

[Third Reprint]

SENATE, No. 2411

STATE OF NEW JERSEY
217th LEGISLATURE

INTRODUCED JUNE 20, 2016

Sponsored by:

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

Senator STEVEN V. OROHO

District 24 (Morris, Sussex and Warren)

SYNOPSIS

Adjusts certain State taxes to support strengthened investments in public and private assets in this State.

CURRENT VERSION OF TEXT

As amended by the Senate on October 5, 2016.



1 AN ACT adjusting certain State taxes to support strengthened
2 investments in public ²**[.]** and² private ²**[, and charitable]**²
3 assets in this State, amending and supplementing various parts of
4 the statutory law pertaining to taxes of this State.

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

8
9 ³1. Section 3 of P.L.1966, c.30 (C.54:32B-3) is amended to read
10 as follows:

11 3. There is imposed and there shall be paid a tax of 7% on or
12 before December 31, 2016, 6.875% on and after January 1, 2017 but
13 before January 1, 2018, and 6.625% on and after January 1, 2018
14 upon:

15 (a) The receipts from every retail sale of tangible personal
16 property or a specified digital product for permanent use or less
17 than permanent use, and regardless of whether continued payment is
18 required, except as otherwise provided in this act.

19 (b) The receipts from every sale, except for resale, of the
20 following services:

21 (1) Producing, fabricating, processing, printing or imprinting
22 tangible personal property or a specified digital product, performed
23 for a person who directly or indirectly furnishes the tangible
24 personal property or specified digital product, not purchased by him
25 for resale, upon which such services are performed.

26 (2) Installing tangible personal property or a specified digital
27 product, or maintaining, servicing, repairing tangible personal
28 property or a specified digital product not held for sale in the
29 regular course of business, whether or not the services are
30 performed directly or by means of coin-operated equipment or by
31 any other means, and whether or not any tangible personal property
32 or specified digital product is transferred in conjunction therewith,
33 except (i) such services rendered by an individual who is engaged
34 directly by a private homeowner or lessee in or about his residence
35 and who is not in a regular trade or business offering his services to
36 the public, (ii) such services rendered with respect to personal
37 property exempt from taxation hereunder pursuant to section 13 of
38 P.L.1980, c.105 (C.54:32B-8.1), (iii) (Deleted by amendment,
39 P.L.1990, c.40), (iv) any receipts from laundering, dry cleaning,
40 tailoring, weaving, or pressing clothing, and shoe repairing and
41 shoeshining and (v) services rendered in installing property which,
42 when installed, will constitute an addition or capital improvement to
43 real property, property or land, other than landscaping services and
44 other than installing carpeting and other flooring.

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted June 23, 2016.

²Senate SBA committee amendments adopted July 29, 2016.

³Senate floor amendments adopted October 5, 2016.

1 (3) Storing all tangible personal property not held for sale in the
2 regular course of business; the rental of safe deposit boxes or
3 similar space; and the furnishing of space for storage of tangible
4 personal property by a person engaged in the business of furnishing
5 space for such storage.

6 "Space for storage" means secure areas, such as rooms, units,
7 compartments or containers, whether accessible from outside or
8 from within a building, that are designated for the use of a customer
9 and wherein the customer has free access within reasonable
10 business hours, or upon reasonable notice to the furnisher of space
11 for storage, to store and retrieve property. Space for storage shall
12 not include the lease or rental of an entire building, such as a
13 warehouse or airplane hangar.

14 (4) Maintaining, servicing or repairing real property, other than
15 a residential heating system unit serving not more than three
16 families living independently of each other and doing their cooking
17 on the premises, whether the services are performed in or outside of
18 a building, as distinguished from adding to or improving such real
19 property by a capital improvement, but excluding services rendered
20 by an individual who is not in a regular trade or business offering
21 his services to the public, and excluding garbage removal and sewer
22 services performed on a regular contractual basis for a term not less
23 than 30 days.

24 (5) Mail processing services for printed advertising material,
25 except for mail processing services in connection with distribution
26 of printed advertising material to out-of-State recipients.

27 (6) (Deleted by amendment, P.L.1995, c.184).

28 (7) Utility service provided to persons in this State, any right or
29 power over which is exercised in this State.

30 (8) Tanning services, including the application of a temporary
31 tan provided by any means.

32 (9) Massage, bodywork or somatic services, except such
33 services provided pursuant to a doctor's prescription.

34 (10) Tattooing, including all permanent body art and permanent
35 cosmetic make-up applications, except such services provided
36 pursuant to a doctor's prescription in conjunction with
37 reconstructive breast surgery.

38 (11) Investigation and security services.

39 (12) Information services.

40 (13) Transportation services originating in this State and
41 provided by a limousine operator, as permitted by law, except such
42 services provided in connection with funeral services.

43 (14) Telephone answering services.

44 (15) Radio subscription services.

45 Wages, salaries and other compensation paid by an employer to
46 an employee for performing as an employee the services described
47 in this subsection are not receipts subject to the taxes imposed
48 under this subsection (b).

1 Services otherwise taxable under paragraph (1) or (2) of this
2 subsection (b) are not subject to the taxes imposed under this
3 subsection, where the tangible personal property or specified digital
4 product upon which the services were performed is delivered to the
5 purchaser outside this State for use outside this State.

6 (c) (1) Receipts from the sale of prepared food in or by
7 restaurants, taverns, or other establishments in this State, or by
8 caterers, including in the amount of such receipts any cover,
9 minimum, entertainment or other charge made to patrons or
10 customers, except for meals especially prepared for and delivered to
11 homebound elderly, age 60 or older, and to disabled persons, or
12 meals prepared and served at a group-sitting at a location outside of
13 the home to otherwise homebound elderly persons, age 60 or older,
14 and otherwise homebound disabled persons, as all or part of any
15 food service project funded in whole or in part by government or as
16 part of a private, nonprofit food service project available to all such
17 elderly or disabled persons residing within an area of service
18 designated by the private nonprofit organization; and

19 (2) Receipts from sales of food and beverages sold through
20 vending machines, at the wholesale price of such sale, which shall
21 be defined as 70% of the retail vending machine selling price,
22 except sales of milk, which shall not be taxed. Nothing herein
23 contained shall affect other sales through coin-operated vending
24 machines taxable pursuant to subsection (a) above or the exemption
25 thereto provided by section 21 of P.L.1980, c.105 (C.54:32B-8.9).

26 The tax imposed by this subsection (c) shall not apply to food or
27 drink which is sold to an airline for consumption while in flight.

