

ASSEMBLY, No. 195

STATE OF NEW JERSEY

214th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

Sponsored by:

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SYNOPSIS

Provides that sales by UEZ retailers of items delivered to location outside of the UEZ shall not qualify for partial exemption from the sales tax.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



(Sponsorship Updated As Of: 5/10/2011)

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1 AN ACT concerning qualified businesses in urban enterprise zones
2 and amending P.L.1983, c.303.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 21 of P.L.1983, c.303 (C.52:27H-80) is amended to
8 read as follows:

9 21. Receipts of retail sales, except retail sales of motor vehicles,
10 of alcoholic beverages as defined in the "Alcoholic Beverage Tax
11 Law," R.S.54:41-1 et seq., of cigarettes as defined in the "Cigarette
12 Tax Act," P.L.1948, c.65 (C.54:40A-1 et seq.), of manufacturing
13 machinery, equipment or apparatus, and of energy, made by a
14 certified vendor from a place of business owned or leased and
15 regularly operated by the vendor for the purpose of making retail
16 sales, and located in a designated enterprise zone established
17 pursuant to the "New Jersey Urban Enterprise Zones Act,"
18 P.L.1983, c.303 (C.52:27H-60 et al.), or a UEZ-impacted business
19 district established pursuant to section 3 of P.L.2001, c.347
20 (C.52:27H-66.2), are exempt to the extent of 50% of the tax
21 imposed under the "Sales and Use Tax Act," P.L.1966, c.30
22 (C.54:32B-1 et seq.), except that the exemption shall not apply in
23 the case of sales of items from a place of business located in a
24 designated enterprise zone that are delivered to an address outside
25 of the zone.

26 Any vendor, which is a qualified business having a place of
27 business located in a designated enterprise zone or in a designated
28 UEZ-impacted business district, may apply to the Director of the
29 Division of Taxation in the Department of the Treasury for
30 certification pursuant to this section. The director shall certify a
31 vendor if **[he]** the director shall find that the vendor owns or leases
32 and regularly operates a place of business located in the designated
33 enterprise zone or in the designated UEZ-impacted business district
34 for the purpose of making retail sales, that items are regularly
35 exhibited and offered for retail sale at that location, and that the
36 place of business is not utilized primarily for the purpose of
37 catalogue or mail order sales. The certification under this section
38 shall remain in effect during the time the business retains its status
39 as a qualified business meeting the eligibility criteria of section 27
40 of P.L.1983, c.303 (C.52:27H-86). However, the director may at
41 any time revoke a certification granted pursuant to this section if
42 **[he]** the director shall determine that the vendor no longer complies
43 with the provisions of this section.

44 Notwithstanding the provisions of **[this act]** P.L.1983, c.303

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 underlined thus is new matter.

1 (C.52:27H-60 et al.) to the contrary, except as may otherwise be
2 provided by section 7 of P.L.1983, c.303 (C.52:27H-66), the
3 authority may, in its discretion, determine whether or not the
4 provisions of this section shall apply to any enterprise zone
5 designated after the effective date of P.L.1985, c.142 (C.52:27H-66
6 et al.); provided, however, that the authority may make such a
7 determination only where the authority finds that the award of an
8 exemption of 50 percent of the tax imposed under the "Sales and
9 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) will not have
10 any adverse economic impact upon any other urban enterprise zone.

11 Notwithstanding any other provisions of law to the contrary,
12 except as provided in subsection b. of section 6 of P.L.1996, c.124
13 (C.13:1E-116.6), after first depositing 10 percent of the gross
14 amount of all revenues received from the taxation of retail sales
15 made by certified vendors from business locations in designated
16 enterprise zones to which this exemption shall apply into the
17 account created in the name of the authority in the enterprise zone
18 assistance fund pursuant to section 29 of P.L.1983, c.303
19 (C.52:27H-88), the remaining 90 percent shall be deposited
20 immediately upon collection by the Department of the Treasury, as
21 follows:

22 a. In the first five-year period during which the State shall have
23 collected reduced rate revenues within an enterprise zone, all such
24 revenues shall be deposited in the enterprise zone assistance fund
25 created pursuant to section 29 of P.L.1983, c.303 (C.52:27H-88);

26 b. In the second five-year period during which the State shall
27 have collected reduced rate revenues within an enterprise zone, 66
28 2/3% of all those revenues shall be deposited in the enterprise zone
29 assistance fund, and 33 1/3% shall be deposited in the General
30 Fund;

31 c. In the third five-year period during which the State shall have
32 collected reduced rate revenues within an enterprise zone, 33 1/3%
33 of all those revenues shall be deposited in the enterprise zone
34 assistance fund, and 66 2/3% shall be deposited in the General
35 Fund;

36 d. In the final five-year period during which the State shall have
37 collected reduced rate revenues within an enterprise zone, but not to
38 exceed the life of the enterprise zone, all those revenues shall be
39 deposited in the General Fund.

40 Commencing on the effective date of P.L.1993, c.144, all
41 revenues in any enterprise zone to which the provisions of this
42 section have been extended prior to the enactment of P.L.1993,
43 c.144 shall be deposited into the enterprise zone assistance fund
44 until there shall have been deposited all revenues into that fund for
45 a total of five full years, as set forth in subsection a. of this section.
46 The State Treasurer then shall proceed to deposit funds into the
47 enterprise zone assistance fund according to the schedule set forth

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1 in subsections b. through d. of this section, beginning at the point
2 where the enterprise zone was located on that schedule on the
3 effective date of P.L.1993, c.144. No enterprise zone shall receive
4 the deposit benefit granted by any one subsection of this section for
5 more than five cumulative years.

6 The revenues required to be deposited in the enterprise zone
7 assistance fund under this section shall be used for the purposes of
8 that fund and for the uses prescribed in section 29 of P.L.1983,
9 c.303 (C.52:27H-88), subject to annual appropriations being made
10 for those purposes and uses.

11 (cf: P.L.2001, c.347, s.9)

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13 2. This act shall take effect on the 60th day after the date of
14 enactment.

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STATEMENT

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19 This bill provides that retail sales of items by a qualified
20 business in an urban enterprise zone ("UEZ") shall not qualify for
21 the partial exemption from the tax imposed under the "Sales and
22 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) if such items are
23 delivered to a location outside of the UEZ.