

[First Reprint]

SENATE, No. 429

STATE OF NEW JERSEY
220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Senator JEAN STANFIELD

District 8 (Atlantic, Burlington and Camden)

Co-Sponsored by:

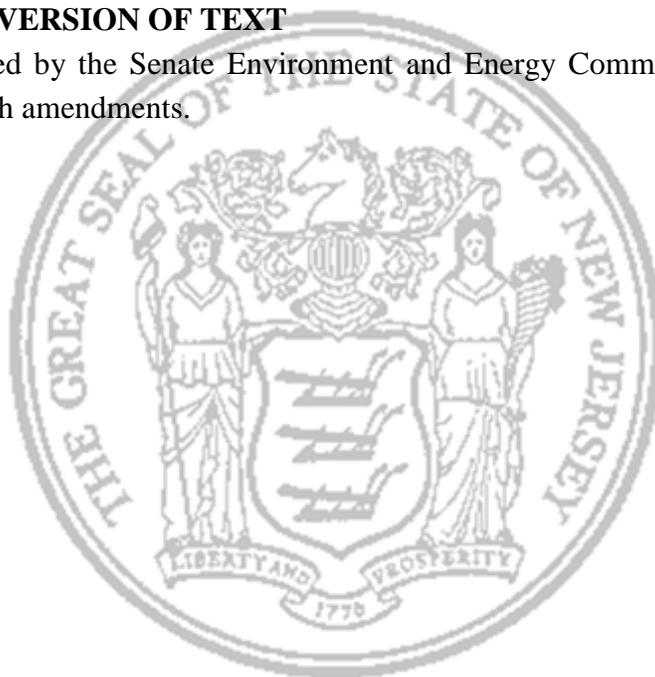
Senators Diegnan and Johnson

SYNOPSIS

Provides corporation business tax and gross income tax credits for purchase and installation of electric vehicle charging stations and for commercial zero emission vehicle fleet conversions.

CURRENT VERSION OF TEXT

As reported by the Senate Environment and Energy Committee on March 14, 2022, with amendments.



(Sponsorship Updated As Of: 3/14/2022)

1 AN ACT providing corporation business tax and gross income tax
2 credits for the purchase and installation of electric vehicle
3 charging stations and for commercial zero emission vehicle fleet
4 conversions, and supplementing P.L.1945, c.162 (C.54:10A-
5 1 et seq.) and Title 54A of the New Jersey Statutes.

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

9
10 1. a. For privilege periods beginning on or after January 1 next
11 following the effective date of P.L. , c. (C.) (pending before
12 the Legislature as this bill), and ending on or before December 31
13 of the fifth year following the effective date of P.L. , c. (C.)
14 (pending before the Legislature as this bill), a taxpayer shall be
15 allowed a credit against the tax imposed pursuant to section 5 of
16 P.L.1945, c.162 (C.54:10A-5) equal to:

17 (1) 50 percent of the amount paid during the privilege period
18 towards the purchase and installation of an electric vehicle charging
19 station that is used directly and exclusively by the taxpayer in the
20 taxpayer's business, trade, or occupation, ¹or is made available for
21 use by tenants or guests at a multifamily or mixed-use property,¹ or
22 \$1,000 per station, whichever amount is less; and

23 (2) 50 percent of the difference between the amount paid during
24 the privilege period towards the purchase of a qualified commercial
25 zero emission vehicle and the amount that would have been paid for
26 a comparable conventionally fueled vehicle, except that the credit
27 shall not exceed \$25,000 if the qualified commercial zero emission
28 vehicle weighs less than 14,000 pounds, \$50,000 if the vehicle
29 weighs 14,001 to 26,500 pounds, and \$100,000 if the vehicle
30 weighs more than 26,500 pounds.

31 b. (1) To qualify for the tax credits allowed pursuant to this
32 section, the taxpayer shall file an application for a certification from
33 the Commissioner of Environmental Protection. The application for
34 certification shall specifically indicate the date of purchase of the
35 electric vehicle charging station or qualified commercial zero
36 emission vehicle, the amount paid for the electric vehicle charging
37 station or qualified commercial zero emission vehicle, and, when
38 applicable, proof of completed installation of the charging station.
39 The commissioner shall prescribe the form for the application and
40 certification. The commissioner shall also provide a list of
41 comparable conventionally fueled vehicles for determining the
42 amount of the credit allowed pursuant to paragraph (2) of
43 subsection a. of this section.

