

SENATE, No. 2338

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED APRIL 9, 2020

Sponsored by:

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

Senator STEVEN V. OROHO

District 24 (Morris, Sussex and Warren)

SYNOPSIS

“COVID-19 Fiscal Mitigation Act”; clarifies filing and payment deadline for CBT and GIT taxpayers, modifies duration of State Fiscal Years 2020 and 2021, requires certain updates and presentation for State Fiscal Years 2020 and 2021.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT mitigating the fiscal impact of the COVID-19 pandemic.

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

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6 1. a. A taxpayer required to make and file an annual or
7 quarterly return or report pursuant to the “New Jersey Gross Income
8 Tax Act,” N.J.S.54A:1-1 et seq., or the “Corporation Business Tax
9 Act (1945),” P.L.1945, c.162 (C.54:10A-1 et seq.), on an original
10 due date of April 15, 2020, shall be granted by the Director of the
11 Division of Taxation in the Department of the Treasury an
12 automatic extension of time to file those returns or reports and to
13 pay the tax due until July 15, 2020.

14 b. The provisions involving payment of interest upon any
15 overpayment of tax pursuant to N.J.S.54A:9-7 and section 7 of
16 P.L.1992, c.175 (C.54:49-15.1), are hereby extended for six months
17 after the conclusion of the state of emergency declared by the
18 Governor pursuant to Executive Order No. 103 of 2020, or any
19 extension thereof, or within six months after the return is filed,
20 whichever is later.

21 c. A taxpayer granted an automatic extension pursuant to
22 subsection a. of this section shall not be subject to penalties or
23 interest if the return or report is filed and the tax due is paid on or
24 before July 15, 2020, or by such other date that may be permitted by
25 the director in accordance with regulations in effect on the effective
26 date of P.L. , c. (pending before the Legislature as this bill).

27 d. Notwithstanding any provision of the “Administrative
28 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.) to the
29 contrary, the director may adopt immediately upon filing with the
30 Office of Administrative Law such rules and regulations as the
31 director determines to be necessary and appropriate to effectuate the
32 purposes of this section.

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34 2. The statute of limitations to assess any tax pursuant to
35 N.J.S.54A:9-4 and R.S.54:49-6 is hereby extended for 90 days after
36 the conclusion of the state of emergency declared by the Governor
37 pursuant to Executive Order No. 103 of 2020, or any extension
38 thereof.

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40 3. a. Notwithstanding R.S.52:5-1, or any other law to the
41 contrary, for purposes of the State's general appropriation law, the
42 State fiscal year scheduled to end on June 30, 2020 shall end on
43 September 30, 2020, and the subsequent State fiscal year shall
44 begin on October 1, 2020 and end on June 30, 2021.

45 b. Following the enactment of P.L. , c. (pending before the
46 Legislature as this bill), any additional spending required to support
47 the operations of the State from July 1, 2020 through September 30,

1 2020, shall be made through the enactment of a general law that
2 amends or provides for a supplemental appropriation to P.L.2019,
3 c.150.

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5 4. The fiscal year of a municipality operating under the State
6 fiscal year pursuant to an ordinance adopted pursuant to subsection
7 a. of section 3 of 1991, c.75 (C.40A:4-3.2) shall be not be altered or
8 otherwise affected by the provisions of section 3 of P.L. , c.
9 (pending before the Legislature as this bill). Nothing in this section
10 shall be construed as prohibiting a municipality from reverting to a
11 calendar fiscal year pursuant to subsection b. of section 3 of 1991,
12 c.75 (C.40A:4-3.2).

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14 5. a. The State Treasurer shall prepare a report on the financial
15 condition of the State budget for State Fiscal Years 2020 and 2021,
16 as altered by section 3 of P.L. , c. (pending before the
17 Legislature as this bill).

