ASSEMBLY COMMERCE, ECONOMIC DEVELOPMENT AND AGRICULTURE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 6283

STATE OF NEW JERSEY

DATED: JANUARY 5, 2026

The Assembly Commerce, Economic Development and Agriculture Committee reports favorably Assembly Bill No. 6283.

The bill, designated as the "Saving Our Diners and Protecting Our Past Act," provides certain tax benefits to historic diners and historic restaurants throughout the State.

The bill requires the Director of the Division of Travel and Tourism in the Department of State to solicit applications from the operators of historic diners and historic restaurants throughout the State for inclusion on an annual historic diner and restaurant registry. Operators of these establishments would be required to include any information and documentation deemed necessary by the director to determine whether the diner or restaurant qualifies as a historic diner or historic restaurant, as those terms are defined in the bill.

The bill would also exempt the sales of prepared foods and beverages made at historic diners and historic restaurants for on-premises consumption from the sales and use tax as a means of supporting these establishments at a time when they are facing economic uncertainty. Specifically, this exemption would apply during the 12-month period following the receipt of a sales tax exemption certificate by the operator of the historic diner or restaurant from the Director of the Division of Travel and Tourism in the Department of State, which certificate is to be issued upon the determination that the diner or restaurant has been approved for inclusion on the annual historic diner and restaurant registry. Under current law, the sales of prepared foods and beverages by most food establishments within the State, including diners and restaurants, are subject to the sales and use tax. These transactions are subject to the sales and use tax regardless of whether the food or beverage is sold for consumption on or off premises.

The bill also allows the operator of a historic diner or historic restaurant that has been included on the annual historic diner and restaurant registry to claim a corporation business tax or gross income tax credit, as applicable, for a portion of the costs incurred for eligible ingredients used in the preparation of foods and beverages.

The amount of the tax credit would be equal to 10 percent of the costs incurred by the taxpayer during the taxable period for the purchase of eligible ingredients used in the preparation of foods or beverages at the historic diner or historic restaurant, up to $25,000 per year. The bill defines "eligible ingredients" to mean substances used in the preparation of menu items at a historic diner or historic restaurant, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value, not including alcoholic beverages or tobacco.

Under the bill, the operator of a historic diner or historic restaurant would be required to include business records documenting the costs incurred for the purchase of eligible food and food ingredients with their tax return when claiming the tax credit. These business records, together with a tax credit certificate issued by the Director of the Division of Travel and Tourism in the Department of State, would be submitted to the Director of the Division of Taxation in addition to any other information the director may require.