

PUBLIC HEARING

before

ASSEMBLY COMMITTEE ON AGING

on

ASSEMBLY CONCURRENT RESOLUTION 50

(Proposes an amendment to the Constitution to permit
a qualified person to receive both a veteran's property
tax deduction and a senior or disabled citizens tax deduction)

Held:
May 24, 1984
Room 308
State House Annex
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Thomas H. Paterniti, Chairman
Assemblyman Anthony Vainieri, Vice Chairman

ALSO PRESENT:

Norma Svedosh, Research Assistant
Office of Legislative Services
Aide, Assembly Committee on Aging

New Jersey State Library

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ASSEMBLY CONCURRENT RESOLUTION No. 50

STATE OF NEW JERSEY

INTRODUCED JANUARY 23, 1984

By Assemblymen PATERNITI, VAINIERI and S. ADUBATO

A CONCURRENT RESOLUTION proposing to amend Article VIII, Section I, paragraph 4 of the Constitution of the State of New Jersey.

1 BE IT RESOLVED *by the General Assembly of the State of New*
2 *Jersey (the Senate concurring):*

1 1. The following proposed amendment to the Constitution of
2 the State of New Jersey is agreed to:

PROPOSED AMENDMENT

3 Amend Article VIII, Section I, paragraph 4 to read as follows:
4 4.The Legislature may, from time to time, enact laws granting
5 an annual deduction from the amount of any tax bill for taxes on
6 the real property of any citizen and resident of this State of the
7 age of 65 or more years, or any citizen and resident of this State
8 less than 65 years of age who is permanently and totally disabled
9 according to the provisions of the federal Social Security Act,
10 residing in a dwelling house owned by him which is a constituent
11 part of such real property or residing in a dwelling house owned
12 by him which is assessed as real property but which is situated on
13 land owned by another or others, but no such deduction shall be
14 in excess of \$160.00 with respect to any year prior to 1981, \$200.00
15 per year in 1981, \$225.00 per year in 1982, and \$250.00 per year in
16 1983 and any year thereafter and such deduction shall be restricted
17 to owners having an income not in excess of \$5,000.00 per year
18 with respect to any year prior to 1981, \$8,000.00 per year in 1981,
19 \$9,000.00 per year in 1982, and \$10,000.00 per year in 1983 and
20 any year thereafter, exclusive of benefits under any one of the
21 following:

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.

Matter printed in italics *thus* is new matter.

22 a. The federal Social Security Act and all amendments and
23 supplements thereto;

24 b. Any other program of the federal government or pursuant to
25 any other federal law which provides benefits in whole or in part
26 in lieu of benefits referred to in, or for persons excluded from
27 coverage under, a. hereof including but not limited to the federal
28 Railroad Retirement Act and federal pension, disability and re-
29 tirement programs; or

30 c. Pension, disability or retirement programs of any state or its
31 political subdivisions, or agencies thereof, for persons not covered
32 under a. hereof; provided, however, that the total amount of
33 benefits to be allowed exclusion by any owner under b. or c. hereof
34 shall not be in excess of the maximum amount of benefits payable
35 to, and allowable for exclusion by, an owner in similar circum-
36 stances under a. hereof.

37 The surviving spouse of a deceased citizen and resident of this
38 State who during his or her life received a real property tax de-
39 duction pursuant to this paragraph shall be entitled, so long as he
40 or she shall remain unmarried and a resident in the same dwelling
41 house situated on the same land with respect to which said deduc-
42 tion was granted, to the same deduction, upon the same conditions,
43 with respect to the same real property or with respect to the
44 same dwelling house which is situated on land owned by another
45 or others, notwithstanding that said surviving spouse is under
46 the age of 65 and is not permanently and totally disabled, provided
47 that said surviving spouse is 55 years of age or older.

