NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

NEIGHBORHOOD REVITALIZATION TAX CREDIT PROGRAM (NRTC)

Explanation of change to NRTC Program Law, June 2019

Public Law 2019, chapter 120 was approved on June 30, 2019 by Governor Phil Murphy, enacting Assembly Bill 3599 which was approved by the New Jersey Legislature. Its purpose is to change the statute of the Neighborhood Revitalization Tax Credit Program (NRTC). The changes are as follows:

Eligible Neighborhood

Previously: municipality was eligible for "Special Municipal Aid" (a/k/a Urban Aid) or was a designated as an Abbott School District

Changed to: "…designated by the commissioner based on factors including, but not limited to, population change, non-seasonal housing vacancy rates, total household and child recipients of the Temporary Assistance for Needy Families or a successor program, poverty levels, unemployment rates, high school completion rates, median household income, property tax rates, and equalized property valuation per capita" (see below for expanded explanation)

Eligible Business Taxes for NRTC

Previously: included "The Savings Institution Tax Act"

Changed to: this tax was deleted

Total Available Program Tax Credits

Previously: $10 million maximum

Changed to: $15 million maximum

NRTC Plan Consistency

Previously: included "approved neighborhood empowerment plans"

Changed to: this provision was deleted

NRTC Plan Period

Previously: 2 years minimum, 10 years maximum

Changed to: 10 years maximum (only)

Payment by Business Entity of Amount Due

Previously: Within 60 days from date of issuance of tax credit certificate; may be extended by Commissioner if written request received at least 15 days before payment due date

Changed to: Within 30 days from date of issuance of tax credit certificate; may be extended by Commissioner if written request received at least 7 days before payment due date

Fee for Program Administration

Previously: 1.5% maximum

Changed to: 5% maximum

NRTC PROGRAM, STATUTORY CHANGES

EXPANDED EXPLANATION OF "ELIGIBLE NEIGHBORHOOD" FACTORS

Population change – 10-year change (2005 to 2015), higher rank/lower index for increasing population loss

Non-seasonal housing vacancy rates – 1-year measurement (2015), higher rank/lower index for larger vacancy percentage

Supplementation Nutrition Assistance Program recipients[1] - 1-year measurement (2015) of percentage (households?) receiving benefits, higher rank/lower index for larger percentage

Total household and child recipients of the Temporary Assistance for Needy Families or a successor program – 1-year measurement (2016) of "children on TANF rate", higher rank/lower index for larger rate

Poverty levels – 1-year measurement (2015), higher rank/lower index for higher level

Unemployment rates – 1-year measurement (2015), higher rank/lower index for higher rate

High school completion rates – 1-year measurement (2015), higher rank/lower index for lower completion rate

Median household income – 1-year measurement (2015), higher rank/lower index for lower income figure

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[1] This was not explicitly mentioned in the new statutory language

Property tax rates – 3-year average rate (2014-16), higher rank/lower index for higher rate/value

Equalized property valuation per capita – 1-year measurement (2016), higher rank/lower index for lower value

The Neighborhood Trends Database, found on the NRTC web page lists the U.S. Census tracts eligible for the program. The database is updated annually using the most current data for the "Eligible Neighborhoods" factors listed in the "Expanded Explanation".

Questions about rule changes impacting neighborhood eligibility or any other aspect of the program may be emailed to NRTC@dca.nj.gov.