28 (3) For the purposes of this subsection:

29 "Food and beverages sold through vending machines" means
30 food and beverages dispensed from a machine or other mechanical
31 device that accepts payment; and

32 "Prepared food" means:

33 (i) A. food sold in a heated state or heated by the seller; or

34 B. two or more food ingredients mixed or combined by the
35 seller for sale as a single item, but not including food that is only
36 cut, repackaged, or pasteurized by the seller, and eggs, fish, meat,
37 poultry, and foods containing these raw animal foods requiring
38 cooking by the consumer as recommended by the Food and Drug
39 Administration in Chapter 3, part 401.11 of its Food Code so as to
40 prevent food borne illnesses; or

41 C. food sold with eating utensils provided by the seller,
42 including plates, knives, forks, spoons, glasses, cups, napkins, or
43 straws. A plate does not include a container or packaging used to
44 transport the food;

45 provided however, that

46 (ii) "prepared food" does not include the following sold without
47 eating utensils:

- 1 A. food sold by a seller whose proper primary NAICS
2 classification is manufacturing in section 311, except subsector
3 3118 (bakeries);
- 4 B. food sold in an unheated state by weight or volume as a
5 single item; or
- 6 C. bakery items, including bread, rolls, buns, biscuits, bagels,
7 croissants, pastries, donuts, danish, cakes, tortes, pies, tarts,
8 muffins, bars, cookies, and tortillas.
- 9 (d) The rent for every occupancy of a room or rooms in a hotel
10 in this State, except that the tax shall not be imposed upon a
11 permanent resident.
- 12 (e) (1) Any admission charge to or for the use of any place of
13 amusement in the State, including charges for admission to race
14 tracks, baseball, football, basketball or exhibitions, dramatic or
15 musical arts performances, motion picture theaters, except charges
16 for admission to boxing, wrestling, kick boxing or combative sports
17 exhibitions, events, performances or contests which charges are
18 taxed under any other law of this State or under section 20 of
19 P.L.1985, c.83 (C.5:2A-20), and, except charges to a patron for
20 admission to, or use of, facilities for sporting activities in which
21 such patron is to be a participant, such as bowling alleys and
22 swimming pools. For any person having the permanent use or
23 possession of a box or seat or lease or a license, other than a season
24 ticket, for the use of a box or seat at a place of amusement, the tax
25 shall be upon the amount for which a similar box or seat is sold for
26 each performance or exhibition at which the box or seat is used or
27 reserved by the holder, licensee or lessee, and shall be paid by the
28 holder, licensee or lessee.
- 29 (2) The amount paid as charge of a roof garden, cabaret or other
30 similar place in this State, to the extent that a tax upon such charges
31 has not been paid pursuant to subsection (c) hereof.
- 32 (f) (1) The receipts from every sale, except for resale, of
33 intrastate, interstate, or international telecommunications services
34 and ancillary services sourced to this State in accordance with
35 section 29 of P.L.2005, c.126 (C.54:32B-3.4).
- 36 (2) (Deleted by amendment, P.L.2008, c.123)
- 37 (g) (Deleted by amendment, P.L.2008, c.123)
- 38 (h) Charges in the nature of initiation fees, membership fees or
39 dues for access to or use of the property or facilities of a health and
40 fitness, athletic, sporting or shopping club or organization in this
41 State, except for: (1) membership in a club or organization whose
42 members are predominantly age 18 or under; and (2) charges in the
43 nature of membership fees or dues for access to or use of the
44 property or facilities of a health and fitness, athletic, sporting or
45 shopping club or organization that is exempt from taxation pursuant
46 to paragraph (1) of subsection (a) of section 9 of P.L.1966, c.30
47 (C.54:32B-9), or that is exempt from taxation pursuant to paragraph

1 (1) or (2) of subsection (b) of section 9 of P.L.1966, c.30 and that
 2 has complied with subsection (d) of section 9 of P.L.1966, c.30.

3 (i) The receipts from parking, storing or garaging a motor
 4 vehicle, excluding charges for the following: residential parking;
 5 employee parking, when provided by an employer or at a facility
 6 owned or operated by the employer; municipal parking, storing or
 7 garaging; receipts from charges or fees imposed pursuant to section
 8 3 of P.L.1993, c.159 (C.5:12-173.3) or pursuant to an agreement
 9 between the Casino Reinvestment Development Authority and a
 10 casino operator in effect on the date of enactment of P.L.2007,
 11 c.105; and receipts from parking, storing or garaging a motor
 12 vehicle subject to tax pursuant to any other law or ordinance.

13 For the purposes of this subsection, "municipal parking, storing
 14 or garaging" means any motor vehicle parking, storing or garaging
 15 provided by a municipality or county, or a parking authority
 16 thereof.³

17 (cf: P.L.2013, c.193, s.1)

18

19 ³2. Section 4 of P.L.1966, c.30 (C.54:32B-4) is amended to read
 20 as follows:

21 4. a. For the purpose of adding and collecting the tax imposed
 22 by this act, or an amount equal as nearly as possible or practicable
 23 to the average equivalent thereof, to be reimbursed to the seller by
 24 the purchaser, on or before December 31, 2016 a seller shall use
 25 one of the two following options:

26 (1) a tax shall be calculated based on the following formula:

Amount of Sale	Amount of Tax
\$0.01 to \$0.10	No Tax
0.11 to 0.19	\$0.01
0.20 to 0.32	0.02
0.33 to 0.47	0.03
0.48 to 0.62	0.04
0.63 to 0.77	0.05
0.78 to 0.90	0.06
0.91 to \$1.10	0.07

36 and in addition to a tax of \$0.07 on each full dollar, a tax shall be
 37 collected on each part of a dollar in excess of a full dollar, in
 38 accordance with the above formula; or

39 (2) tax shall be calculated to the third decimal place. One-half
 40 cent (\$0.005) or higher shall be rounded up to the next cent; less
 41 than \$0.005 shall be dropped in order to round the result down.

42 Sellers may compute the tax due on a transaction on either an
 43 item or an invoice basis.

44 b. (Deleted by amendment, P.L.2008, c.123)

45 c. For the purpose of adding and collecting the tax imposed by
 46 this act, or an amount equal as nearly as possible or practicable to
 47 the average equivalent thereof, to be reimbursed to the seller by the

1 purchaser, on or after January 1, 2017 a seller shall use one of the
2 two following options:

3 (1) a tax shall be calculated based on any tax collection schedule
4 as may be prescribed by the director; or

5 (2) a tax shall be calculated to the third decimal place. One-half
6 cent (\$0.005) or higher shall be rounded up to the next cent; less
7 than \$0.005 shall be dropped to round the result down.

8 Sellers may compute the tax due on a transaction on either an
9 item or an invoice basis.³

10 (cf: P.L.2008, c.123, s.4)

11

12 ³3. Section 5 of P.L.1966, c.30 (C.54:32B-5) is amended to read
13 as follows:

14 5. a. (1) Except as otherwise provided in this act, receipts
15 received from all sales made and services rendered on and after
16 January 3, 1983 but prior to July 1, 1990, are subject to the taxes
17 imposed under subsections (a), (b), (c), and (f) of section 3 of this
18 act at the rate, if any, in effect for such sales and services on June
19 30, 1990, except if the property so sold is delivered or the services
20 so sold are rendered on or after July 1, 1990 but prior to July 1,
21 1992, in which case the tax shall be computed and paid at the rate
22 of 7%; provided, however, that if a service or maintenance
23 agreement taxable under this act covers any period commencing on
24 or after January 3, 1983 and ending after June 30, 1990 but prior to
25 July 1, 1992, the receipts from such agreement are subject to tax at
26 the rate, if any, applicable to each period as set forth hereinabove
27 and shall be apportioned on the basis of the ratio of the number of
28 days falling within each of the said periods to the total number of
29 days covered thereby.

