

SENATE, No. 4641

STATE OF NEW JERSEY
222nd LEGISLATURE

INTRODUCED OCTOBER 1, 2026

Sponsored by:
Senator JOHN J. BURZICHELLI
District 3 (Cumberland, Gloucester and Salem)
Senator PARKER SPACE
District 24 (Morris, Sussex and Warren)

SYNOPSIS

Provides alcoholic beverage tax credits to certain breweries for donations of spent grain byproduct to commercial farm for agricultural or horticultural use.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/1/2026)

1 AN ACT concerning alcoholic beverage tax credits to breweries for
2 certain donations and supplementing chapter 43 of Title 54 of the
3 Revised Statutes.

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

7
8 1. a. As used in this section:

9 "Brewery" means the holder of a limited brewery license,
10 restricted brewery license, or farm brewery license pursuant to
11 R.S.33:1-10.

12 "Commercial farm" means the same as that term is defined
13 pursuant to section 3 of P.L.1983, c.31 (C.4:1C-3).

14 "Director" means the Director of the Division of Taxation in the
15 Department of the Treasury.

16 "Spent grain byproduct" means the material remaining from
17 grain used in the production of alcoholic beverages.

18 "Tax year" means the aggregate of the reporting periods between
19 January 1 and December 31 of each calendar year, for which the tax
20 imposed pursuant to the "Alcoholic beverage tax law," R.S.54:41-1
21 et seq. is due.

22 b. A taxpayer that is a brewery shall be allowed a credit against
23 the tax imposed pursuant to the "Alcoholic beverage tax law,"
24 R.S.54:41-1 et seq., in an amount equal to \$0.12 multiplied by the
25 number of pounds, in dry weight, of spent grain byproduct that is
26 donated, free of charge, by the taxpayer to a commercial farm for
27 agricultural or horticultural use, provided that the total amount of
28 tax credits allowed for a taxpayer pursuant to this section for a tax
29 year shall not exceed \$30,000, and the application of the tax credit
30 shall not reduce the tax liability of the taxpayer to an amount less
31 than zero.

32 c. The amount of credit otherwise allowable pursuant to this
33 section that cannot be applied for the tax year against the tax
34 liability otherwise due for that tax year may be carried over, if
35 necessary, for the five tax years next following the tax year for
36 which the credit has been allowed.

37 d. A taxpayer may claim a credit pursuant to this section at the
38 time of remitting the tax imposed pursuant to the "Alcoholic
39 beverage tax law," R.S.54:41-1 et seq., provided that the taxpayer
40 shall retain a written record of the following information for such
41 time period as the director may require, which information shall be
42 produced by the taxpayer upon the request of the director:

43 (1) documentation of the quantity of spent grain byproduct
44 donated by the taxpayer during each reporting period for which a
45 credit is claimed pursuant to this section, including the type of spent
46 grain byproduct and the dry weight in pounds;

1 (2) documentation of the donation of the spent grain byproduct,
2 including the name of the recipient commercial farm and the
3 intended use of the spent grain byproduct; and

4 (3) any other information the director may require for the
5 purpose of auditing the credit claimed pursuant to this section.
6

7 2. Notwithstanding any provisions of the "Administrative
8 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), the Director
9 of the Division of Taxation in the Department of the Treasury may
10 adopt immediately upon filing with the Office of Administrative
11 Law, rules and regulations as the director determines to be
12 necessary to effectuate the purposes of P.L. , c. (C.)
13 (pending before the Legislature as this bill), which shall be effective
14 for a period not to exceed 360 calendar days following the effective
15 date of P.L. , c. (C.) (pending before the Legislature as
16 this bill) and may thereafter be amended, adopted, or readopted by
17 the director pursuant to the requirements of P.L.1968, c.410
18 (C.52:14B-1 et seq.).
19

20 3. This act shall take effect immediately and apply to donations
21 of spent grain byproduct made on or after the January 1 next
22 following the date of enactment.
23
24

25 STATEMENT

26

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

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

40 Under the bill, a brewery may claim the credit at the time of
41 remitting the tax imposed pursuant to the "Alcoholic beverage tax
42 law." The brewery is required to retain a written record of the
43 following information: (1) documentation of the quantity of spent
44 grain byproduct donated by the taxpayer during each reporting
45 period for which a credit is claimed pursuant to this section,
46 including the type of spent grain byproduct and the dry weight in
47 pounds; (2) documentation of the donation of the spent grain
48 byproduct, including the name of the recipient commercial farm and

1 the intended use of the spent grain byproduct; and (3) any other
2 information the director may require for the purpose of auditing the
3 credit claimed under the bill. Under the bill, the brewery is
4 required to retain this information for such time as the director may
5 require and to produce this information upon the director's request.