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P.L. 2020, CHAPTER 19, ***approved April 14, 2020***
Senate, No. 2338

AN ACT mitigating the fiscal impact of the COVID-19 pandemic.

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

1. a. A taxpayer required to make and file an annual or quarterly return or report pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., or the "Corporation Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), on an original due date of April 15, 2020, shall be granted by the Director of the Division of Taxation in the Department of the Treasury an automatic extension of time to file those returns or reports and to pay the tax due until July 15, 2020.

b. The provisions involving payment of interest upon any overpayment of tax pursuant to N.J.S.54A:9-7 and section 7 of P.L.1992, c.175 (C.54:49-15.1), are hereby extended for six months after the conclusion of the state of emergency declared by the Governor pursuant to Executive Order No. 103 of 2020, or any extension thereof, or within six months after the return is filed, whichever is later.

c. A taxpayer granted an automatic extension pursuant to subsection a. of this section shall not be subject to penalties or interest if the return or report is filed and the tax due is paid on or before July 15, 2020, or by such other date that may be permitted by the director in accordance with regulations in effect on the effective date of P.L. , c. (pending before the Legislature as this bill).

d. Notwithstanding any provision of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the director may adopt immediately upon filing with the Office of Administrative Law such rules and regulations as the director determines to be necessary and appropriate to effectuate the purposes of this section.

2. The statute of limitations to assess any tax pursuant to N.J.S.54A:9-4 and R.S.54:49-6 is hereby extended for 90 days after the conclusion of the state of emergency declared by the Governor pursuant to Executive Order No. 103 of 2020, or any extension thereof.

3. a. Notwithstanding R.S.52:5-1, or any other law to the contrary, for purposes of the State's general appropriation law, the State fiscal year scheduled to end on June 30, 2020 shall end on September 30, 2020, and the subsequent State fiscal year shall begin on October 1, 2020 and end on June 30, 2021.

b. Following the enactment of P.L. , c. (pending before the Legislature as this bill), any additional spending required to support the operations of the State from July 1, 2020 through September 30, 2020, shall be made through the enactment of a general law that amends or provides for a supplemental appropriation to P.L.2019, c.150.

4. The fiscal year of a municipality operating under the State fiscal year pursuant to an ordinance adopted pursuant to subsection a. of section 3 of 1991, c.75 (C.40A:4-3.2) shall be not be altered or otherwise affected by the provisions of section 3 of P.L. , c. (pending before the Legislature as this bill). Nothing in this section shall be construed as prohibiting a municipality from reverting to a calendar fiscal year pursuant to subsection b. of section 3 of 1991, c.75 (C.40A:4-3.2).

5. a. The State Treasurer shall prepare a report on the financial condition of the State budget for State Fiscal Years 2020 and 2021, as altered by section 3 of P.L. , c. (pending before the Legislature as this

bill).

b. The report shall provide:

(1) an update on State revenue collections through the first nine months of State Fiscal Year 2020 and a revised forecast of revenue projections for the remainder of the current fiscal year;

(2) a detailed plan of spending from State, federal, and all other governmental funds for the continuation of essential governmental operations during the remainder of State Fiscal Year 2020, including, but not limited to, debt service payments, pension payments, spending on capital projects, public transportation, school aid, municipal aid, utility service subsidies, and funding for hospitals, higher education, and emergency relief impacted by the COVID-19 pandemic; and

(3) an assessment of current economic conditions and the potential impact of the economy on the proposed budget for State Fiscal Year 2021.

c. The report shall be submitted to the Legislature, in accordance with section 2 of P.L.1991, c.164 (C.52:14-19.1), by May 22, 2020 and shall be made publicly available through a link prominently displayed on the Office of Management and Budget in the Department of the Treasury's website.

6. The Governor shall formulate and transmit a revised budget message for State Fiscal Year 2021, as altered by section 3 of P.L. , c. (pending before the Legislature as this bill). The revised budget message shall meet the requirements set forth in section 11 of P.L.1944, c.112 (C.52:27B-20), except that the required estimate of balances on hand shall be as of October 1 instead of July 1, and the Governor shall present the revised budget message by August 25, 2020.

7. This act shall take effect immediately.

STATEMENT

This bill clarifies the time to file a gross income tax or corporation business tax return or make payments to July 15, 2020, adjusts the timing for the payment of interest and penalties and the assessment of tax, alters the duration of State Fiscal Years 2020 and 2021 without impacting municipalities that adopt the State's fiscal year, requires the State Treasurer to provide certain updates on economic conditions, revenues, and spending plans, and requires the Governor to formulate and present a revised budget message for State Fiscal Year 2021.

The bill clarifies that taxpayers who would typically file a return, report, or make a payment for the gross income tax or the corporation business tax by an original due date of April 15, 2020 will be granted an automatic extension to July 15, 2020. Taxpayers will not be subject to penalties or interest if the taxpayer files a return, report, or makes a payment by the end of the extension.

Provisions governing the payment of interest for overpayments are extended for six months after the conclusion of the state of emergency declared by the Governor pursuant to Executive Order No. 103 of 2020, or any extension thereof, or within six months after the return is filed, whichever is later. The bill also extends the statute of limitations to assess taxes by 90 days following the conclusion of the state of emergency.

The bill modifies the duration of State Fiscal Year 2020 to conclude on September 30, 2020 and sets October 1, 2020 as the start of State Fiscal Year 2021. The bill also requires that any additional spending required to support the operations of the State from July 1, 2020 through September 30, 2020 be made through the enactment of a general law that amends or provides for a supplemental appropriation to that annual appropriations act. This change does not apply to municipalities that adopt the State's fiscal year and does not prevent municipalities from converting to a calendar fiscal year.

The bill requires the State Treasurer to prepare a report on the financial condition of the State budget for State Fiscal Years 2020 and 2021, which must be submitted to the Legislature by May 22, 2020 and prominently display on the Office of Management and Budget's website.

The State Treasurer's report is to include: (1) an update on State revenue collections through the first nine months of State Fiscal Year 2020 and a revised forecast of revenue projections for the remainder of the current fiscal year; (2) a detailed plan of spending from State, federal, and all other governmental funds for the continuation of essential governmental operations during the remainder of State Fiscal Year 2020; and (3) an assessment of current economic conditions and the potential impact of the economy on the proposed budget for State Fiscal Year 2021.

The Governor is required to formulate and transmit a revised budget message for State Fiscal Year 2021, as altered by the bill. The revised budget message is to meet all requirements set forth in law for the budget message, except that the required estimate of balances on hand shall be as of October 1 instead of July 1. The Governor is required to present the revised budget message by August 25, 2020.

"COVID-19 Fiscal Mitigation Act"; clarifies filing and payment deadline for CBT and GIT taxpayers, modifies duration of State Fiscal Years 2020 and 2021, requires certain updates and presentation for State Fiscal Years 2020 and 2021.