

CHAPTER 24

AN ACT allowing a child tax credit under the gross income tax, supplementing Title 54A of the New Jersey Statutes.

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

C.54A:4-17.1 Child tax credit, income limit.

1. a. A resident taxpayer with New Jersey taxable income of \$80,000 or less shall be allowed a credit against the tax otherwise due pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq. for each child who has not attained the age of six years as of the close of the taxable year and for which the taxpayer is allowed a deduction under N.J.S.54A:3-1.

The credit shall be in the following amounts:

If the taxable income is:	The credit is:
\$30,000 or under	\$500
over \$30,000 but not over \$40,000	\$400
over \$40,000 but not over \$50,000	\$300
over \$50,000 but not over \$60,000	\$200
over \$60,000 but not over \$80,000	\$100

The income limit set forth in this section shall apply to taxpayers of any filing status.

b. A taxpayer shall be allowed the credit pursuant to this section whether the taxpayer uses a Social Security number or an Individual Taxpayer Identification Number on their tax forms.

c. If the amount of the credit allowed pursuant to this section exceeds the amount of tax otherwise due pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., after all other credits and deductions, the amount of excess shall be treated as a refundable overpayment.

d. To qualify for the credit allowed pursuant to this section, a taxpayer shall file a joint return if the taxpayer is married, except for a taxpayer who files as a head of household or surviving spouse for federal income tax purposes for the taxable year.

e. In the case of a part-year resident, the amount of the credit allowed pursuant to this section shall be pro-rated, based upon that proportion which the total number of months of the taxpayer's residency in the taxable year bears to 12 in that period. For this purpose, 15 days or more shall constitute a month.

f. Any tax credit pursuant to this section shall not be taken into account as income for purposes of determining the eligibility of an individual for benefits or assistance or the amount or extent of benefits or assistance under any State program and, to the extent permitted by federal law, under any State program financed in whole or in part with federal funds.

g. The Division of Taxation shall issue data as part of the annual tax expenditure report, as required by section 1 of P.L.2009, c.189 (C.52:27B-20a) to include the number of taxpayers claiming the New Jersey Child Tax Credit, as well as claimants' income, the number of children benefitting, and the average credit amount per child and per claimant.

2. This act shall take effect immediately and shall apply to taxable years beginning on and after January 1, 2023.

Approved June 30, 2022.