

ASSEMBLY, No. 2369

STATE OF NEW JERSEY 221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Assemblyman WILLIAM W. SPEARMAN

District 5 (Camden and Gloucester)

Assemblywoman ANNETTE QUIJANO

District 20 (Union)

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

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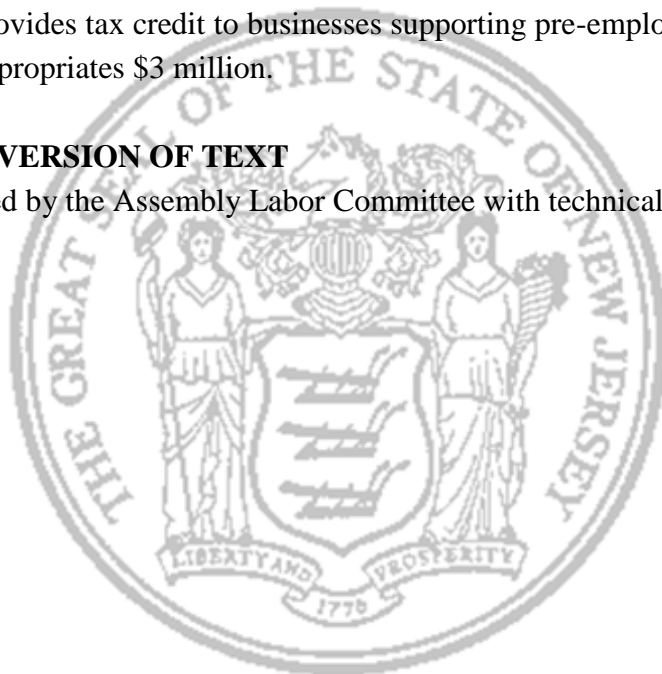
Assemblyman Calabrese, Assemblywomen Sumter, Haider, Assemblymen Atkins, Simonsen, McClellan, Wimberly, Assemblywomen Speight, Lampitt, Assemblymen Karabinchak, Freiman, Assemblywomen Murphy and Swain

SYNOPSIS

“New Jersey Works Act”; concerns businesses and pre-employment training programs; provides tax credit to businesses supporting pre-employment training programs; appropriates \$3 million.

CURRENT VERSION OF TEXT

As reported by the Assembly Labor Committee with technical review.



1 AN ACT concerning pre-employment training programs,
2 supplementing P.L.1992, c.43 (C.34:15D-1 et seq.), P.L.1945,
3 c.162 (C.54:10A-1 et seq.), and Title 54A of the New Jersey
4 Statutes, and making an appropriation.

5

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

8

9 1. This act shall be known and may be cited as the “New Jersey
10 Works Act.”

11

12 2. As used in sections 1 through 4 of P.L. , c. (C.)
13 (pending before the Legislature as this bill):

14 “Agreement” means an agreement between one or more business
15 entities and one or more institutions of higher education,
16 comprehensive high schools, county vocational schools, or
17 nonprofit organizations to establish a pre-employment and work
18 readiness training program.

19 “Assistance” means the contribution of moneys to aid in the
20 provision of a pre-employment and work readiness training program
21 established by a business entity in partnership with an institution of
22 higher education or a comprehensive high school or county
23 vocational school or nonprofit organization.

24 “Business entity” means any corporation, company, association,
25 society, firm, partnership, joint stock company, sole proprietorship,
26 limited liability entity or individual which is authorized to conduct
27 or operate a trade or business in the State. “Business entity” shall
28 not include any business entity engaged in a construction trade.

29 “Comprehensive high school” means a public or non-public high
30 school located in the State that may grant a State-endorsed diploma
31 to students and offers vocational education.

32 “Department” means the Department of Labor and Workforce
33 Development.

34 “Director” means the Director of the Division of Taxation in the
35 Department of the Treasury.

36 “Educational institution” means an institution of higher
37 education, a comprehensive high school, or a county vocational
38 school.

39 “Institution of higher education” means any public or
40 independent four-year institution of higher education or a county
41 college.

42 “Low income household” means a household whose gross
43 household income is less than 50 percent of the median gross
44 household income for the region in which the business entity is
45 located for households of similar size as determined by the
46 department.

47 “Moderate income household” means a household whose gross
48 household income is greater than or equal to 50 percent but less

1 than 80 percent of the median gross household income of the region
2 in which the business entity is located for households of similar size
3 as determined by the department.

