

# SENATE, No. 2074

## STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED JUNE 22, 2006

**Sponsored by:**

**Senator ELLEN KARCHER**

**District 12 (Mercer and Monmouth)**

**Senator BOB SMITH**

**District 17 (Middlesex and Somerset)**

**SYNOPSIS**

Exempts from sales tax all hybrid and certain highly fuel efficient vehicles.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT exempting from the sales and use tax all hybrid vehicles  
2 and certain highly fuel efficient vehicles, and supplementing  
3 P.L.1966, c.30 (C.54:32B-1 et seq.).  
4

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
6 *of New Jersey:*  
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8 1. a. Receipts from the sale of new hybrid vehicles, and any  
9 new motor vehicles capable of attaining average fuel economy of at  
10 least 35 miles per gallon, are exempt from the tax imposed under  
11 the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.).  
12 Notwithstanding the provisions of this subsection, receipts from the  
13 sale of any new motor vehicle that uses diesel fuel shall not be  
14 exempt from the tax imposed under the “Sales and Use Tax Act”  
15 P.L.1966, c.30 (C.54:32B-1).

16 b. The State Treasurer, in consultation with the Department of  
17 Environmental Protection, the Department of Transportation, and  
18 the New Jersey Motor Vehicle Commission, shall adopt any rules  
19 and regulations necessary to implement this section.

20 c. As used in this section, “average fuel economy” means the  
21 average of the city and highway miles per gallon estimates provided  
22 by automobile manufacturers and printed on the fuel economy label  
23 affixed to a window on the new motor vehicle, pursuant to Section  
24 600.306-86 of title 40, Code of Federal Regulations et seq., which  
25 shall be calculated by the seller. “Hybrid vehicle” means a motor  
26 vehicle propelled by both an internal combustion engine and an  
27 energy storage device which regenerates energy captured from  
28 braking.  
29

30 2. This act shall take effect immediately and shall apply to sales  
31 of motor vehicles on and after the first day of the second month  
32 after enactment.  
33

34  
35 STATEMENT  
36

37 This bill would exempt the sale of new hybrid vehicles, and any  
38 new motor vehicles capable of attaining an average fuel economy of  
39 at least 35 miles per gallon, from the tax imposed under the “Sales  
40 and Use Tax Act.” However, any vehicle that uses diesel fuel  
41 would be excluded from this sales and use tax exemption.

42 The bill would also direct the State Treasurer to consult with  
43 Department of Environmental Protection, the Department of  
44 Transportation, and the New Jersey Motor Vehicle Commission, to  
45 adopt any rules and regulations necessary to implement the act.  
46 The bill would take effect immediately and apply to sales of motor  
47 vehicles on and after the first day of the second month after  
48 enactment.

**S2074 KARCHER, B. SMITH**

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1       The bill provides an incentive for New Jersey drivers to  
2       purchase, and auto manufacturers to market, fuel efficient vehicles.