

STATEMENT TO
[First Reprint]
SENATE, No. 3128

with Senate Floor Amendments
(Proposed by Senator LAGANA)

ADOPTED: DECEMBER 19, 2022

These Senate amendments clarify that the provisions of the bill would not affect any agreements entered into by the Division of Taxation with another state concerning the payment of income taxes by residents and out-of-state workers. Under State law, the Division of Taxation is permitted to enter into agreements with the taxing authorities of another state to exempt New Jersey residents from the payment of income taxes to that state. Likewise, these agreements may exempt residents of the other state from paying income taxes to New Jersey. The PA/NJ Reciprocal Income Tax Agreement currently in place between Pennsylvania and New Jersey is one such agreement and allows residents of both states to pay income taxes based on the state where they reside rather than the location of their employer. The purpose of these amendments is to not only protect this agreement, but to provide the Division of Taxation with the flexibility to enter into similar agreements with other states in the future.