

S 1204 -- Redline

Introduced to Amended -- "New Jersey Battlefield to Boardroom Act"; provides corporation business tax credits and gross income tax credits for qualified wages of certain veterans.*

Deletions ~~struck~~ · Insertions underlined

S1204 1R [First Reprint] SENATE, No.

~~Senator~~Senators Beach and Cruz-Perez
~~Act; Act";~~

SYNOPSIS

~~The "New~~ New Jersey Battlefield to Boardroom

CURRENT VERSION OF TEXT IntroducedAs Pendingreported Technicalby Reviewthe bySenate
~~LegislativeMilitary Counsel, and Veterans' Affairs Committee on February 19, 2026, with amendments.~~

1. 1. This act shall be known and may be cited as ~~"The1the1 "1[The]1~~ New Jersey Battlefield to Boardroom Act." ~~2. 2. a. a. (1) (1)~~ For privilege periods ~~commencing1[commencing~~ on or ~~after~~ after January 1, 2020 but before January 1, ~~2024, 2024]~~ beginning after December 31 following the date of enactment of P.L. , c. (C.) (pending before the Legislature as this bill) and ending before January 1 of the fifth year next following the date of enactment1, a taxpayer 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 the value of ~~ten1[ten] 101~~ percent of qualified wages paid in the privilege period to a qualified veteran in the course of sustained employment. For each privilege period, a taxpayer's credit allowed pursuant to this section shall not exceed \$1,200 for each qualified veteran.

(2) For a taxpayer to qualify for the credit allowed pursuant to this section for a privilege period, the taxpayer shall comply with the requirements of this paragraph.

Twenty-five percent of the taxpayer's new employees for the privilege period for which credit is claimed shall be qualified veterans.

If the taxpayer received the credit allowed pursuant to this section for the privilege period immediately preceding the privilege period for which credit is claimed, then 50 percent of the qualified veterans hired in the immediately preceding privilege period shall remain employed by the taxpayer for the privilege period for which credit is claimed.

The taxpayer shall provide veteran support services that are accessible in the workplace, which services may, but not necessarily, be procured through a private veteran support services service provider.

The taxpayer shall regularly conduct specific recruitment efforts to hire qualified veterans and their nuclear family members.

The taxpayer shall provide support to outreach efforts of veteran support organizations.

The taxpayer shall comply with the federal Uniformed Services Employment and Reemployment Rights Act ~~(38 U.S.C. s.4301 et seq.) and(38 provideU.S.C. additional privileges in excess of the rights protected by the federal Uniformed Services Employment and Reemployment Rights Act.~~

s.4301 b. et (1) seq.) Theand orderprovide ofadditional priorityprivileges ofin theexcess
application of the creditrights allowedprotected pursuant to this section and any other credits allowed against the tax imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) for a privilege period shall be as prescribed by the director. federal Uniformed TheServices amountEmployment of the credit applied pursuant to this section, added together with any other credit allowed against the tax imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), shall not exceed 50% of the tax liability otherwise due and shall Reemployment notRights reduceAct. the tax liability to an amount less than the statutory minimum provided in subsection (e) of section 5 of P.L.1945, c.162.

~~Unusedb. credit(1) resultingThe fromorder of priority of the limitationsapplication of thisthe~~
paragraphcredit mayallowed bepursuant carriedto forward, this ifsection necessary, and forany useother
incredits allowed against the seven tax privilege imposed periods pursuant followingto the section 5 of
P.L.1945, c.162 (C.54:10A-5) for a privilege period forshall whichbe as prescribed by the director.
The amount of the credit isapplied allowed, pursuant to this section, added together with any other
credit allowed against the tax imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), shall not
exceed 1[50%] 50 percent1 of the tax liability otherwise due and 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.