30 (2) Except as otherwise provided in this act, receipts received
31 from all sales made and services rendered on and after July 1, 1990
32 but prior to July 1, 1992, are subject to the taxes imposed under
33 subsections (a), (b), (c) and (f) of section 3 of this act at the rate of
34 7%, except if the property so sold is delivered or the services so
35 sold are rendered on or after July 1, 1992 but prior to July 15, 2006,
36 in which case the tax shall be computed and paid at the rate of 6%,
37 provided, however, that if a service or maintenance agreement
38 taxable under this act covers any period commencing on or after
39 July 1, 1990, and ending after July 1, 1992, the receipts from such
40 agreement are subject to tax at the rate applicable to each period as
41 set forth hereinabove and shall be apportioned on the basis of the
42 ratio of the number of days falling within each of the said periods to
43 the total number of days covered thereby.

44 (3) Except as otherwise provided in this act, receipts received
45 from all sales made and services rendered on and after July 1, 1992
46 but prior to July 15, 2006, are subject to the taxes imposed under
47 subsections (a), (b), (c), (f) and (g) of section 3 of P.L.1966, c.30
48 (C.54:32B-3) at the rate of 6%, except if the property so sold is

1 delivered or the services so sold are rendered on or after July 15,
2 2006 but prior to January 1, 2017, in which case the tax shall be
3 computed and paid at the rate of 7%, provided, however, that if a
4 service or maintenance agreement taxable under this act covers any
5 period commencing on or after July 1, 1992, and ending after July
6 15, 2006 but prior to January 1, 2017, the receipts from such
7 agreement are subject to tax at the rate applicable to each period as
8 set forth hereinabove and shall be apportioned on the basis of the
9 ratio of the number of days falling within each of the said periods to
10 the total number of days covered thereby; provided however, if a
11 service or maintenance agreement in effect on July 14, 2006 covers
12 billing periods ending after July 15, 2006 but prior to January 1,
13 2017, the seller shall charge and collect from the purchaser a tax on
14 such sales at the rate of 6%, unless the billing period starts on or
15 after July 15, 2006 but prior to January 1, 2017 in which case the
16 seller shall charge and collect a tax at the rate of 7%.

17 (4) Except as otherwise provided in this act, receipts received
18 from all sales made and services rendered on or after July 15, 2006
19 but prior to January 1, 2017, are subject to the taxes imposed under
20 subsections (a), (b), (c), (f), and (i) of section 3 of P.L.1966, c.30
21 (C.54:32B-3) at the rate of 7%, except if the property so sold is
22 delivered or the services so sold are rendered on or after January 1,
23 2017 but prior to January 1, 2018, in which case the tax shall be
24 computed and paid at the rate of 6.875%; provided, however, that if
25 a service or maintenance agreement taxable under this act covers
26 any period commencing on or after July 15, 2006 and ending after
27 January 1, 2017 but prior to January 1, 2018, the receipts from such
28 agreement are subject to tax at the rate applicable to each period as
29 set forth hereinabove and shall be apportioned on the basis of the
30 ratio of the number of days falling within each of the said periods to
31 the total number of days covered thereby; provided, further, if a
32 service or maintenance agreement in effect on December 31, 2016
33 covers billing periods ending after January 1, 2017 but prior to
34 January 1, 2018, the seller shall charge and collect from the
35 purchaser a tax on such sales at the rate of 7%, unless the bill for
36 such service or maintenance agreement is rendered on or after
37 January 1, 2017 but prior to January 1, 2018 in which case the seller
38 shall charge and collect a tax at a rate of 6.875%.

39 (5) Except as otherwise provided in this act, receipts received
40 from all sales made and services rendered on or after January 1,
41 2017 but prior to January 1, 2018, are subject to the taxes imposed
42 under subsections (a), (b), (c), (f), and (i) of section 3 of P.L.1966,
43 c.30 (C.54:32B-3) at the rate of 6.875%, except if the property so
44 sold is delivered or the services so sold are rendered on or after
45 January 1, 2018, in which case the tax shall be computed and paid
46 at the rate of 6.625%; provided, however, that if a service or
47 maintenance agreement taxable under this act covers any period
48 commencing on or after January 1, 2017 and ending after January 1,

1 2018, the receipts from such agreement are subject to tax at the rate
2 applicable to each period as set forth hereinabove and shall be
3 apportioned on the basis of the ratio of the number of days falling
4 within each of the said periods to the total number of days covered
5 thereby; provided, further, if a service or maintenance agreement in
6 effect on December 31, 2017 covers billing periods ending after
7 January 1, 2018, the seller shall charge and collect from the
8 purchaser a tax on such sales at the rate of 6.875%, unless the bill
9 for such service or maintenance agreement is rendered on or after
10 January 1, 2018 in which case the seller shall charge and collect a
11 tax at a rate of 6.625%.

12 b. (1) The tax imposed under subsection (d) of section 3 shall be
13 paid at the rate of 7% upon any occupancy on and after July 1, 1990
14 but prior to July 1, 1992, although such occupancy is pursuant to a
15 prior contract, lease or other arrangement. If an occupancy, taxable
16 under this act, covers any period on or after January 3, 1983 but
17 prior to July 1, 1990, the rent for the period of occupancy prior to
18 July 1, 1990 shall be taxed at the rate of 6%. If rent is paid on a
19 weekly, monthly or other term basis, the rent applicable to each
20 period as set forth hereinabove shall be apportioned on the basis of
21 the ratio of the number of days falling within each of the said
22 periods to the total number of days covered thereby.

23 (2) The tax imposed under subsection (d) of section 3 shall be
24 paid at the rate of 6% upon any occupancy on and after July 1, 1992
25 but prior to July 15, 2006, although such occupancy is pursuant to a
26 prior contract, lease or other arrangement. If an occupancy, taxable
27 under this act, covers any period on or after July 1, 1990 but prior
28 to July 1, 1992, the rent for the period of occupancy prior to July 1,
29 1992 shall be taxed at the rate of 7%. If rent is paid on a weekly,
30 monthly or other term basis, the rent applicable to each period as set
31 forth hereinabove shall be apportioned on the basis of the ratio of
32 the number of days falling within each of the said periods to the
33 total number of days covered thereby.

34 (3) The tax imposed under subsection (d) of section 3 shall be
35 paid at the rate of 7% upon any occupancy on and after July 15,
36 2006 but prior to January 1, 2017, although such occupancy is
37 pursuant to a prior contract, lease or other arrangement. If an
38 occupancy, taxable under this act, covers any period on or after July
39 1, 1992 but prior to July 15, 2006, the rent for the period of
40 occupancy prior to July 15, 2006 shall be taxed at the rate of 6%. If
41 rent is paid on a weekly, monthly or other term basis, the rent
42 applicable to each period as set forth hereinabove shall be
43 apportioned on the basis of the ratio of the number of days falling
44 within each of the said periods to the total number of days covered
45 thereby.

46 (4) The tax imposed under subsection (d) of section 3 shall be
47 paid at the rate of 6.875% upon any occupancy on or after January
48 1, 2017 but prior to January 1, 2018, although such occupancy is

1 pursuant to a prior contract, lease, or other arrangement. If an
2 occupancy, taxable under this act, covers any period on or after July
3 15, 2006 but prior to January 1, 2017, the rent for the period of
4 occupancy prior to January 1, 2017 shall be taxed at the rate of 7%.
5 If rent is paid on a weekly, monthly, or other term basis, the rent
6 applicable to each period as set forth hereinabove shall be
7 apportioned on the basis of the ratio of the number of days falling
8 within each of the said periods to the total number of days covered
9 thereby.

