through which the taxpayer provided the funding for
3 the qualified project. For purposes of determining the amount of
4 gross income tax liability to which a credit allowed pursuant to this
5 section may be applied, gross income shall be calculated without
6 the application of exclusions or deductions.

7 c. The credit allowed to a business entity under this section
8 may not exceed for any taxable year \$1,000,000 or the total amount
9 of tax otherwise payable by the business entity for the taxable year
10 and, in addition, shall not exceed limitations placed on the amounts
11 of credits or carryforward credits allowed, if any, under the relevant
12 statute as enumerated in subsection b. of this section concerning the
13 tax for which a credit is being claimed.

14 d. Credit shall not be allowed for activities for which the
15 business entity is receiving credit under any other provision against
16 any tax on business related income including, but not limited to, the
17 corporation business tax, New Jersey gross income tax, corporate
18 income tax, insurance premiums tax, petroleum products gross
19 receipts tax, public utilities franchise tax, public utilities gross
20 receipts tax, public utility excise tax, railroad franchise tax, and the
21 saving institution tax.

22 e. The tax credit shall be awarded only for assistance provided
23 within the same year in which the commissioner issued the
24 certificate, or if the commissioner approved assistance for more
25 than one year, within the year in which payment was scheduled and
26 made. The provisions of this subsection may be waived for good
27 cause shown.

28 f. The total tax credits certified for all qualified projects
29 proposed in a fiscal year shall not exceed **[\$15,000,000]**
30 \$65,000,000,000.

31 g. In certifying tax credits pursuant to P.L.2001, c.415
32 (C.52:27D-490 et seq.), the department shall give equal
33 consideration to qualified projects located in the north, central, and
34 southern geographical regions of the State.

35 (cf: P.L.2019, c.144, s.2)

36
37 3. This act shall take effect immediately and shall apply to tax
38 credits certified for State fiscal years beginning on or after the
39 effective date of this act.

40 41 42 STATEMENT

43
44 This bill expands the Neighborhood Revitalization Tax Credit
45 program to include in the definition of "eligible neighborhood"
46 areas located within qualified urban aid municipalities and
47 municipalities that demonstrate economic distress, housing
48 shortages, or community development needs, as determined by the

A5579 ROWAN, VENEZIA

6

1 Commissioner of Community Affairs. The bill also adds
2 "broadband telecommunications expansion" to the definition of
3 "housing and economic development activities."

4 The bill increases the annual cap on tax credits certified pursuant
5 to the program from \$15 million to \$65 million and requires, in
6 certifying tax credits, the Department of Community Affairs to give
7 equal consideration to qualified projects located in the north,
8 central, and southern geographical regions of the State.