~~(2) Unused A taxpayer shall not be granted a credit pursuantresulting tofrom this section for the~~
~~qualifiedlimitations wagesof paidthis toparagraph amay qualifiedbe veteran~~carried inforward, a privilege
~~period if thenecessary, qualifiedfor wagesuse of the qualified veteran or the job providing qualified~~
~~wages to the qualified veteran is included in the calculationseven ofprivilege anotherperiods~~
~~creditfollowing~~ against any State tax or a grant pursuant to P.L.1996, c.26 (C.34:1B-124 et seq.) for a
period of time that coincides with the applicable privilege period. period (3) If the director

determines that a taxpayer is displacing employees and replacing the employees with qualified veterans for thewhich primary purposes of obtaining the credit allowedis pursuantallowed. to this section, the director shall deny the credit allowed under this section for the taxpayer and shall issue a tax

~~assessment for the recapture of credit previously allowed to the taxpayer under this section plus an assessment of 50% of any credit subject to recapture as penalty. c. As used in this section:~~

~~"Sustained(2) employment" A means taxpayer shall not be granted a credit pursuant to this section for the qualified wages paid to a qualified veteran in a privilege period if the qualified wages of time the no qualified less veteran than or 185 the business job days providing during qualified wages to the privilege qualified period veteran is included in which the calculation of another credit against any State tax or a qualified grant veteran pursuant to P.L. 1996, c. 26 (C. 34:1B-124 et seq.) for a period of time that coincides with the applicable privilege period. (3) If the director determines that a taxpayer is earning displacing employees and replacing the employees with qualified wages veterans for the primary purposes of obtaining the credit allowed pursuant to this section, the director shall deny the credit allowed under this section for the taxpayer and shall issue a tax assessment for the recapture of credit previously allowed to the taxpayer under this section plus an assessment of 1[50%] 50 percent 1 of any credit subject to recapture as penalty. 1(4) The total value of tax credits approved by the director pursuant to this section and section 3 of P.L. , c. (C.) (pending before the Legislature as this bill) shall not exceed \$10,000,000 during any fiscal year. 1 c. As used in this section:~~

~~"Qualified" Sustained veteran employment" means a resident period of this time State no initially less hired than by 185 the business taxpayer days on during or the after privilege January period 1, that has been honorably discharged or released under honorable circumstances from active service, occurring on or after January 1, 1965, in any which branch of the Armed Forces of the United States , and who has shown proof of military service by providing a copy qualified of veteran the is DD-214 earning form, qualified its wages. equivalent, or federal activation orders showing service under Title 10, section 672 or section 12301, of the United States Code.~~

~~"Qualified wages" veteran" mean means any a salaries, resident wages of and this remuneration State subject initially to hired by the "New taxpayer Jersey on Gross or Income after Tax 1 January Act," 1, N.J.S. 54A:1-1 2010] et the seq., date paid of to enactment a of qualified P.L. veteran, c. (C.) (pending before the Legislature as this bill) 1 that has been honorably discharged or released under honorable circumstances from active service, occurring on or after January 1, but 1965, before in January any 1, branch 2024 of for the labor Armed rendered Forces in of the United States , and who has shown proof of military service to by an providing enterprise a copy of the taxpayer, DD-214 form, its equivalent, or federal activation orders showing service under Title 10, section 672 or section 12301, of the United States Code.~~

~~"Qualified 3. wages" a. mean (1) any For salaries, taxable wages years and commencing remuneration on subject or after January 1, 2020 but before January 1, 2024, a taxpayer shall be allowed a credit against the tax due pursuant to the "New Jersey Gross Income Tax Act," N.J.S. 54A:1-1 et seq., in paid an amount equal to the a value qualified of veteran ten on percent or of after qualified 1 January wages 1, paid 2020 in but the before taxable January year 1, to 2024] a January qualified 1 veteran following in the course date of sustained enactment employment. of For P.L. each, taxable c. a) taxpayer's (pending credit before allowed the pursuant Legislature to as this section bill) 1 shall for not labor exceed rendered \$1,200 in for service each to qualified an veteran enterprise of the taxpayer.~~

~~(2) 3. a. (1) For a taxable taxpayer years to commencing qualify on for or after 1 January 1, 2020 but before January 1, 2024] January 1 following the credit date allowed of pursuant enactment to of P.L. , c. (C.) (pending before the Legislature as this section bill), and for a the next four taxable year, years the thereafter 1, a taxpayer shall comply be with allowed a credit against the requirements tax due pursuant to the "New Jersey Gross Income Tax Act," N.J.S. 54A:1-1 et seq., in an amount equal to the value of 1[ten] 101 percent of qualified wages paid in the taxable year to a qualified veteran in the course of sustained employment. For each taxable year, a taxpayer's credit allowed pursuant to this paragraph section shall not exceed \$1,200 for each qualified veteran.~~