10 (5) The tax imposed under subsection (d) of section 3 shall be
11 paid at the rate of 6.625% upon any occupancy on or after January
12 1, 2018, although such occupancy is pursuant to a prior contract,
13 lease, or other arrangement. If an occupancy, taxable under this act,
14 covers any period on or after January 1, 2017 but prior to January 1,
15 2018, the rent for the period of occupancy prior to January 1, 2018
16 shall be taxed at the rate of 6.875%. If rent is paid on a weekly,
17 monthly, or other term basis, the rent applicable to each period as
18 set forth hereinabove shall be apportioned on the basis of the ratio
19 of the number of days falling within each of the said periods to the
20 total number of days covered thereby.

21 c. (1) Except as otherwise hereinafter provided, the tax imposed
22 under subsection (e) of section 3 shall be applicable at the rate of
23 7% to any admission to or for the use of facilities of a place of
24 amusement occurring on or after July 1, 1990 but prior to July 1,
25 1992, whether or not the admission charge has been paid prior to
26 July 1, 1990, unless the tickets were actually sold and delivered,
27 other than for resale, prior to July 1, 1990 and the tax imposed
28 under this act during the period January 3, 1983 through June 30,
29 1990 shall have been paid.

30 (2) Except as otherwise hereinafter provided, the tax imposed
31 under subsection (e) of section 3 shall be applicable at the rate of
32 6% to any admission to or for the use of facilities of a place of
33 amusement occurring on or after July 1, 1992 but prior to July 15,
34 2006, whether or not the admission charge has been paid prior to
35 July 1, 1992, unless the tickets were actually sold and delivered,
36 other than for resale, prior to July 1, 1992 and the tax imposed
37 under this act during the period July 1, 1990 through December 31,
38 1990 shall have been paid.

39 (3) Except as otherwise hereinafter provided, the tax imposed
40 under subsection (e) of section 3 shall be applicable at the rate of
41 7% to any admission to or for the use of facilities of a place of
42 amusement occurring on or after July 15, 2006 but prior to January
43 1, 2017, whether or not the admission charge has been paid prior to
44 **【that date】** July 15, 2006, unless the tickets were actually sold and
45 delivered, other than for resale, prior to July 15, 2006 and the tax
46 imposed under this act during the period July 1, 1992 through July
47 14, 2006 shall have been paid.

1 (4) Except as otherwise hereinafter provided, the tax imposed
2 under subsection (e) of section 3 shall be applicable at the rate of
3 6.875% to any admission to or for the use of facilities of a place of
4 amusement occurring on or after January 1, 2017 but prior to
5 January 1, 2018, whether or not the admission charge has been paid
6 prior to January 1, 2017, unless the tickets were actually sold and
7 delivered, other than for resale, prior to January 1, 2017 and the tax
8 imposed under this act during the period July 15, 2006 through
9 December 31, 2016 shall have been paid.

10 (5) Except as otherwise hereinafter provided, the tax imposed
11 under subsection (e) of section 3 shall be applicable at the rate of
12 6.625% to any admission to or for the use of facilities of a place of
13 amusement occurring on or after January 1, 2018, whether or not
14 the admission charge has been paid prior to that date, unless the
15 tickets were actually sold and delivered, other than for resale, prior
16 to January 1, 2018 and the tax imposed under this act during the
17 period January 1, 2017 through December 31, 2017 shall have been
18 paid.

19 d. (1) Sales made on and after July 1, 1990 but prior to July 1,
20 1992 to contractors, subcontractors or repairmen of materials,
21 supplies, or services for use in erecting structures for others, or
22 building on, or otherwise improving, altering or repairing real
23 property of others shall be subject to the taxes imposed by
24 subsections (a) and (b) of section 3 and section 6 hereof at the rate
25 of 7%; provided, however, that if such sales are made for use in
26 performance of a contract which is either of a fixed price not
27 subject to change or modification, or entered into pursuant to the
28 obligation of a formal written bid which cannot be altered or
29 withdrawn, and, in either case, such contract was entered into or
30 such bid was made on or after January 3, 1983 but prior to July 1,
31 1990, such sales shall be subject to tax at the rate of 6%, but the
32 vendor shall charge and collect from the purchaser a tax on such
33 sales at the rate of 7%.

34 (2) Sales made on or after July 1, 1992 but prior to July 15,
35 2006 to contractors, subcontractors or repairmen of materials,
36 supplies, or services for use in erecting structures for others, or
37 building on, or otherwise improving, altering or repairing real
38 property of others shall be subject to the taxes imposed by
39 subsections (a) and (b) of section 3 and section 6 hereof at the rate
40 of 6%; provided, however, that if such sales are made for use in
41 performance of a contract which is either of a fixed price not
42 subject to change or modification, or entered into pursuant to the
43 obligation of a formal written bid which cannot be altered or
44 withdrawn, and, in either case, such contract was entered into or
45 such bid was made on or after July 1, 1990, but prior to July 1,
46 1992, such sales shall be subject to tax at the rate of 7%.

47 (3) Sales made on or after July 15, 2006 but prior to January 1,
48 2017 to contractors, subcontractors or repairmen of materials,

1 supplies, or services for use in erecting structures for others, or
2 building on, or otherwise improving, altering or repairing real
3 property of others shall be subject to the taxes imposed by
4 subsections (a) and (b) of section 3 and section 6 hereof at the rate
5 of 7%; provided, however, that if such sales are made for use in
6 performance of a contract which is either of a fixed price not
7 subject to change or modification, or entered into pursuant to the
8 obligation of a formal written bid which cannot be altered or
9 withdrawn, and, in either case, such contract was entered into or
10 such bid was made on or after July 1, 1992, but prior to July 15,
11 2006, such sales shall be subject to tax at the rate of 6%, but the
12 seller shall charge and collect from the purchaser a tax on such sales
13 at the rate of 7%.

14 (4) Sales made on or after January 1, 2017 but prior to January 1,
15 2018 to contractors, subcontractors, or repairmen of materials,
16 supplies, or services for use in erecting structures for others, or
17 building on, or otherwise improving, altering or repairing real
18 property of others shall be subject to the taxes imposed by
19 subsections (a) and (b) of section 3 and section 6 hereof at the rate
20 of 6.875%; provided, however, that if such sales are made for use in
21 the performance of a contract which is either of a fixed price not
22 subject to change or modification, or entered into pursuant to the
23 obligation of a formal written bid which cannot be altered or
24 withdrawn, and, in either case, such contract was entered into or
25 such bid was made on or after July 15, 2006, but prior to January 1,
26 2017, such sales shall be subject to tax at the rate of 7%.

27 (5) Sales made on or after January 1, 2018 to contractors,
28 subcontractors, or repairmen of materials, supplies, or services for
29 use in erecting structures for others, or building on, or otherwise
30 improving, altering or repairing real property of others shall be
31 subject to the taxes imposed by subsections (a) and (b) of section 3
32 and section 6 hereof at the rate of 6.625%; provided, however, that
33 if such sales are made for use in the performance of a contract
34 which is either of a fixed price not subject to change or
35 modification, or entered into pursuant to the obligation of a formal
36 written bid which cannot be altered or withdrawn, and, in either
37 case, such contract was entered into or such bid was made prior to
38 January 1, 2018, such sales shall be subject to tax at the rate in
39 effect during the time period in which such contract was entered
40 into or such bid was made.

