



Community Relations Committee of Greater MetroWest NJ

The Community Relations Committee is the public policy, government affairs, and advocacy arm of the Jewish Federation of Greater MetroWest NJ.

URGE GOVERNOR TO SIGN THE CHARITABLE GIVING LEGISLATION S-2532/A3860

Request: To help build the capacity of non-profit organizations to do business in New Jersey, we urge Governor Christie sign into law S-2532/A- 3860, legislation that clarifies that charitable contributions from out of state residents to New Jersey based organizations are not to be considered as a factor in determining where a person is domiciled for the purposes of the state's gross income tax.

Background: There are currently 10 Jewish Federations in New Jersey. The philanthropic work of these Federations supports beneficiary organizations that provide community-based services for older adults, including aging in place programs, mobility options, and meals on wheels to the homebound; services for individuals of all ages with physical, developmental, and mental disabilities; programs for at-risk children, youth and families; vocational training and job placement service, and many more. They also provide education and cultural opportunities.

The Jewish Federations in New Jersey and their beneficiary agencies – as well as other local charities generally – are experiencing a growing trend of philanthropic drop-off from financial supporters who move out of state. Philanthropic individuals in Florida, California or Arizona are currently being counseled against charitable giving to New Jersey charities. Individuals are told that they will be subject to New Jersey tax consequences because past regulations have been insufficiently clear, and therefore they ought to err on the side of caution.

This legislation would codify into law that a person living outside of New Jersey can make a financial contribution, gift, bequest, donation or any other financial instrument or pledge in any amount to any New Jersey corporation, foundation, organization or institution, which is a registered 501 (c) 3, without being considered a resident under the state's tax law. This bill reflects the intent of the NJ Division of Treasury which was re-affirmed as recently as 2008/2009 in a press release that had been available on the State of New Jersey's website. However, without formal codification, out of state donors are still reluctant to make the in state contributions resulting in a loss of previously dependable funding for the charity.

With enactment of the legislation, New Jersey will join other states such as Massachusetts, New York, Connecticut, Vermont, and Maine that have recently passed similar legislation.