~~Twenty-five (2) percent For of a the taxpayer taxpayer's to new qualify employees for the taxable credit year allowed pursuant to this section for which a credit taxable is year, claimed the taxpayer shall be comply qualified with veterans the requirements of this paragraph.~~

~~If Twenty-five the percent taxpayer of received the credit taxpayer's allowed new pursuant employees to this section for the taxable year immediately preceding the taxable year for which credit is claimed, claimed then shall 50 be percent of the qualified veterans veterans. hired in the immediately preceding taxable year shall remain employed by the taxpayer for the taxable year for which credit is claimed.~~

~~The If the taxpayer shall received provide the veteran credit support allowed services pursuant that to are this accessible section in for the workplace, taxable year immediately preceding the taxable year for which services credit may, is but claimed, not then necessarily, 50 be percent procured of through the a qualified private veterans veteran hired support in services the service immediately provider, preceding taxable year shall remain employed by the taxpayer for the taxable year for which credit is claimed.~~

~~The taxpayer shall regularly provide conduct veteran specific support recruitment services efforts that to are hire accessible qualified in veterans the and workplace, their which nuclear services family may, members, but not necessarily, be procured through a private veteran support services service provider.~~

The taxpayer shall ~~provide~~ regularly support ~~conduct to specific outreach~~ recruitment efforts ~~of to~~ ~~veteran~~ hire support ~~qualified organizations, veterans and their nuclear family members.~~

The taxpayer shall ~~comply~~ provide with support ~~the to federal outreach~~ Uniformed ~~efforts~~ Services of ~~Employment~~ ~~veteran~~ and support Reemployment ~~organizations.~~ Rights Act (38 U.S.C.

~~s. 4301 et seq.) taxpayer and shall provide comply additional with privileges in excess of the rights protected by the federal Uniformed Services Employment and Reemployment Rights Act. Act — (38 b. U.S.C. (1) A credit allowed pursuant to this section shall not reduce the tax liability otherwise due pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., for a taxable year to less than zero.~~

~~s. 4301 Unused et credit seq.) resulting and from provide the additional limitations privileges in excess of this the paragraph rights may protected be by carried the forward federal if Uniformed necessary Services Employment and Reemployment Rights Act. b. (1) A credit allowed pursuant to the this seven section taxables shall years not following reduce the taxable tax year liability for otherwise which due pursuant to the credit "New was Jersey allowed. Gross The Income form Tax and Act," method N.J.S.54A:1-1 of et carry seq., forward for shall a be taxable as year prescribed to by less the than director, zero.~~

~~(2) Unused A taxpayer shall not be granted a credit pursuant resulting to from this section for the qualified limitations wages of paid this to paragraph a may qualified be veteran carried in forward a taxable year if the necessary qualified wages of the qualified veteran or the job providing qualified wages to the qualified seven veteran taxable is years included following in the calculation of another credit against any State tax or a grant pursuant to P.L.1096, c.26 (C.34:1B-124 et seq.) for a period of time that coincides with the applicable taxable year. year (3) If the director determines that a taxpayer is displacing employees and replacing the employees with qualified veterans for the which primary purposes of obtaining the credit allowed was pursuant allowed. to The this form section, the director shall deny the credit allowed under this section for the taxpayer and shall method issue a tax assessment for the recapture of credit carry previously forward allowed shall to be the taxpayer under this section plus an assessment of 50% of any credit subject to recapture as penalty. prescribed — by c. — the As director. used in this section:~~

~~"Sustained (2) employment" A means taxpayer shall not be granted a period credit pursuant to this section for the qualified wages paid to a qualified veteran in a taxable year if the qualified wages of time the no qualified less veteran than or 185 the business job days providing during qualified wages to the privilege qualified period veteran is included in which the calculation of another credit against any State tax or a qualified grant veteran pursuant to P.L.1996, c.26 (C.34:1B-124 et seq.) for a period of time that coincides with the applicable taxable year. (3) If the director determines that a taxpayer is earning displacing employees and replacing the employees with qualified wages, veterans for the primary purposes of obtaining the credit allowed pursuant to this section, the director shall deny the credit allowed under this section for the taxpayer and shall issue a tax assessment for the recapture of credit previously allowed to the taxpayer under this section plus an assessment of 1[50%] 50 percent 1 of any credit subject to recapture as penalty. 1(4) The total value of tax credits approved by the director pursuant to this section and section 2 of P.L. , c. (C.) (pending before the Legislature as this bill) shall not exceed \$10,000,000 during any fiscal year. 1 c. As used in this section:~~

