SENATE CONCURRENT RESOLUTION No. 144

STATE OF NEW JERSEY

222nd LEGISLATURE

INTRODUCED NOVEMBER 23, 2026

Sponsored by:
Senator PARKER SPACE
District 24 (Morris, Sussex and Warren)

SYNOPSIS

Proposes constitutional amendment to align income cap for senior and individual with disability property tax deduction with federal poverty guidelines beginning in 2027 and eliminate cap on certain benefits to qualify for deduction.

CURRENT VERSION OF TEXT

As introduced.

A CONCURRENT RESOLUTION proposing to amend Article VIII, Section I, paragraph 4 of the Constitution of the State of New Jersey.

BE IT RESOLVED *by the Senate of the State of New Jersey (the General Assembly concurring):*

1. The following proposed amendment to the Constitution of the State of New Jersey is agreed to:

PROPOSED AMENDMENT

Amend Article VIII, Section I, paragraph 4 to read as follows:

4. The Legislature may, from time to time, enact laws granting an annual deduction, from the amount of any tax bill for taxes on the real property, and from taxes attributable to a residential unit in a cooperative or mutual housing corporation, of any citizen and resident of this State of the age of 65 or more years, or any citizen and resident of this State less than 65 years of age who is permanently and totally disabled according to the provisions of the Federal Social Security Act, residing in a dwelling house owned by him which is a constituent part of such real property, or residing in a dwelling house owned by him which is assessed as real property but which is situated on land owned by another or others, or residing as tenant-shareholder in a cooperative or mutual housing corporation, but no such deduction shall be in excess of $160.00 with respect to any year prior to 1981, $200.00 per year in 1981, $225.00 per year in 1982, and $250.00 per year in 1983 and any year thereafter and such deduction shall be restricted to owners having an income not in excess of $5,000.00 per year with respect to any year prior to 1981, $8,000.00 per year in 1981, $9,000.00 per year in 1982, **[**and**]** $10,000.00 per year in 1983 **[**and any year**]** <u>through 2026. For each year</u> thereafter, <u>the income limitation shall be annually updated to align with the federal poverty guidelines. The Legislature shall prescribe by law the federal poverty guidelines to be used in determining the income limitation. The income of a citizen and resident shall be</u> exclusive of benefits under any one of the following:

a. The Federal Social Security Act and all amendments and supplements thereto;

b. Any other program of the federal government or pursuant to any other federal law which provides benefits in whole or in part in lieu of benefits referred to in, or for persons excluded from coverage under, a. hereof including but not limited to the Federal

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 <u>thus</u> is new matter.

Railroad Retirement Act and federal pension, disability and retirement programs; or

c. Pension, disability or retirement programs of any state or its political subdivisions, or agencies thereof, for persons not covered under a. hereof **[**; provided, however, that the total amount of benefits to be allowed exclusion by any owner under b. or c. hereof shall not be in excess of the maximum amount of benefits payable to, and allowable for exclusion by, an owner in similar circumstances under a. hereof**]**.

The surviving spouse of a deceased citizen and resident of the State who during his or her life received a deduction pursuant to this paragraph shall be entitled, so long as he or she shall remain unmarried and a resident of the same dwelling house situated on the same land with respect to which said deduction was granted, to the same deduction, upon the same conditions, with respect to the same real property or with respect to the same dwelling house which is situated on land owned by another or others, or with respect to the same cooperative or mutual housing corporation, notwithstanding that said surviving spouse is under the age of 65 and is not permanently and totally disabled, provided that said surviving spouse is 55 years of age or older.

Any such deduction when so granted by law shall be granted so that it will not be in addition to any other deduction or exemption, except a deduction granted under authority of paragraph 3 of this section, to which the said citizen and resident may be entitled, but said citizen and resident may receive in addition any homestead rebate or credit provided by law. The State shall annually reimburse each taxing district in an amount equal to one-half of the tax loss to the district resulting from the allowance of tax deductions pursuant to this paragraph.

(cf: Art.VIII, Sec.I, par.4, effective December 8, 1988)

2. When this proposed amendment to the Constitution is finally agreed to pursuant to Article IX, paragraph 1 of the Constitution, it shall be submitted to the people at the next general election occurring more than three months after the final agreement and shall be published at least once in at least one newspaper of each county designated by the President of the Senate, the Speaker of the General Assembly and the Secretary of State, not less than three months prior to the general election.

