

PUBLIC HEARING

before

ASSEMBLY COMMITTEE ON AGING

on

ASSEMBLY CONCURRENT RESOLUTION 38

(Proposes an amendment to the Constitution to permit  
a person to receive both a veteran's and senior citizen's deduction)

Held:  
July 5, 1984  
Room 348  
State House Annex  
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Thomas H. Paterniti, Chairman

ALSO PRESENT:

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

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New Jersey State Library

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**ASSEMBLYMAN THOMAS H. PATERNITI (Chairman):** I would like to open the public hearing on ACR-38. Good morning, 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.

If any of the other members happen to walk in, I will be happy to introduce them. I would also mention that if you have any written testimony or wish to be placed on our witness list, please contact our staff aide, Norma Svedosh.

The public hearing we are holding today is on ACR-38, 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 \$50.00 property tax deduction must forgo this deduction when they reach the age of 65, 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 restriction on these property tax deductions. ACR-38 was amended and released by the Revenue, Finance and Appropriations Committee on June 13, 1984. In fact, at that time we also had ACR-50 presented at a public hearing that was joined with ACR-38. ACR-38 is the legislation we are actually testifying about today.

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 Patrick O'Connor.

**PATRICK O'CONNOR:** Good morning. I would like to take this opportunity to thank you, first of all, for allowing me to testify today. My name is Patrick O'Connor, and I represent the 1,700 members of the Eastern Paralyzed Veterans Association.

The current tax deduction system in New Jersey grants benefits to wartime veterans and to residents over 65 years of age. However, when veterans reach age 65, they must give up their veteran's tax deduction. EPVA believes that this practice is unfair.

The veterans unselfishly answered the call to defend their country. Assembly Concurrent Resolution 38 corrects the unfair practice of forcing veterans to give up their tax deductions. ACR-38 will not open this program to all veterans because of income limits. The \$10,000 income limit, exclusive of Federal government benefits, will help those veterans who are worthy of assistance. The inclusion of these limits will insure that the veteran who is truly in need of assistance will be eligible to receive that assistance.

According to the latest figures available from the Veterans Administration on New Jersey veterans there are 83,950 veterans between the ages of 65 and 69; 37,513 veterans between the ages of 70 and 74; 16,958 veterans between the ages of 75 and 79; and approximately 15,000 veterans age 80 and over.

A portion of these veterans would benefit from the bill immediately. Remember, these veterans must be wartime veterans, qualify within the income limitations, and own a home. In the future, ACR-38 will assist the growing population of qualifying veterans. The latest VA figures indicate that there are 116,779 veterans between the ages of 50 and 54; approximately 139,000 veterans between the ages of 55 and 59; and 141,000 between the ages of 60-64 years of age.

ACR-38 will enable New Jersey to offer assistance to the veterans who so unselfishly gave their time and risked their lives for this country.

EPVA strongly supports Assembly Concurrent Resolution 38 and urges members of both parties in the Assembly and the Senate to work toward securing passage of this legislation. Thank you.

ASSEMBLYMAN PATERNITI: Thank you, Mr. O'Connor. I am very happy that we have this testimony. It gives us more input into how serious it is that we pass this type of legislation. Actually, though the numbers seem large, it is only a small percentage that will probably be affected by this because, as you pointed out, they have to

be veterans, qualify within the income limits, and own a home. But, I think this input is very worthwhile. Thank you very much.

I have received a notice from Edith Edelson of the Federation of Senior Citizens; they want to go on record as supporting ACR-38.

I think that is all the people who have presented written testimony. Is there anybody from the audience who would like to speak on behalf of this resolution? (affirmative response) Sir, please give your name and who you represent; we would be very happy to listen to your testimony.

**VICTOR VOLPE:** I am Victor Volpe of 152 Huntington Drive, Vincentown, New Jersey. I didn't get a copy of ACR-38 because now, for some reason or other, when we call the Bill Room, it is very difficult to get legislation unless you are in Trenton. Sometimes you get it, but most of the times you don't. So, I am looking at ACR-38 as something that rectifies an error that has been in the Constitution--

ASSEMBLYMAN PATERNITI: (interrupting) That is correct.