41 e. (1) As to sales other than those referred to in d. above, the
42 taxes imposed under subsections (a) and (b) of section 3 and section
43 6 hereof, and the taxes imposed under subsection (f) of section 3
44 and section 6 hereof, upon receipts received on or after July 1, 1990
45 and on or before December 31, 1990, shall be at the rate in effect on
46 June 30, 1990, in case of sales made or services rendered pursuant
47 to a written contract entered on or after January 3, 1983 but prior to
48 July 1, 1990, and accompanied by a deposit or partial payment of

1 the contract price, except in the case of a contract which, in the
2 usage of trade, is not customarily accompanied by a deposit or
3 partial payment of the contract price, but the vendor shall charge
4 and collect from the purchaser on such sales at the rate of 7%,
5 which tax shall be reduced to the rate, if any, in effect on June 30,
6 1990, only by a claim for refund filed by the purchaser with the
7 director within 90 days after receipt of said receipts and otherwise
8 pursuant to the provisions of section 20 of P.L.1966, c.30
9 (C.54:32B-20). A claim for refund shall not be allowed if there has
10 been no deposit or partial payment of the contract price unless the
11 claimant shall establish by clear and convincing evidence that, in
12 the usage of trade, such contracts are not customarily accompanied
13 by a deposit or partial payment of the contract price.

14 (2) As to sales other than those referred to in d. above, the taxes
15 imposed under subsections (a) and (b) of section 3 and section 6
16 hereof, and the taxes imposed under subsections (f) and (g) of
17 section 3 and section 6 hereof, upon receipts received on or after
18 July 15, 2006 and on or before December 31, 2006, shall be at the
19 rate in effect on July 14, 2006, in case of sales made or services
20 rendered pursuant to a written contract entered on or after July 1,
21 1992 but prior to July 15, 2006, and accompanied by a deposit or
22 partial payment of the contract price, except in the case of a
23 contract which, in the usage of trade, is not customarily
24 accompanied by a deposit or partial payment of the contract price,
25 but the seller shall charge and collect from the purchaser on such
26 sales at the rate of 7%, which tax shall be reduced to the rate, if any,
27 in effect on July 14, 2006, only by a claim for refund filed by the
28 purchaser with the director within 90 days after receipt of said
29 receipts and otherwise pursuant to the provisions of section 20 of
30 P.L.1966, c.30 (C.54:32B-20). A claim for refund shall not be
31 allowed if there has been no deposit or partial payment of the
32 contract price unless the claimant shall establish by clear and
33 convincing evidence that, in the usage of trade, such contracts are
34 not customarily accompanied by a deposit or partial payment of the
35 contract price.

36 f. (1) The taxes imposed under subsections (a), (b), (c) and (f) of
37 section 3 upon receipts received on or after July 1, 1990 but prior to
38 July 1, 1992 shall be at the rate, if any, in effect on June 30, 1990 in
39 the case of sales made or services rendered, if delivery of the
40 property which was the subject matter of the sale has been
41 completed or such services have been entirely rendered prior to July
42 1, 1990.

43 (2) The taxes imposed under subsections (a), (b), (c) and (f) of
44 section 3 upon receipts received on or after July 1, 1992 but prior to
45 July 15, 2006 shall be at the rate of 7% in the case of sales made or
46 services rendered, where delivery of the property which was the
47 subject matter of the sale has been completed or such services have

1 been entirely rendered on or after July 1, 1990 but prior to July 1,
2 1992.

3 (3) The taxes imposed under subsections (a), (b), (c), (f) and (g)
4 of section 3 upon receipts received on or after July 15, 2006 shall be
5 at the rate of 6% in the case of sales made or services rendered,
6 where delivery of the property which was the subject matter of the
7 sale has been completed or such services have been entirely
8 rendered on or after July 1, 1992 but prior to July 15, 2006.

9 (4) The taxes imposed under subsections (a), (b), (c), (f), and (i)
10 of section 3 upon receipts received on or after January 1, 2017 shall
11 be at the rate of 7% in the case of sales made or services rendered,
12 where delivery of the property which was the subject matter of the
13 sale has been completed or such services have been entirely
14 rendered on or after July 15, 2006 but prior to January 1, 2017.

15 (5) The taxes imposed under subsections (a), (b), (c), (f), and (i)
16 of section 3 upon receipts received on or after January 1, 2018 shall
17 be at the rate of 6.875% in the case of sales made or services
18 rendered, where delivery of the property which was the subject
19 matter of the sale has been completed or such services have been
20 entirely rendered on or after January 1, 2017 but prior to January 1,
21 2018.

22 g. (1) Except as otherwise hereinafter provided, the taxes
23 imposed by subsection (h) of section 3 of P.L.1966, c.30
24 (C.54:32B-3) and clause (J) of section 6 of P.L.1966, c.30
25 (C.54:32B-6) shall be imposed and paid at the rate of 6.875% upon
26 all charges in the nature of initiation fees, membership fees, or dues
27 paid on or after January 1, 2017 but before January 1, 2018. All
28 charges in the nature of initiation fees, membership fees, or dues
29 paid on or after October 1, 2006 but before January 1, 2017 shall be
30 imposed and paid at the rate of 7%; provided, however, that any
31 charges in the nature of membership fees and dues paid on or after
32 October 1, 2006 but before January 1, 2017 that allow a member
33 access to or use of the property or facilities of a health and fitness,
34 athletic, sporting, or shopping club or organization in this State for
35 any period beginning on or after October 1, 2006 but before January
36 1, 2017 and ending on or after January 1, 2017 but before January
37 1, 2018 shall be subject to tax at the rate applicable to each period
38 as set forth hereinabove and shall be apportioned on the basis of the
39 ratio of the number of days falling within each of the said periods to
40 the total number of days covered thereby.

41 (2) Except as otherwise hereinafter provided, the taxes imposed
42 by subsection (h) of section 3 of P.L.1966, c.30 (C.54:32B-3) and
43 clause (J) of section 6 of P.L.1966, c.30 (C.54:32B-6) shall be
44 imposed and paid at the rate of 6.625% upon all charges in the
45 nature of initiation fees, membership fees, or dues paid on or after
46 January 1, 2018. All charges in the nature of initiation fees,
47 membership fees, or dues paid on or after January 1, 2017 but
48 before January 1, 2018 shall be imposed and paid at the rate of

1 6.875%; provided, however, that any charges in the nature of
2 membership fees and dues paid on or after January 1, 2017 but
3 before January 1, 2018 that allow a member access to or use of the
4 property or facilities of a health and fitness, athletic, sporting, or
5 shopping club or organization in this State for any period beginning
6 on or after January 1, 2017 but before January 1, 2018 and ending
7 on or after January 1, 2018 shall be subject to tax at the rate
8 applicable to each period as set forth hereinabove and shall be
9 apportioned on the basis of the ratio of the number of days falling
10 within each of the said periods to the total number of days covered
11 thereby.