4 “Nonprofit organization” means a private nonprofit corporation
5 that has been determined by the Internal Revenue Service of the
6 United States Department of the Treasury to be exempt from
7 income taxation pursuant to section 501(c)(3) of the federal Internal
8 Revenue Code, 26 U.S.C. s.501(c)(3).

9
10 3. a. One or more institutions of higher education,
11 comprehensive high schools, county vocational schools, or
12 nonprofit organizations may enter into an agreement with a business
13 entity to establish a pre-employment and work readiness training
14 program. The purpose of the program shall be to recruit, prepare,
15 and educate individuals for entry-level jobs with long-term career
16 potential through paid training programs. The program shall target
17 for recruitment low- and moderate-income households and current
18 workers in need of skills development. A business entity may
19 provide assistance for a pre-employment and work readiness
20 training program if the program is approved by the department
21 pursuant to section 4 of P.L. , c. (C.) (pending before the
22 Legislature as this bill) and may receive a credit for such assistance
23 pursuant to section 5 or 6 of P.L. , c. (C. or C.)
24 (pending before the Legislature as this bill).

25 b. Each pre-employment and work readiness training program
26 shall offer no less than 12 weeks of paid training for each
27 participant, and include, but not be limited to training and
28 instruction in the following areas: basic math and English literacy,
29 communication skills, critical thinking, leadership, life skills and
30 job readiness skills training such as conflict management, finance
31 concepts, resume preparation, problem solving, self-awareness and
32 management, and any other requirement deemed necessary by the
33 department. Each pre-employment and work readiness training
34 program participant shall be paid the minimum wage pursuant to
35 section 5 of P.L.1966, c.113 (C.34:11-56a4) or any order issued by
36 the Commissioner of Labor and Workforce Development pursuant
37 to that act.

38 c. Each trainee shall be a minimum of 16 years old. An
39 educational institution or nonprofit organization shall not determine
40 a trainee’s eligibility for participation in a training program based
41 on the trainee’s possession of a high school diploma or any high
42 school equivalency. Following the successful completion of a pre-
43 employment and work readiness training program, each program
44 shall offer trainees employment provided through a business entity
45 which has provided funding for a qualified pre-employment and
46 work readiness training program, or both.

47 d. Each educational institution or nonprofit organization shall
48 submit to the department the following information three months,

1 six months, and nine months following the close of a training
2 program: the number of participants who successfully completed
3 the training program and the number of participants currently
4 employed by a business entity, including each participant's job title
5 and salary.

6
7 4. a. An institution of higher education, comprehensive high
8 school, county vocational school, or nonprofit organization which has
9 entered into an agreement under section 3 of P.L. , c. (C.)
10 (pending before the Legislature as this bill) with a business entity shall
11 submit a proposed pre-employment and work-readiness training plan
12 to the department for approval. Two or more institutions of higher
13 education, comprehensive high schools, county vocational schools, or
14 nonprofit organizations may submit a plan to the department jointly.
15 Any plan submitted by two or more institutions of higher education,
16 comprehensive high schools, vocational schools, or nonprofit
17 organizations shall designate one institution of higher education,
18 comprehensive high school, vocational school, or nonprofit
19 organization as the lead organization with responsibility for the plan.
20 An institution of higher education, comprehensive high school, county
21 vocational school, or nonprofit organization that has proposed a pre-
22 employment and work-readiness training plan to the department may
23 seek to amend it at any time. The department shall approve the
24 amendments so long as the pre-employment and work readiness
25 training plan complies with the minimum requirements set forth in
26 subsection c. of this section.

27 b. The department shall review a proposed pre-employment and
28 work-readiness training plan to make a determination as to whether a
29 proposed pre-employment and work readiness training program
30 qualifies for assistance for which a tax credit may be granted pursuant
31 to section 5 or section 6 of P.L. , c. (C. or C.) (pending
32 before the Legislature as this bill). Upon the department's
33 determination and certification of qualification and calculation of
34 credit, the department shall send the certification and calculation of
35 credit to the Director of Taxation in the Department of the Treasury to
36 allow the tax credit to be claimed.

37 c. The department shall determine that a proposed plan for a pre-
38 employment and work readiness training program qualifies for
39 assistance if the plan meets all of the following standards:

40 (1) The proposed program consists of pre-employment and work
41 readiness training activities to benefit low- and moderate-income
42 households and persons in need of early and mid-career skills training
43 or vocational retraining.