MR. VOLPE: (continuing) and working in the interests of the veteran.

ASSEMBLYMAN PATERNITI: Can I interrupt you a minute? ACR-38 and ACR-50 are exactly the same; they are both identical pieces of legislation. I believe that you testified at the hearing on ACR-50, which was mine. This had a lower number, so they joined ACR-50 with ACR-38. But any input you have, we would really welcome. Please go ahead.

MR. VOLPE: I was thinking in terms of, if you are going to give a man an exemption-- Let's say a person is a veteran and you are going to give him a \$50 exemption; then you put in a lot of gimmicks that prevent him from getting it, such as the fact that if he is claiming a property deduction, he can't get a veteran's bonus. If he is married and his wife is not 65 years of age, he has to claim the property exemption; that means that he loses the bonus. It's ridiculous. The whole thing is a joke. If this bill rectifies an error like that, it is a very good bill, and we are wholeheartedly for it. I am sure many people would thank you for it. That is all. We are the Gray Panthers of South Jersey. We wholeheartedly support that. That is all I can say.



ASSEMBLYMAN PATERNITI: Thank you very much, Mr. Volpe.

Is there anyone else who would like to testify? (no response) If not, I will close the public hearing. Thank you for coming and giving me your input.

**(HEARING CONCLUDED)**

[OFFICIAL COPY REPRINT]  
ASSEMBLY CONCURRENT RESOLUTION No. 38

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1984 SESSION

By Assemblyman MARSELLA

A CONCURRENT RESOLUTION proposing an amendment to "[paragraphs 3 and]" \*paragraph\* 4 of Section I of Article VIII 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 the  
2 State of New Jersey is hereby agreed to:

PROPOSED AMENDMENT

3 Amend Article VIII, Section 1, "[paragraphs 3 and]" \*para-  
4 graph\* 4 to read as follows:

5 "[3. Any citizen and resident of this State now or hereafter hon-  
6 orably discharged or released under honorable circumstances from  
7 active service, in time of war or other emergency as, from time to  
8 time, defined by the Legislature, in any branch of the Armed Forces  
9 of the United States shall be entitled, annually to a deduction from  
10 the amount of any tax bill for taxes on real and personal property,  
11 or both, in the sum of \$50.00 or if the amount of any such tax bill  
12 shall be less than \$50.00, to a cancellation thereof, which deduction  
13 or cancellation shall not be altered or repealed. Any person here-  
14 inabove described who has been or shall be *entitled to a deduction*  
15 *from taxation under paragraph 4 of this section* or declared by the  
16 United States Veterans Administration, or its successor, to have  
17 a service-connected disability, shall be entitled to such further de-  
18 duction from taxation as from time to time may be provided by  
19 law. The surviving spouse of any citizen and resident of this State

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 italic- thus is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

—Assembly committee amendments adopted June 18, 1984.

20 who has met or shall meet his or her death on active duty in time  
 21 of war or of other emergency as so defined in any such service  
 22 shall be entitled, during her widowhood or his widowerhood, as the  
 23 case may be, and while a resident of this State, to the deduction  
 24 or cancellation in this paragraph provided for honorably dis-  
 25 charged veterans and to such further deduction as from time to  
 26 time may be provided by law. The surviving spouse of any citizen  
 27 and resident of this State who has had or shall hereafter have  
 28 active service in time of war or of other emergency as so defined  
 29 in any branch of the Armed Forces of the United States and who  
 30 died or shall die while on active duty in any branch of the Armed  
 31 forces of the United States, or who has been or may hereafter be  
 32 honorably discharged or released under honorable circumstances  
 33 from active service in time of war or of other emergency as so  
 34 defined in any branch of the Armed Forces of the United States  
 35 shall be entitled, during her widowhood or his widowerhood, as the  
 36 case may be, and while a resident of this State, to the deduction or  
 37 cancellation in this paragraph provided for honorably discharged  
 38 veterans and to such further deductions as from time to time may  
 39 be provided by law. ]