12 **[g]** h. The director is empowered to promulgate rules and
13 regulations to implement the provisions of this section.³
14 (cf: P.L.2011, c.49, s.3)

15
16 ³4. Section 6 of P.L.1966, c.30 (C.54:32B-6) is amended to read
17 as follows:

18 6. Unless property or services have already been or will be
19 subject to the sales tax under this act, there is hereby imposed on
20 and there shall be paid by every person a use tax for the use within
21 this State of 7% on or before December 31, 2016, 6.875% on and
22 after January 1, 2017 but before January 1, 2018, and 6.625% on
23 and after January 1, 2018, except as otherwise exempted under this
24 act, (A) of any tangible personal property or specified digital
25 product purchased at retail, including energy, provided however,
26 that electricity consumed by the generating facility that produced it
27 shall not be subject to tax, (B) of any tangible personal property or
28 specified digital product manufactured, processed or assembled by
29 the user, if items of the same kind of tangible personal property or
30 specified digital products are offered for sale by him in the regular
31 course of business, or if items of the same kind of tangible personal
32 property are not offered for sale by him in the regular course of
33 business and are used as such or incorporated into a structure,
34 building or real property, (C) of any tangible personal property or
35 specified digital product, however acquired, where not acquired for
36 purposes of resale, upon which any taxable services described in
37 paragraphs (1) and (2) of subsection (b) of section 3 of P.L.1966,
38 c.30 (C.54:32B-3) have been performed, (D) of intrastate, interstate,
39 or international telecommunications services described in
40 subsection (f) of section 3 of P.L.1966, c.30, (E) (Deleted by
41 amendment, P.L.1995, c.184), (F) of utility service provided to
42 persons in this State for use in this State, provided however, that
43 utility service used by the facility that provides the service shall not
44 be subject to tax, (G) of mail processing services described in
45 paragraph (5) of subsection (b) of section 3 of P.L.1966, c.30
46 (C.54:32B-3), (H) (Deleted by amendment, P.L.2008, c.123), (I) of
47 any services subject to tax pursuant to subsection (11), (12), (13),
48 (14) or (15) of subsection (b) of section 3 of P.L.1966, c.30

1 (C.54:32B-3), and (J) of access to or use of the property or facilities
2 of a health and fitness, athletic, sporting or shopping club or
3 organization in this State. For purposes of clause (A) of this
4 section, the tax shall be at the applicable rate, as set forth
5 hereinabove, of the consideration given or contracted to be given
6 for such property or for the use of such property including delivery
7 charges made by the seller, but excluding any credit for property of
8 the same kind accepted in part payment and intended for resale. For
9 the purposes of clause (B) of this section, the tax shall be at the
10 applicable rate, as set forth hereinabove, of the price at which items
11 of the same kind of tangible personal property or specified digital
12 products are offered for sale by the user, or if items of the same
13 kind of tangible personal property are not offered for sale by the
14 user in the regular course of business and are used as such or
15 incorporated into a structure, building or real property the tax shall
16 be at the applicable rate, as set forth hereinabove, of the
17 consideration given or contracted to be given for the tangible
18 personal property manufactured, processed or assembled by the user
19 into the tangible personal property the use of which is subject to use
20 tax pursuant to this section, and the mere storage, keeping, retention
21 or withdrawal from storage of tangible personal property or
22 specified digital products by the person who manufactured,
23 processed or assembled such property shall not be deemed a taxable
24 use by him. For purposes of clause (C) of this section, the tax shall
25 be at the applicable rate, as set forth hereinabove, of the
26 consideration given or contracted to be given for the service,
27 including the consideration for any tangible personal property or
28 specified digital product transferred in conjunction with the
29 performance of the service, including delivery charges made by the
30 seller. For the purposes of clause (D) of this section, the tax shall
31 be at the applicable rate on the charge made by the
32 telecommunications service provider; provided however, that for
33 prepaid calling services and prepaid wireless calling services the tax
34 shall be at the applicable rate on the consideration given or
35 contracted to be given for the prepaid calling service or prepaid
36 wireless calling service or the recharge of the prepaid calling
37 service or prepaid wireless calling service. For purposes of clause
38 (F) of this section, the tax shall be at the applicable rate on the
39 charge made by the utility service provider. For purposes of clause
40 (G) of this section, the tax shall be at the applicable rate on that
41 proportion of the amount of all processing costs charged by a mail
42 processing service provider that is attributable to the service
43 distributed in this State. For purposes of clause (I) of this section,
44 the tax shall be at the applicable rate on the charge made by the
45 service provider. For purposes of clause (J) of this section, the tax
46 shall be at the applicable rate on the charges in the nature of
47 initiation fees, membership fees or dues.³

48 (cf: P.L.2011, c.49, s.4)

1 ³5. Section 31 of P.L.1980, c.105 (C.54:32B-8.19) is amended
2 to read as follows:

3 31. Receipts from sales of tangible personal property and
4 services taxable under any municipal ordinance which was adopted
5 pursuant to P.L.1947, c.71 (C.40:48-8.15 et seq.) and was in effect
6 on April 27, 1966 are exempt from the tax imposed under the Sales
7 and Use Tax Act, subject to the following conditions:

8 a. To the extent that the tax that is or would be imposed under
9 section 3 of P.L.1966, c.30 (C.54:32B-3) is greater than the tax
10 imposed by such ordinance, such sales shall not be exempt under
11 this section; and

12 b. Irrespective of the rate of tax imposed by such ordinance,
13 such sales shall be exempt only to the extent that the rate of taxation
14 imposed by the ordinance exceeds 6%, except that the combined
15 rate of taxation imposed under the ordinance and under this section
16 shall not exceed 13% on or before December 31, 2016, 12.875% on
17 and after January 1, 2017 but before January 1, 2018, and 12.625%
18 on and after January 1, 2018.³

19 (cf: P.L.2006, c.44, s.10)

20

21 ³6. Section 1 of P.L.2003, c.114 (C.54:32D-1) is amended to
22 read as follows:

23 1. a. In addition to any other tax, assessment or use fee
24 authorized by law, there is imposed and shall be paid a hotel and
25 motel occupancy fee of 7% for occupancies on and after August 1,
26 2003 but before July 1, 2004, and of 5% for occupancies on and
27 after July 1, 2004, upon the rent for every occupancy of a room or
28 rooms in a hotel subject to taxation pursuant to subsection (d) of
29 section 3 of P.L. 1966, c.30 (C.54:32B-3), which every person
30 required to collect tax shall collect from the customer when
31 collecting the rent to which it applies; provided however, that on
32 and after the tenth day following a certification by the Director of
33 the Division of Budget and Accounting in the Department of the
34 Treasury pursuant to subsection d. of section 2 of P.L.2003, c.114
35 (C.54:32D-2), no such fee shall be paid or collected; and provided
36 further that:

37 (1) the combined rates of the fee imposed under this section,
38 plus the tax imposed under the "Sales and Use Tax Act", P.L.1966,
39 c.30 (C.54:32B-1 et seq.), plus any tax imposed under P.L.1947,
40 c.71 (C.40:48-8.15 et seq.), shall not exceed a total rate of 14% on
41 or before December 31, 2016, 13.875% on and after January 1,
42 2017 but before January 1, 2018, and 13.625% on and after January
43 1, 2018, and to the extent that the total combined rate of taxation for
44 the listed fees and taxes would exceed 14% on or before December
45 31, 2016, 13.875% on and after January 1, 2017 but before January
46 1, 2018, and 13.625% on and after January 1, 2018, the fee imposed
47 under this section shall be reduced so that the total combined rate
48 equals 14% on or before December 31, 2016, 13.875% on and after