44 (2) The proposed program is reasonably designed to accomplish its
45 intended purpose and it would further the purposes of the pre-
46 employment and work-readiness training plan.

1 (3) The educational institution or nonprofit organization
2 demonstrates that it has the capacity to implement the proposed pre-
3 employment and work-readiness training plan.

4 (4) The educational institution or nonprofit organization ensures
5 that financial assistance is to be expended exclusively to implement
6 the pre-employment and work-readiness training plan.

7 (5) The educational institution or nonprofit organization provides
8 documentation of its completion rates.

9

10 5. a. A taxpayer, upon final approval of an application by the
11 department, shall be allowed a credit against the tax imposed pursuant
12 to section 5 of P.L.1945, c.162 (C.54:10A-5) in an amount equal to
13 100 percent of the amount of assistance provided by the taxpayer to an
14 institution of higher education, comprehensive high school, county
15 vocational school, or nonprofit organization during a privilege period
16 commencing on or after January 1 next following the enactment of
17 P.L. , c. (C.) (pending before the Legislature as this bill) for an
18 approved pre-employment and work readiness training program
19 established in agreement with an institution of higher education,
20 comprehensive high school, county vocational school, or nonprofit
21 organization pursuant to section 3 of P.L. , c. (C.) (pending
22 before the Legislature as this bill).

23 b. No tax credit shall be awarded pursuant to this section for any
24 costs or expenses included in the calculation of any other tax credit or
25 exemption granted pursuant to a claim made on a tax return filed with
26 the director, or included in the calculation of an award of business
27 assistance or incentive, for a period of time that coincides with the
28 privilege period for which a tax credit pursuant to this section is
29 allowed. The order of priority of application of the tax credit allowed
30 pursuant to this section, and any other credits allowed against the tax
31 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) for a
32 privilege period, shall be as prescribed by the director. The amount of
33 the credit applied against the tax imposed pursuant to section 5 of
34 P.L.1945, c.162 (C.54:10A-5) shall not reduce a taxpayer's tax
35 liability to an amount less than the statutory minimum provided in
36 subsection (e) of section 5 of P.L.1945, c.162 (C.54:10A-5).

37 c. The value of tax credits approved by the director pursuant to
38 subsection a. of this section and pursuant to subsection a. of section 6
39 of P.L. , c. (C.) (pending before the Legislature as this bill)
40 shall not exceed a cumulative total of \$12,000,000 in State fiscal year
41 2024, and in each State fiscal year thereafter, to apply against the tax
42 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) and the
43 tax imposed pursuant to the "New Jersey Gross Income Tax Act,"
44 N.J.S.54A:1-1 et seq. If the cumulative total amount of tax credits
45 allowed to taxpayers for privilege periods or taxable years
46 commencing during a single fiscal year under subsection a. of this
47 section and subsection a. of section 6 of P.L. , c. (C.) (pending
48 before the Legislature as this bill) exceeds the amount of tax credits

1 available in that fiscal year, then taxpayers who have first applied for
2 and have not been allowed a tax credit for that reason shall be allowed,
3 in the order in which they have submitted an application, the amount
4 of the tax credit on the first day of the next succeeding fiscal year in
5 which tax credits under subsection a. of this section and subsection a.
6 of section 6 of P.L. , c. (C.) (pending before the Legislature as
7 this bill) are not in excess of the amount of credits available.

8 d. A taxpayer shall submit to the department a report to verify the
9 taxpayer's tax credit claim. The report shall include a certification
10 from an institution of higher education, a comprehensive high school,
11 a county vocational school, or a nonprofit organization that the
12 assistance was used for an approved pre-employment and work
13 readiness training program, and shall include such other information as
14 the department may require. The certification shall be provided to the
15 taxpayer and a copy of the certification shall be provided to the
16 director and included in the filing of a return that includes a claim for a
17 tax credit allowed pursuant to this section.

18
19 6. a. A taxpayer, upon approval of an application by the
20 department, shall be allowed a credit against the tax otherwise due for
21 the taxable year under the "New Jersey Gross Income Tax Act,"
22 N.J.S.54A:1-1 et seq., in an amount equal to 100 percent of the amount
23 of assistance provided by the taxpayer to an institution of higher
24 education, comprehensive high school, county vocational school, or
25 nonprofit organization during a taxable year commencing on or after
26 January 1 next following the enactment of P.L. , c. (C.)
27 (pending before the Legislature as this bill) for an approved pre-
28 employment and work readiness training program established in
29 agreement with an educational institution or a nonprofit organization
30 pursuant to section 3 of P.L. , c. (C.) (pending before the
31 Legislature as this bill).