48 Any such deduction when so granted by law shall be granted
49 so that it will not be in addition to any other deduction or exemp-
50 tion to which the said citizen and resident may be entitled, [but
51 said] *except a deduction granted pursuant to Article 8, Section 1,*
52 *paragraph 3 herein. A citizen and resident granted a deduction*
53 *pursuant to this paragraph* may receive in addition any homestead
54 rebate or credit provided by law. The State shall annually re-
55 imburse each taxing district in an amount equal to one-half of
56 the tax loss to the district resulting from the allowance of tax
57 deductions pursuant to this paragraph.

1 2. When this proposed amendment to the Constitution is finally
2 agreed to, pursuant to Article IX, paragraph 1 of the Constitution,
3 it shall be submitted to the people at the next general election
4 occurring more than three months after that final agreement and
5 shall be published at least once in at least one newspaper of each
6 county designated by the President of the Senate, the Speaker of

7 the General Assembly and the Secretary of State, not less than
8 three months prior to that general election.

1 3. This proposed amendment to the Constitution shall be sub-
2 mitted to the people at the general election in the following manner
3 and form:

4 There shall be printed on each official ballot to be used at the
5 general election the following:

6 a. In every municipality in which voting machines are not used,
7 a legend which shall immediately precede the question as follows:

8 If you favor the proposition printed below make a cross (X),
9 plus (+) or check (✓) in the square opposite the word "Yes."
10 If you are opposed thereto make a cross (X), plus (+) or check (✓)
11 in the square opposite the word "No."

12 b. In every municipality the following question:

	Yes.	<p>ALLOWS A QUALIFIED PERSON TO RECEIVE BOTH A VETERAN'S TAX DEDUCTION AND A TAX DEDUCTION FOR SENIOR CITIZENS OR THE PERMANENTLY AND TOTALLY DISABLED</p> <p>Do you approve the amendment to the Constitution of the State of New Jersey, agreed to by the Legislature, providing that the Legislature may authorize any person 65 years of age or older or any permanently and totally disabled person who is entitled to a veteran's property tax deduction to receive both that deduction and a deduction for senior citizens or the permanently and totally disabled?</p>
	No.	<p>INTERPRETIVE STATEMENT</p> <p>This amendment to the State Constitution would allow qualified individuals to receive both veterans' property tax deductions and senior citizens' or disabled persons' property tax deductions.</p>

STATEMENT

The purpose of this proposed constitutional amendment is expressed in the interpretive statement. The provisions of this amendment would be implemented by Assembly Bill No. 837 of 1984.

ASSEMBLY COMMITTEE ON AGING
STATEMENT TO
ASSEMBLY CONCURRENT RESOLUTION No. 50

STATE OF NEW JERSEY

DATED: FEBRUARY 23, 1984

The purpose of this proposed amendment to the Constitution is to allow qualified individuals to receive both a veteran's property tax deduction which may not exceed \$50.00 and a deduction for senior citizens or the permanently and totally disabled which may not exceed \$250.00. At the present time an individual may receive either deduction but not both. The provisions of this amendment would be implemented by Assembly Bill No. 837 of 1984.

ASSEMBLYMAN THOMAS H. PATERNITI (Chairman): Good afternoon ladies and gentlemen. I am pleased to welcome all of you to a public hearing conducted by the Assembly Committee on Aging. My name is Thomas Paterniti, and I am Chairman of the Committee.

Before we start, I will take this opportunity to introduce any of the members who are present. To my right I have Anthony Vainieri, who is the Vice Chairman. The other members could not be here. I would also like to mention that if you have any written testimony, or wish to be placed on a witness list, please contact our staff aide here, Norma Svedosh.

The public hearing we are holding today is on ACR-50, a concurrent resolution amending the State Constitution to allow qualified individuals to receive both a veteran's property tax deduction and a deduction for senior citizens or the permanently and totally disabled.

Currently, veterans who receive a fifty dollar property tax deduction must forgo this deduction when they reach the age of sixty five, in order to receive a senior citizen or disabled resident property tax deduction. This is an extremely unfair restriction which can be a financial hardship to veterans who have earned the right to receive the veteran's property tax deduction, only to lose this right by virtue of becoming a senior citizen.

I have introduced companion legislation, A-837, which implements this change and corrects this injustice, but we must also amend the State Constitution so that we eliminate the restrictions on these property tax deductions.

