

## Income/Franchise:

### New Jersey: New Law Adopts “Convenience of the Employer” Rule and Provides Tax Credits for Some Resident Remote Workers

A.B. 4694, signed by gov. 7/21/23. New law makes some important changes to New Jersey’s gross (individual) income tax, including:

URL: <https://www.njleg.state.nj.us/bill-search/2022/A4694>

1. Adopting a “convenience of the employer” rule, thus allowing New Jersey to tax income earned by nonresident employees of New Jersey firms if they work at their home outside of New Jersey for their own convenience;
2. Providing a new refundable tax credit for certain New Jersey resident taxpayers who obtain a favorable final judgment from another state that collected taxes paid on income derived from services rendered while the resident taxpayers were within New Jersey; and
3. Establishing a new employee relocation grant program to be administered by the New Jersey Economic Development Authority, which will provide grants to some businesses to assign their New Jersey resident employees to New Jersey locations.

Please contact us with any questions.

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