3. This proposed amendment to the Constitution shall be submitted to the people at that election in the following manner and form:

There shall be printed on each official ballot to be used at the general election, the following:

a. In every municipality in which voting machines are not used, a legend which shall immediately precede the question as follows:

If you favor the proposition printed below make a cross (X), plus (+), or check (✔) in the square opposite the word "Yes." If you are opposed thereto make a cross (X), plus (+) or check (✔) in the square opposite the word "No."

b. In every municipality the following question:

		CONSTITUTIONAL AMENDMENT TO MODIFY INCOME ELIGIBILITY FOR SENIOR AND INDIVIDUAL WITH DISABILITY PROPERTY TAX DEDUCTION Do you approve amending the State Constitution to change the income cap each year for the senior and individual with a disability property tax deduction? This amendment aligns the income cap with the federal poverty guidelines. Do you also approve amending the Constitution to fully exclude certain benefits from the income cap? A person who is at least 65 or is an individual with a disability may receive a $250 property tax deduction.
	YES	Currently, those persons with income of $10,000 or less per year receive the deduction. This amendment requires the income cap to be changed each year to align with the federal poverty guidelines. The Legislature would pass a law to determine how the federal poverty guidelines are used. Currently, there is a limit on how much of a person's retirement or disability benefits can be excluded from the person's income. This amendment removes that limit. These benefits would be fully excluded from the income limit.

	NO	INTERPRETIVE STATEMENT This amendment changes the income cap for the senior and individual with a disability property tax deduction to align with the federal poverty guidelines. The amendment also fully excludes certain benefits from the income cap. Currently, a person who is at least 65 or is an individual with a disability may receive a $250 property tax deduction. The person is required to be a citizen and resident of the State. The person is also required to have income of $10,000 or less per year to receive the deduction. This amendment changes the current income cap of $10,000. After 2026, the amendment requires the income cap to be changed each year to align with the federal poverty guidelines. The federal poverty guidelines are a measure of poverty issued each year by the federal government. They are used to determine eligibility for some State and federal assistance programs. The federal poverty guidelines include poverty levels for different household sizes. The amendment requires a law to clarify which guidelines are used to determine the income cap. Currently, a limited amount of certain retirement and disability benefits are excluded from the income cap. They are excluded up to the amount of the highest Social Security benefit. This amendment fully excludes those benefits from the income cap. This allows more people to claim the deduction.

STATEMENT

This concurrent resolution proposes to amend the New Jersey Constitution to require the income limitations for the senior and individual with a disability property tax deduction to be annually adjusted, beginning in 2027, to align with the federal poverty guidelines for each year. The concurrent resolution also proposes to eliminate the cap on certain benefits for purposes of qualifying for the deduction.

The State Constitution authorizes a $250 property tax deduction for certain individuals who are 65 or more years of age or are individuals with a disability. For the purposes of this deduction, an individual has a disability if the individual is permanently and totally disabled according to the provisions of the Federal Social Security Act. Eligibility for the deduction also depends upon whether an individual's annual income exceeds an income limitation.

Currently, an individual is eligible for the deduction if the individual has annual income of $10,000 or less. The income limitation was last increased by voter approval of a constitutional amendment in 1980.

Under the State Constitution, certain government pension, disability, and retirement benefits provided in lieu of social security do not count as income for the purposes of this $10,000 limit. These benefits are only excluded from income up to the maximum social security benefit amount. Therefore, if these benefits exceed the maximum social security benefit amount, the excess amount currently counts toward the $10,000 limit.

This concurrent resolution proposes to annually change the income limitation to align with the federal poverty guidelines for each year after 2026. The resolution requires the Legislature to prescribe by law the federal poverty guidelines to be used in determining the income limitation.

The federal poverty guidelines are a poverty measure issued each year by the federal Department of Health and Human Services based on the annual percentage increase in the Consumer Price Index (CPI). The CPI is a widely used method of measuring inflation and is an expression of the average change over time in the prices paid by certain consumers for the purchase of certain goods and services.

The states and federal government determine financial eligibility for various assistance programs in part by referring to the federal poverty guidelines.

In addition, this concurrent resolution proposes to lift the limit on exclusions of certain government pension, disability, and retirement benefits provided in lieu of social security from the $10,000 income limitation. Accordingly, the resolution allows an eligible individual to receive benefits greater than the maximum social security benefit amount and still be eligible for the $250 property tax deduction, provided the individual does not have other income exceeding $10,000.