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 thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SEN committee amendments adopted March 14, 2022.

1 (2) The Commissioner of Environmental Protection shall have
2 90 days from the date of receipt of a completed application to make
3 a determination as to the issuance of a certification.

4 (3) Upon certification, the Commissioner of Environmental
5 Protection shall submit a copy of the certification to the taxpayer
6 and the director. When filing a tax return that includes a claim for
7 the credit allowed pursuant to this section, the taxpayer shall
8 include a copy of the certification.

9 c. The director shall prescribe the order of priority of the
10 application of the credit allowed under this section and any other
11 credits allowed by law against the tax imposed under section 5 of
12 P.L.1945, c.162 (C.54:10A-5). The amount of the credit applied
13 under this section against the tax imposed pursuant to section 5 of
14 P.L.1945, c.162 (C.54:10A-5) for a privilege period, together with
15 any other credits allowed by law, shall not reduce the tax liability to
16 an amount less than the statutory minimum provided in subsection
17 (e) of section 5 of P.L.1945, c.162 (C.54:10A-5). The amount of
18 the tax credits otherwise allowable under this section that cannot be
19 applied for the privilege period may be carried forward, if
20 necessary, to the seven privilege periods following the privilege
21 period for which the tax credit was allowed.

22 d. As used in this section:

23 "Electric vehicle charging station" means a station that is
24 designed in compliance with the State Uniform Construction Code,
25 adopted pursuant to P.L.1975, c.217 (C.52:27D-119 et seq.), that
26 delivers electricity from a source outside an electric vehicle into
27 one or more electric vehicles, and that is capable of providing, at a
28 minimum, Level 2 charging. An electric vehicle charging station
29 may include several charge points simultaneously connecting
30 several electric vehicles to the station and any related equipment
31 needed to facilitate charging plug-in electric vehicles.

32 "Qualified commercial zero emission vehicle" means a vehicle
33 certified as a zero emission vehicle pursuant to the California Air
34 Resources Board zero emission vehicle standards for the applicable
35 model year and is used to transport commodities, merchandise,
36 produce, refuse, freight, animals, or passengers as part a taxpayer's
37 business, trade, or occupation, but shall not include an advanced
38 technology partial zero emission vehicle or a partial zero emission
39 vehicle.

40

41 2. a. For the taxable year beginning on January 1 next
42 following the effective date of P.L. , c. (C.) (pending before
43 the Legislature as this bill), and for the four taxable years thereafter,
44 a taxpayer shall be allowed a credit against the tax otherwise due
45 for the taxable year under the "New Jersey Gross Income Tax Act,"
46 N.J.S.54A:1-1 et seq. equal to:

47 (1) 50 percent of the amount paid during the taxable year
48 towards the purchase and installation of an electric vehicle charging

1 station that is used directly and exclusively by the taxpayer in the
2 taxpayer's business, trade, or occupation, **1[or]1** at the taxpayer's
3 primary residence in this State, 1or is made available for use by
4 tenants or guests at a multifamily or mixed-use property.¹ or \$1,000
5 per station, whichever amount is less; and

6 (2) 50 percent of the difference between the amount paid during
7 the taxable year towards the purchase of a qualified commercial
8 zero emission vehicle and the amount that would have been paid for
9 a comparable conventionally fueled vehicle, except that the credit
10 shall not exceed \$25,000 if the qualified commercial zero emission
11 vehicle weighs less than 14,000 pounds, \$50,000 if the vehicle
12 weighs 14,001 to 26,500 pounds, and \$100,000 if the vehicle
13 weighs more than 26,500 pounds.