32 b. No tax credit shall be allowed pursuant to this section for any
33 costs or expenses included in the calculation of any other tax credit or
34 exemption granted pursuant to a claim made on a tax return filed with
35 the director, or included in the calculation of an award of business
36 assistance or incentive, for a period of the time that coincides with the
37 taxable year, for which a tax credit authorized pursuant to this section
38 is allowed.

39 c. (1) A business entity that is classified as a partnership for
40 federal income tax purposes shall not be allowed a tax credit pursuant
41 to this section directly, but the amount of tax credit of a taxpayer in
42 respect to a distributive share of entity income shall be determined by
43 allocating to the taxpayer that proportion of the tax credit acquired by
44 the entity that is equal to the taxpayer's share, whether or not
45 distributed, of the total distributive income or gain of the entity for its
46 taxable year ending within or with the taxpayer's taxable year.

47 (2) A New Jersey S Corporation shall not be allowed a tax credit
48 pursuant to this section directly, but the amount of the tax credit of a

1 taxpayer in respect of a pro rata share of S Corporation income shall
2 be determined by allocating to the taxpayer that proportion of the tax
3 credit acquired by the New Jersey S Corporation that is equal to the
4 taxpayer's share, whether or not distributed, of the total pro rata share
5 of S Corporation income of the New Jersey S Corporation for its
6 privilege period ending within or with the taxpayer's taxable year.

7 d. The value of tax credits approved by the department pursuant
8 to subsection a. of this section and pursuant to subsection a. of section
9 5 of P.L. , c. (C.) (pending before the Legislature as this bill)
10 shall not exceed a cumulative total of \$12,000,000 in State fiscal year
11 2024 and in State each fiscal year thereafter to apply against the tax
12 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) and the
13 tax imposed pursuant to the "New Jersey Gross Income Tax Act,"
14 N.J.S.54A:1-1 et seq. If the cumulative total amount of tax credits
15 allowed to taxpayers for taxable years or privilege period commencing
16 during a single fiscal year under subsection a. of this section and
17 subsection a. of section 5 of P.L. , c. (C.) (pending before the
18 Legislature as this bill) exceeds the amount of tax credits available in
19 that fiscal year, then taxpayers who have first applied for and have not
20 been allowed a tax credit for that reason shall be allowed, in the order
21 in which they have submitted an application, the amount of tax credit
22 on the first day of the next succeeding fiscal year in which tax credits
23 under subsection a. of this section and subsection a. of section 5 of
24 P.L. , c. (C.) (pending before the Legislature as this bill) are
25 not in excess of the amount of credits available.

26 e. A taxpayer shall submit to the department a report to verify the
27 taxpayer's tax credit claim. The report shall include a certification
28 from an institution of higher education, a comprehensive high school,
29 a county vocational school, or a nonprofit organization that the
30 assistance was used for an approved pre-employment and work
31 readiness training program, and shall include such other information as
32 the department may require. The certification shall be provided to the
33 taxpayer and a copy of the certification shall be provided to the
34 director and included in the filing of a return that includes a claim for a
35 tax credit allowed pursuant to this section.

36
37 7. Following two years from the effective date of this act, the
38 Department of State shall prepare, or cause to be prepared, an
39 appropriate study and analysis of the efficacy of the training
40 programs and tax credits, including but not limited to, employment
41 and education outcomes of participants and the costs and benefits of
42 the programs and tax credits to the State. Upon its completion,
43 copies of the report shall be transmitted to the Governor and the
44 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1).

45
46 8. There is appropriated from the General Fund to the Department
47 of Labor and Workforce Development \$3 million to implement the
48 provisions and to effectuate the purposes of this act.

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- 1 9. The Commissioner of Labor and Workforce Development
2 shall, in consultation with the Director of the Division of Taxation,
3 adopt rules and regulations pursuant to the “Administrative Procedure
4 Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the purposes
5 of this act.
6
- 7 10. This act shall take effect 180 days following the date of
8 enactment, and sections 5 and 6 shall apply to privilege periods and
9 taxable years beginning on or after the January 1 next following the
10 effective date.