I would like to ask witnesses to keep their testimony as brief as possible. Anyone wishing to present written testimony for the public record, may do so.

Our first witness is Patick O'Connor. Would you please come forward.

PATRICK O'CONNOR: Good afternoon. My name is Patrick O'Connor. I represent the Eastern Paralyzed Veterans Association, a membership organization of 1,600 people. I would like to thank you for the opportunity for allowing me to testify today, and I will keep my comments, as you can see, very brief.

Presently, when a veteran in New Jersey reaches sixty-five years of age, they are presented with the option of maintaining their veteran's tax deduction or opting for the senior citizens or the permanently or totally disabled tax deduction. EPVA believes that the veteran should not have to make this choice. EPVA believes that the veteran should be entitled to maintain their veteran's property tax deduction, as well as opting for the senior citizens or the permanently and totally disabled tax deduction. The veteran has made a sacrifice for this county, and the least New Jersey can do is allow them to obtain both tax deductions.

EPVA believes that Assembly Concurrent Resolution 50 is a responsible, practical and humanistic piece of legislation. The \$10,000 income limit, exclusive of Federal government benefits, will help those veterans who are worthy of assistance. This legislation will not open this program to all veterans because of the income limits. The inclusion of these limits will ensure that the veteran who is truly in need of assistance will be eligible to receive that assistance.

The median age of the World War II veteran is now sixty-three years of age. The passage of Assembly Concurrent Resolution 50 in 1984 will enable the State of New Jersey to offer veterans this joint deduction when they reach age sixty five.

EPVA strongly supports Assembly Concurrent Resolution 50 and urges members of both houses and both parties to work towards securing a place on the November 1984 ballot for Assembly Concurrent Resolution 50. Thank you.

ASSEMBLYMAN PATERNITI: Thank you very much. Are there any questions? (negative response)

MR. O'CONNOR: Okay. Thank you very much.

ASSEMBLYMAN PATERNITI: Is there anyone in the audience who would like to testify on this resolution? (affirmative response) Please give your name and come forward.

VICTOR VOLPE: I am Victor Volpe. I think that this legislation is a longtime in coming. It really rectifies an injustice that should never have been there in the first place. If you are going to give a veteran

a fifty dollar bonus and then tie it up with a property tax relief, the two are not together. In fact every time I claim mine, my wife will claim the property tax rebate and I will claim the bonus; that is the only way we can get it. If my wife wasn't of age to do that, I would lose the fifty dollars. Fifty dollars isn't a hell of a lot, but by the same token, the fact that legislation exists where you are giving someone fifty dollars in one hand and taking it away from him with the other hand, makes the thing bad.

Over the years, we tried to correct this because in that same legislation, there is also another gimmick which I think that the Karcher Bill corrects. I read the Karcher Bill yesterday. I went over it with a fine-toothed comb to see if I could find some lice, just to see how it affected senior citizens. It seems to me, that might now be rectified, where a senior citizen -- although entitled to five hundred dollars worth of rebates -- cannot get five hundred dollars, unless his taxes are one thousand dollars. If his taxes are eight hundred dollars, he can only get four hundred dollars; he loses one hundred dollars. And, it is right down the line -- if his tax is three hundred dollars, he only gets half of that. That was another clause, where you are giving a man five hundred dollars, and then you put a clause in which says it cannot exceed fifty percent of your taxes. This has been going on for years. I talked to Speaker Hamilton, years ago, and pointed that out to him. And, he said to me that he was going to do something about it. Then I spoke to the fellow who succeeded him, the labor leader, Chris Jackman. I spoke to him about it, and the same thing -- no action. And, the fact that you could tackle this legislation, you should be commended for that.

ASSEMBLYMAN PATERNITI: Thank you very much.

MR. VOLPE: I would like to thank you.

ASSEMBLYMAN PATERNITI: Thanks very much. Is there anyone who would like to come before this hearing and address this body? (no response) If there is no one else who would like to speak before this Committee, I guess we will close this public hearing. Thank you for coming.

(Hearing Concluded)