14 b. (1) To qualify for the tax credits allowed pursuant to this
15 section, the taxpayer shall file an application for a certification from
16 the Commissioner of Environmental Protection. The application for
17 certification shall specifically indicate the date of purchase of the
18 electric vehicle charging station or qualified commercial zero
19 emission vehicle, the amount paid for the electric vehicle charging
20 station or qualified commercial zero emission vehicle, and, when
21 applicable, proof of completed installation of the charging station.
22 The commissioner shall prescribe the form for the application and
23 certification. The commissioner shall also provide a list of
24 comparable conventionally fueled vehicles for determining the
25 amount of the credit allowed pursuant to paragraph (2) of
26 subsection a. of this section.

27 (2) The Commissioner of Environmental Protection shall have
28 90 days from the date of receipt of a completed application to make
29 a determination as to the issuance of a certification.

30 (3) Upon certification, the Commissioner of Environmental
31 Protection shall submit a copy of the certification to the taxpayer
32 and the director. When filing a tax return that includes a claim for
33 the credit allowed pursuant to this section, the taxpayer shall
34 include a copy of the certification.

35 c. The order of priority of the application of the credit allowed
36 pursuant to this section and any other credits allowed against the tax
37 due pursuant to N.J.S.54A:1-1 et seq. for a taxable year shall be as
38 prescribed by the director. The amount of the credit applied against
39 the tax due pursuant to N.J.S.54A:1-1 et seq. shall not reduce a
40 taxpayer's liability to an amount less than zero. The amount of the
41 tax credits otherwise allowable under this section that cannot be
42 applied for the taxable year may be carried forward, if necessary, to
43 the seven taxable years following the taxable year for which the tax
44 credit was allowed.

45 d. (1) A business entity that is classified as a partnership for
46 federal income tax purposes shall not be allowed a tax credit
47 pursuant to this section directly, but the amount of tax credit of a
48 taxpayer in respect to the distributive share of entity income, shall

1 be determined by allocating to the taxpayer that proportion of the
2 tax credit acquired by the entity that is equal to the taxpayer's share,
3 whether or not distributed, of the total distributive income or gain
4 of the entity for its taxable year ending within or with the taxpayer's
5 taxable year.

6 (2) A New Jersey S Corporation shall not be allowed a tax credit
7 pursuant to this section directly, but the amount of the tax credit of
8 a taxpayer in respect of a pro rata share of S Corporation income,
9 shall be determined by allocating to the taxpayer that proportion of
10 the tax credit acquired by the New Jersey S Corporation that is
11 equal to the taxpayer's share, whether or not distributed, of the total
12 pro rata share of S Corporation income of the New Jersey S
13 Corporation for its privilege period ending within or with the
14 taxpayer's taxable year.

15 e. As used in this section:

16 "Electric vehicle charging station" means a station that is
17 designed in compliance with the State Uniform Construction Code,
18 adopted pursuant to P.L.1975, c.217 (C.52:27D-119 et seq.), that
19 delivers electricity from a source outside an electric vehicle into
20 one or more electric vehicles, and that is capable of providing, at a
21 minimum, Level 2 charging. An electric vehicle charging station
22 may include several charge points simultaneously connecting
23 several electric vehicles to the station and any related equipment
24 needed to facilitate charging plug-in electric vehicles.

25 "Qualified commercial zero emission vehicle" means a vehicle
26 certified as a zero emission vehicle pursuant to the California Air
27 Resources Board zero emission vehicle standards for the applicable
28 model year and is used to transport commodities, merchandise,
29 produce, refuse, freight, animals, or passengers as part a taxpayer's
30 business, trade, or occupation, but shall not include an advanced
31 technology partial zero emission vehicle or a partial zero emission
32 vehicle.

33

34 3. Notwithstanding any provision of the "Administrative
35 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
36 contrary, the Commissioner of Environmental Protection shall
37 adopt, immediately upon filing with the Office of Administrative
38 Law and no later than the 90th day after the effective date of this
39 act, such rules and regulations as the commissioner deems
40 necessary to implement the provisions of P.L. , c. (pending
41 before the Legislature as this bill), which regulations shall be
42 effective for a period not to exceed 18 months. The regulations
43 shall thereafter be amended, adopted, or readopted by the
44 commissioner in accordance with the provisions of P.L.1968, c.410
45 (C.52:14B-1 et seq.).

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47 4. This act shall take effect immediately.