~~"Qualified" Sustained veteran "employment" means a resident period of this time State no initially less hired than by 185 the business taxpayer days on during or the after privilege January period 1, that has been honorably discharged or released under honorable circumstances from active service, occurring on or after January 1, 1965, in any which branch of the Armed Forces of the United States, and who has shown proof of military service by providing a copy qualified of veteran the is DD-214 earning form, qualified its wages. equivalent, or federal activation orders showing service under Title 10, section 672 or section 12301, of the United States Code.~~

~~"Qualified wages" veteran" mean means any a salaries, resident wages of and this remuneration State subject initially to hired by the "New taxpayer Jersey on Gross or Income after Tax 1[January Act," 1, N.J.S.54A:1-1 et 2010] seq., paid the to effective a date qualified of veteran P.L. , c. (C.) (pending before the Legislature at this bill) 1 that has been honorably discharged or released under honorable circumstances from active service, occurring on or after January 1, but 1965, before in January any 1, branch 2024 of for the labor Armed rendered Forces in of the United States, and who has shown proof of military service to by providing enterprise a copy of the taxpayer, DD-214 form, its equivalent, or federal activation orders showing service under Title 10, section 672 or section 12301, of the United States Code.~~

~~"Qualified wages" mean any salaries, wages and remuneration subject to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., paid to a qualified veteran on or after 1[January 1, 2020 but before January 1, 2024] January 1 following the date of enactment of P.L. , c. (C.) (pending before the Legislature as this bill) 1 for labor rendered in service to an enterprise of the taxpayer.~~

~~STATEMENT This bill is entitled "The New Jersey Battlefield to Boardroom Act." The bill provides a corporation business tax credit and gross income tax credit for qualified wages of certain veterans. The two credits established by this bill provide an employer with a credit in the amount of 10 percent~~

~~of the wages paid to a qualified veteran. The credits may not exceed \$1,200 for each qualified veteran per tax year. The bill defines a qualified veteran as a resident of this State initially hired by the taxpayer on or after January 1, that has been honorably discharged or released under honorable circumstances from active service, occurring on or after January 1, 1965, in any branch of the Armed Forces of the United States, and shows proof of military service by providing a copy of the DD-214 form, its equivalent, or federal activation orders showing service under Title 10, section 672 or section 12301, of the United States Code. The bill requires that for purposes of the credits' availability, the wages of a qualified veteran must be subject to the gross income tax and paid on or after January 1, 2020 but before January 1, 2024. To be creditable, wages must also arise from employment of a qualified veteran for at least 185 business days of the applicable tax year.~~

~~To qualify for a credit, the bill imposes a series of conditions on a taxpayer as an employer. For a tax year that the credit is claimed, the bill requires that 25 percent of the taxpayer's new employees be qualified veterans. For tax years immediately subsequent to a prior credit year, the bill further requires that 50 percent of the qualified veterans hired in that prior tax year must remain employed by the taxpayer. In addition to employment criteria, the bill conditions credit qualification on other aspects of veteran employment. The bill requires a taxpayer to provide veteran support services that are accessible in the workplace. The bill further conditions credit qualification on a taxpayer's regular recruitment efforts to hire qualified veterans and their nuclear family members while providing support to outreach efforts of veteran support organizations. The bill also conditions credit qualification on compliance with the federal Uniformed Services Employment and Reemployment Rights Act and the provision of privileges in excess of the rights protected by that act. In addition to providing the terms of credit qualification, the bill contains provisions aimed at preventing potential misuse of the credit. The bill prohibits taxpayers from simultaneously using the wages or employment of a qualified veteran to qualify for the credit and any other generally available employment incentive that comes in the form of a State tax credit or grant. The bill also empowers the Director of the Division of Taxation to recapture credit, plus an additional 50% penalty, if the Director determines that the employer displaced employees to replace them with qualified veterans for the primary purpose of taking advantage of the credit.~~

~~The credits established by this bill are limited in duration in that they are available for tax years commencing on or after January 1, 2020 but before January 1, 2024.~~