18 b. The report shall provide:

19 (1) an update on State revenue collections through the first nine
20 months of State Fiscal Year 2020 and a revised forecast of revenue
21 projections for the remainder of the current fiscal year;

22 (2) a detailed plan of spending from State, federal, and all other
23 governmental funds for the continuation of essential governmental
24 operations during the remainder of State Fiscal Year 2020,
25 including, but not limited to, debt service payments, pension
26 payments, spending on capital projects, public transportation,
27 school aid, municipal aid, utility service subsidies, and funding for
28 hospitals, higher education, and emergency relief impacted by the
29 COVID-19 pandemic; and

30 (3) an assessment of current economic conditions and the
31 potential impact of the economy on the proposed budget for State
32 Fiscal Year 2021.

33 c. The report shall be submitted to the Legislature, in
34 accordance with section 2 of P.L.1991, c.164 (C.52:14-19.1), by
35 May 22, 2020 and shall be made publicly available through a link
36 prominently displayed on the Office of Management and Budget in
37 the Department of the Treasury's website.

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39 6. The Governor shall formulate and transmit a revised budget
40 message for State Fiscal Year 2021, as altered by section 3 of
41 P.L. , c. (pending before the Legislature as this bill). The
42 revised budget message shall meet the requirements set forth in
43 section 11 of P.L.1944, c.112 (C.52:27B-20), except that the
44 required estimate of balances on hand shall be as of October 1
45 instead of July 1, and the Governor shall present the revised budget
46 message by August 25, 2020.

1 7. This act shall take effect immediately.

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STATEMENT

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6 This bill clarifies the time to file a gross income tax or
7 corporation business tax return or make payments to July 15, 2020,
8 adjusts the timing for the payment of interest and penalties and the
9 assessment of tax, alters the duration of State Fiscal Years 2020 and
10 2021 without impacting municipalities that adopt the State's fiscal
11 year, requires the State Treasurer to provide certain updates on
12 economic conditions, revenues, and spending plans, and requires
13 the Governor to formulate and present a revised budget message for
14 State Fiscal Year 2021.

15 The bill clarifies that taxpayers who would typically file a return,
16 report, or make a payment for the gross income tax or the
17 corporation business tax by an original due date of April 15, 2020
18 will be granted an automatic extension to July 15, 2020. Taxpayers
19 will not be subject to penalties or interest if the taxpayer files a
20 return, report, or makes a payment by the end of the extension.

21 Provisions governing the payment of interest for overpayments
22 are extended for six months after the conclusion of the state of
23 emergency declared by the Governor pursuant to Executive Order
24 No. 103 of 2020, or any extension thereof, or within six months
25 after the return is filed, whichever is later. The bill also extends the
26 statute of limitations to assess taxes by 90 days following the
27 conclusion of the state of emergency.

28 The bill modifies the duration of State Fiscal Year 2020 to
29 conclude on September 30, 2020 and sets October 1, 2020 as the
30 start of State Fiscal Year 2021. The bill also requires that any
31 additional spending required to support the operations of the State
32 from July 1, 2020 through September 30, 2020 be made through the
33 enactment of a general law that amends or provides for a
34 supplemental appropriation to that annual appropriations act. This
35 change does not apply to municipalities that adopt the State's fiscal
36 year and does not prevent municipalities from converting to a
37 calendar fiscal year.

38 The bill requires the State Treasurer to prepare a report on the
39 financial condition of the State budget for State Fiscal Years 2020
40 and 2021, which must be submitted to the Legislature by May 22,
41 2020 and prominently display on the Office of Management and
42 Budget's website.

43 The State Treasurer's report is to include: (1) an update on State
44 revenue collections through the first nine months of State Fiscal
45 Year 2020 and a revised forecast of revenue projections for the
46 remainder of the current fiscal year; (2) a detailed plan of spending
47 from State, federal, and all other governmental funds for the

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1 continuation of essential governmental operations during the
2 remainder of State Fiscal Year 2020; and (3) an assessment of
3 current economic conditions and the potential impact of the
4 economy on the proposed budget for State Fiscal Year 2021.

5 The Governor is required to formulate and transmit a revised
6 budget message for State Fiscal Year 2021, as altered by the bill.
7 The revised budget message is to meet all requirements set forth in
8 law for the budget message, except that the required estimate of
9 balances on hand shall be as of October 1 instead of July 1. The
10 Governor is required to present the revised budget message by
11 August 25, 2020.