

## CHAPTER 444

AN ACT concerning incentives for organ and bone marrow donation, designated as Lindsay's Law, supplementing various parts of the statutory law.

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

C.11A:6-5.2 Leave of absence for State employee for purpose of donating organ, bone marrow.

1. A State employee, employee of a political subdivision of the State, or employee of an agency, authority, or instrumentality thereof, in the career, unclassified, or senior executive service shall be granted a leave of absence with pay and without loss of rights, privileges or benefits, for the purpose of donating one or more of their human organs, or a part thereof, or bone marrow to another human for human organ transplantation. The paid leave shall be up to 30 days for the donation of an organ or a part of an organ and up to five days for the donation of bone marrow, and shall be in addition to any other type of leave to which an employee may be entitled.

C.18A:30-2.2 Leave of absence for school employee for purpose of donating organ, bone marrow.

2. An employee holding any office, position, or employment in local school district, regional school district, or county vocational school of the State who is steadily employed by the board of education or who is protected by tenure in the office, position, or employment under the provisions of any law, except a person in the classified service of the civil service under Title 11A of the New Jersey Statutes, shall be granted a leave of absence with pay and without loss of rights, privileges or benefits, for the purpose of donating one or more of their human organs, or a part thereof, or bone marrow to another human for human organ transplantation. The paid leave shall be up to 30 days for the donation of an organ or a part of an organ and up to five days for the donation of bone marrow, and shall be in addition to any other type of leave to which an employee may be entitled.

C.40A:9-10.6 Leave of absence for employee of political subdivision for purpose of donating organ, bone marrow.

3. An employee holding any office, position, or employment in a political subdivision of the State, or an agency, authority or instrumentality thereof, that has not adopted the provisions of Title 11A of the New Jersey Statutes, shall be granted a leave of absence with pay and without loss of rights, privileges or benefits, for the purpose of donating one or more of their human organs, or a part thereof, or bone marrow to another human for human organ transplantation. The paid leave shall be up to 30 days for the donation of an organ or a part of an organ and up to five days for the donation of bone marrow, and shall be in addition to any other type of leave to which an employee may be entitled.

C.54A:3-10 Deduction from gross income for organ, bone marrow donor.

4. a. A taxpayer shall be allowed to deduct from gross income up to \$10,000 of unreimbursed expenses specified in subsection b. of this section if the taxpayer or the taxpayer's dependent donates one or more of their human organs, or a part thereof, or bone marrow to another human for human organ transplantation.

b. The deduction allowed pursuant to this section may be claimed only for reasonable unreimbursed travel expenses, lodging expenses, and lost wages that are related to the donation and are incurred by the taxpayer in the taxable year.

c. The deduction allowed pursuant to this section shall be claimed in the taxable year in which the human organ transplantation occurs, except that any expenses specified in subsection b. of this section that are incurred in the previous or subsequent taxable year shall be claimed in the taxable year in which the expenses are incurred, but the combined amount deducted shall not exceed \$10,000.

C.54A:4-20 Employer allowed credit for employee who donates organ, bone marrow.

5. a. A taxpayer that employs a person who missed time from work during the taxable year because the person donated one or more of the person's human organs, or a part thereof, or bone marrow to another human for human organ transplantation, shall be allowed a credit against the tax otherwise due for the taxable year under the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., in an amount equal to 25 percent of the person's salary during the time missed from work, for up to 30 days of missed work for each donation.

A taxpayer shall only be allowed this credit for the time that the taxpayer grants the person paid time off and only if such time is in addition to any other paid time off granted to the person.

b. The order of priority of the application of the credit allowed pursuant to this section and any other credits allowed pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq. for a taxable year shall be as prescribed by the director. The amount of the credit applied under this section against the tax imposed for a taxable year, together with any other credits allowed by law, shall not reduce the tax liability to an amount less than zero.

c. A business entity that is classified as a partnership for federal income tax purposes shall not be allowed the credit directly, but the amount of credit of a taxpayer in respect of a distributive share of partnership income shall be determined by allocating to the taxpayer that proportion of the credit acquired by the partnership that is equal to the taxpayer's share, whether or not distributed, of the total distributive income or gain of the partnership for its taxable year ending within or with the taxpayer's taxable year. Any remaining credit shall not be carried forward to another taxable year.

A taxpayer that is a New Jersey S corporation shall not be allowed the credit directly, but the amount of credit of a taxpayer in respect of a pro rata share of S corporation income shall be determined by allocating to the taxpayer that proportion of the credit acquired by the New Jersey S corporation that is equal to the taxpayer's share, whether or not distributed, of the total pro-rata share of S corporation income of the New Jersey S corporation for its privilege period ending within or with the taxpayer's taxable year.

C.54:10A-5.45 Tax credit for employer of employee who donates organ, bone marrow.

6. a. A taxpayer that employs a person who missed time from work because the person donated one or more of the person's human organs, or a part thereof, or bone marrow to another human for human organ transplantation, shall be allowed a credit against the tax imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), in an amount equal to 25 percent of the person's salary during the time missed from work, for up to 30 days of missed work for each donation.

A taxpayer shall only be allowed this credit for the time that the taxpayer grants the person paid time off and only if such time is in addition to any other paid time off granted to the person.

b. A taxpayer shall apply the credit allowed pursuant to this section to the privilege period during which the person missed time from work.

c. The director shall prescribe the order of priority of the application of the credit allowed under this section and any other credits allowed by law against the tax imposed under section 5 of P.L.1945, c.162 (C.54:10A-5). The amount of the credit applied under this section against the tax imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) for a privilege period, together with any other credits allowed by law, shall not reduce the tax liability to an amount less than the statutory minimum provided in subsection (e) of section 5 of P.L.1945, c.162 (C.54:10A-5). Any remaining credit shall not be carried forward to another privilege period.

7. This act shall take effect 120 days following enactment.

Approved January 21, 2020.