40 4. The Legislature may, from time to time, enact laws granting  
 41 an annual deduction from the amount of any tax bill for taxes on  
 42 the real property of any citizen and resident of this State of the  
 43 age of 65 or more years, or any citizen and resident of this State  
 44 less than 65 years of age who is permanently and totally disabled  
 45 according to the provisions of the Federal Social Security Act,  
 46 residing in a dwelling house owned by him which is a constituent  
 47 part of such real property or residing in a dwelling house owned  
 48 by him which is assessed as real property but which is situated on  
 49 land owned by another or others, but no such deduction shall be in  
 50 excess of \$160.00 with respect to any year prior to 1981, \$200.00 per  
 51 year in 1981, \$225.00 per year in 1982, and \$250.00 per year in 1983  
 52 and any year thereafter and such deduction shall be restricted to  
 53 owners having an income not in excess of \$5,000.00 per year with  
 54 respect to any year prior to 1981, \$8,000.00 per year in 1981,  
 55 \$9,000.00 per year in 1982, and \$10,000.00 per year in 1983 and any  
 56 year thereafter, exclusive of benefits under any one of the following:

57 a. The Federal Social Security Act and all amendments and  
 58 supplements thereto;

59 b. Any other program of the federal government or pursuant  
 60 to any other federal law which provides benefits in whole or in  
 61 part in lieu of benefits referred to in, or for persons excluded from  
 62 coverage under, a. hereof including but not limited to the Federal

63 Railroad Retirement Act and federal pension, disability and re-  
64 tirement programs: or

65 c. Pension, disability or retirement programs of any state or its  
66 political subdivisions, or agencies thereof, for persons not covered  
67 under a. hereof: provided, however, that the total amount of bene-  
68 fits to be allowed exclusion by any owner under b. or c. hereof shall  
69 not be in excess of the maximum amount of benefits payable to, and  
70 allowable for exclusion by, an owner in similar circumstances  
71 under a. hereof.

72 The surviving spouse of a deceased citizen and resident of this  
73 State who during his or her life received a real property tax deduc-  
74 tion pursuant to this paragraph shall be entitled, so long as he or  
75 she shall remain unmarried and a resident in the same dwelling  
76 house situated on the same land with respect to which said deduc-  
77 tion was granted, to the same deduction, upon the same conditions,  
78 with respect to the same real property or with respect to the same  
79 dwelling house which is situated on land owned by another or others,  
80 notwithstanding that said surviving spouse is under the age of 65  
81 and is not permanently and totally disabled, provided that said  
82 surviving spouse is 55 years of age or older.

83 Any such deduction when so granted by law shall be granted so  
84 that it will not be in addition to any other deduction or exemption,  
85 *except a deduction granted under authority of paragraph 3 of this*  
86 *section*, to which the said citizen and resident may be entitled, but  
87 said citizen and resident may receive in addition any homestead  
88 rebate or credit provided by law. The State shall annually reim-  
89 burse each taxing district in an amount equal to one-half of the tax  
90 loss to the district resulting from the allowance of tax deductions  
91 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 such 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 and the Speaker  
7 of the General Assembly and the Secretary of State, not less than  
8 three months prior to the general election.

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

	<b>Yes.</b>	<p><b>ALLOWS A PERSON TO RECEIVE BOTH A VETERAN'S TAX DEDUCTION AND A SENIOR CITIZEN'S TAX DEDUCTION</b></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, by law, authorize persons 65 years of age or over or persons permanently and totally disabled who are entitled to a "veteran's" tax deduction and are also entitled to a "senior citizen's" tax deduction to receive both simultaneously?</p>
	<b>No.</b>	<p><b>INTERPRETIVE STATEMENT</b></p> <p>This amendment to the State Constitution allows persons 65 years of age or over or persons permanently and totally disabled to receive both "veteran's" tax deductions and "senior citizen's" tax deductions simultaneously.</p>