1 January 1, 2017 but before January 1, 2018, and 13.625% on and
2 after January 1, 2018;

3 (2) the combined rates of the fee imposed under this section,
4 plus the tax imposed under the "Sales and Use Tax Act", P.L.1966,
5 c.30 (C.54:32B-1 et seq.), plus any tax and assessment imposed
6 under section 4 of P.L.1992, c.165 (C.40:54D-4), shall not exceed a
7 total rate of 14% on or before December 31, 2016, 13.875% on and
8 after January 1, 2017 but before January 1, 2018, and 13.625% on
9 and after January 1, 2018, and to the extent that the total combined
10 rate of taxation for the listed fees and taxes would exceed 14% on
11 or before December 31, 2016, 13.875% on and after January 1,
12 2017 but before January 1, 2018, and 13.625% on and after January
13 1, 2018, the fee imposed under this section shall be reduced so that
14 the total combined rate equals 14% on or before December 31,
15 2016, 13.875% on and after January 1, 2017 but before January 1,
16 2018, and 13.625% on and after January 1, 2018; and

17 (3) the fee imposed under this section shall be at the rate of 1%
18 in a city in which the tax authorized under P.L.1981, c. 77
19 (C.40:48E-1 et seq.) is imposed.

20 b. The hotel and motel occupancy fee imposed by subsection a.
21 of this section shall not be imposed on the rent for an occupancy if
22 the purchaser, user or consumer is an entity exempt from the tax
23 imposed on an occupancy under the "Sales and Use Tax Act"
24 pursuant to subsection (a) of section 9 of P.L.1966, c.30 (C.54:32B-
25 9).

26 c. Terms used in this section shall have the meaning given
27 those terms pursuant to section 2 of P.L.1966, c.30 (C.54:32B-2).³
28 (cf: P.L.2006, c.44, s.18)

29

30 ³[1.] 7.³ R.S.54:38-1 is amended to read as follows:

31 54:38-1. a. In addition to the inheritance, succession or legacy
32 taxes imposed by this State under authority of chapters 33 to 36 of
33 this title (R.S.54:33-1 et seq.), or hereafter imposed under authority
34 of any subsequent enactment, there is hereby imposed an estate or
35 transfer tax:

36 (1) Upon the transfer of the estate of every resident decedent
37 dying before January 1, 2002 which is subject to an estate tax
38 payable to the United States under the provisions of the federal
39 revenue act of one thousand nine hundred and twenty-six and the
40 amendments thereof and supplements thereto or any other federal
41 revenue act in effect as of the date of death of the decedent, the
42 amount of which tax shall be the sum by which the maximum credit
43 allowable against any federal estate tax payable to the United States
44 under any federal revenue act on account of taxes paid to any state
45 or territory of the United States or the District of Columbia, shall
46 exceed the aggregate amount of all estate, inheritance, succession or
47 legacy taxes actually paid to any state or territory of the United
48 States or the District of Columbia, including inheritance, succession

1 or legacy taxes actually paid this State, in respect to any property
2 owned by such decedent or subject to such taxes as a part of or in
3 connection with the estate; and

4 (2) (a) Upon the transfer of the estate of every resident
5 decedent dying after December 31, 2001, ~~but~~²~~after December 31,~~
6 ~~2016,~~² before January 1, 2017,² which would have been subject to
7 an estate tax payable to the United States under the provisions of
8 the federal Internal Revenue Code of 1986 (26 U.S.C. s.1 et seq.) in
9 effect on December 31, 2001, the amount of which tax shall be, at
10 the election of the person or corporation liable for the payment of
11 the tax under this chapter, either

12 (i) the maximum credit that would have been allowable under
13 the provisions of that federal Internal Revenue Code in effect on
14 that date against the federal estate tax that would have been payable
15 under the provisions of that federal Internal Revenue Code in effect
16 on that date on account of taxes paid to any state or territory of the
17 United States or the District of Columbia, or

18 (ii) determined pursuant to the simplified tax system as may be
19 prescribed by the Director of the Division of Taxation in the
20 Department of the Treasury to produce a liability similar to the
21 liability determined pursuant to clause (i) of this paragraph reduced
22 pursuant to paragraph (b) of this subsection.

23 (b) The amount of tax liability determined pursuant to
24 subparagraph (a) of this paragraph shall be reduced by the
25 aggregate amount of all estate, inheritance, succession or legacy
26 taxes actually paid to any state or territory of the United States or
27 the District of Columbia, including inheritance, succession or
28 legacy taxes actually paid this State, in respect to any property
29 owned by such decedent or subject to such taxes as a part of or in
30 connection with the estate; provided however, that the amount of
31 the reduction shall not exceed the proportion of the tax otherwise
32 due under this subsection that the amount of the estates's property
33 subject to tax by other jurisdictions bears to the entire estate taxable
34 under this chapter.

35 (3) (a) Upon the transfer of the estate of each resident decedent
36 dying on or after January 1, 2017, ~~but~~²~~before January 1, 2020,~~²
37 whether or not subject to an estate tax payable to the United States
38 under the provisions of the federal Internal Revenue Code (26
39 U.S.C. s.1 et seq.), the amount of the taxable estate, determined
40 pursuant to section 2051 of the federal Internal Revenue Code (26
41 U.S.C. s.2051), shall be subject to tax pursuant to the following
42 schedule:

On any amount up to \$100,000 0.0%

On any amount in excess of \$100,000,
up to \$150,000 0.8% ²of the excess over
\$100,000²

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20

<u>On any amount in excess of \$150,000, up to \$200,000.</u>	<u>\$400 plus 1.6% of the excess over \$150,000</u>
<u>On any amount in excess of \$200,000, up to \$300,000.</u>	<u>\$1,200 plus 2.4% of the excess over \$200,000</u>
<u>On any amount in excess of \$300,000, up to \$500,000.</u>	<u>\$3,600 plus 3.2% of the excess over \$300,000</u>
<u>On any amount in excess of \$500,000, up to \$700,000.</u>	<u>\$10,000 plus 4.0% of the excess over \$500,000</u>
<u>On any amount in excess of \$700,000, up to \$900,000.</u>	<u>\$18,000 plus 4.8% of the excess over \$700,000</u>
<u>On any amount in excess of \$900,000, up to \$1,100,000.</u>	<u>\$27,600 plus 5.6% of the excess over \$900,000</u>
<u>On any amount in excess of \$1,100,000, up to \$1,600,000.</u>	<u>\$38,800 plus 6.4% of the excess over \$1,100,000</u>
<u>On any amount in excess of \$1,600,000, up to \$2,100,000.</u>	<u>\$70,800 plus 7.2% of the excess over \$1,600,000</u>
<u>On any amount in excess of \$2,100,000, up to \$2,600,000.</u>	<u>\$106,800 plus 8.0% of the excess over \$2,100,000</u>
<u>On any amount in excess of \$2,600,000, up to \$3,100,000.</u>	<u>\$146,800 plus 8.8% of the excess over \$2,600,000</u>
<u>On any amount in excess of \$3,100,000, up to \$3,600,000.</u>	<u>\$190,800 plus 9.6% of the excess over \$3,100,000</u>
<u>On any amount in excess of \$3,600,000, up to \$4,100,000.</u>	<u>\$238,800 plus 10.4% of the excess over \$3,600,000</u>
<u>On any amount in excess of \$4,100,000, up to \$5,100,000.</u>	<u>\$290,800 plus 11.2% of the excess over \$4,100,000</u>

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<u>On any amount in excess of</u> <u>\$5,100,000, up to \$6,100,000</u>	<u>\$402,800 plus 12.0% of the</u> <u>excess over \$5,100,000</u>
<u>On any amount in excess of</u> <u>\$6,100,000, up to \$7,100,000</u>	<u>\$522,800 plus 12.8% of the</u> <u>excess over \$6,100,000</u>
<u>On any amount in excess of</u> <u>\$7,100,000, up to \$8,100,000</u>	<u>\$650,800 plus 13.6% of the</u> <u>excess over \$7,100,000</u>
<u>On any amount in excess of</u> <u>\$8,100,000, up to \$9,100,000</u>	<u>\$786,800 plus 14.4% of the</u> <u>excess over \$8,100,000</u>
<u>On any amount in excess of</u> <u>\$9,100,000, up to \$10,100,000</u>	<u>\$930,800 plus 15.2% of the</u> <u>excess over \$9,100,000</u>
<u>On any amount in excess of</u> <u>\$10,100,000.</u>	<u>\$1,082,800 plus 16.0% of</u> <u>the excess over \$10,100,000</u>

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(b) A credit shall be allowed against the tax imposed pursuant to subparagraph (a) of this paragraph equal to the amount of tax which would be determined by subparagraph (a) of this paragraph if the amount of the taxable estate were equal to the exclusion amount.

For the transfer of the estate of each resident decedent dying on or after January 1, 2017, but before January 1, 2018, the exclusion amount is ²[\$1,000,000] \$2,000,000².

²[For the transfer of the estate of each resident decedent dying on or after January 1, 2018, but before January 1, 2019, the exclusion amount is \$2,000,000.]²

³[For the transfer of the estate of each resident decedent dying on or after January 1, ²[2019] 2018², but before January 1, 2020, the ²[exclusion amount is \$3,000,000] tax imposed by this section shall be based upon the applicable exclusion amount determined pursuant to subsection (c) of section 2010 of the federal Internal Revenue Code (26 U.S.C. s.2010), as amended or adjusted by federal law, rule or regulation².]³

(c) The amount of tax liability of a resident decedent determined pursuant to subparagraphs (a) and (b) of this paragraph shall be reduced by the aggregate amount of all estate, inheritance, succession or legacy taxes actually paid to any state of the United States, including inheritance taxes actually paid this State, in respect to any property owned by that decedent or subject to those

1 taxes as a part of or in connection with the estate; provided
2 however, that the amount of the reduction shall not exceed the
3 proportion of the tax otherwise due under this subsection that the
4 amount of the estate's property subject to tax by other jurisdictions
5 bears to the entire estate taxable under this chapter.

6 (4) For the transfer of the estate of each resident decedent dying
7 on or after January 1, ³[2020] 2018³, there shall be no tax
8 imposed.

9 ³[(5) Upon the transfer of the real or tangible personal property
10 within New Jersey of each nonresident decedent dying on or after
11 January 1, 2017, but before January 1, 2020, which tax shall bear
12 the same ratio to the entire tax which that estate would have been
13 subject to pursuant to subparagraphs (a) and (b) of paragraph (3)
14 ²and paragraph (4)² of this subsection if that nonresident decedent
15 had been a resident of this State, and all of the decedent's property,
16 real and personal, had been located within this State, as the taxable
17 property within this State bears to the entire estate, wherever
18 situated.]]³

19 b. (1) In the case of the estate of a decedent dying before
20 January 1, 2002 where no inheritance, succession or legacy tax is
21 due this State under the provisions of chapters 33 to 36 of this title
22 or under authority of any subsequent enactment imposing taxes of a
23 similar nature, but an estate tax is due the United States under the
24 provisions of any federal revenue act in effect as of the date of
25 death, wherein provision is made for a credit on account of taxes
26 paid the several states or territories of the United States, or the
27 District of Columbia, the tax imposed by this chapter shall be the
28 maximum amount of such credit less the aggregate amount of such
29 estate, inheritance, succession or legacy taxes actually paid to any
30 state or territory of the United States or the District of Columbia.

31 (2) In the case of the estate of a decedent dying after December
32 31, 2001, but before ²[December 31, 2016] January 1, 2017²,
33 where no inheritance, succession or legacy tax is due this State
34 under the provisions of chapters 33 to 36 of this title or under
35 authority of any subsequent enactment imposing taxes of a similar
36 nature, the tax imposed by this chapter shall be determined pursuant
37 to paragraph (2) of subsection a. of this section.

38 (3) In the case of the estate of a decedent dying on or after
39 January 1, 2017 the tax imposed by this chapter shall be determined
40 pursuant to paragraphs (3) ³[.] and³ (4) ³[, and (5)]³ of subsection
41 a. of this section.

42 c. For the purposes of this section, a "simplified tax system" to
43 produce a liability similar to the liability determined pursuant to
44 clause (i) of subparagraph (a) of paragraph (2) of subsection a. of
45 this section is a tax system that is based upon the \$675,000 unified
46 estate and gift tax applicable exclusion amount in effect under the
47 provisions of the federal Internal Revenue Code of 1986 (26 U.S.C.
48 s.1 et seq.) in effect on December 31, 2001, and results in general in

1 the determination of a similar amount of tax but which will enable
2 the person or corporation liable for the payment of the tax to
3 calculate an amount of tax notwithstanding the lack or paucity of
4 information for compliance due to such factors as the absence of an
5 estate valuation made for federal estate tax purposes, the absence of
6 a measure of the impact of gifts made during the lifetime of the
7 decedent in the absence of federal gift tax information, and any
8 other information compliance problems as the director determines
9 are the result of the phased repeal of the federal estate tax.
10 (cf: P.L.2002, c.31, s.1)

11

12 ³[²2.] 8.³ N.J.S.54A:3-1 is amended to read as follows:

13 54A:3-1. Personal exemptions and deductions. Each taxpayer
14 shall be allowed personal exemptions and deductions against his
15 gross income as follows:

16 (a) Taxpayer. Each taxpayer shall be allowed a personal
17 exemption of \$1,000.00 which may be taken as a deduction from his
18 New Jersey gross income.

19 (b) Additional exemptions. In addition to the personal
20 exemptions allowed in (a), the following additional personal
21 exemptions shall be allowed as a deduction from gross income:

22 1. For the taxpayer's spouse, or domestic partner as defined in
23 section 3 of P.L.2003, c.246 (C.26:8A-3), who does not file
24 separately - \$1,000.00.

25 2. For each dependent who qualifies as a dependent of the
26 taxpayer during the taxable year for federal income tax purposes -
27 \$1,500.00.

28 3. Taxpayer 65 years of age or over at the close of the taxable
29 year - \$1,000.00.

30 4. Taxpayer's spouse 65 years of age or over at the close of the
31 taxable year - \$1,000.00.

32 5. Blind or disabled taxpayer - \$1,000.00.

33 6. Blind or disabled spouse - \$1,000.00.

34 7. Taxpayer who is a veteran honorably discharged or released
35 under honorable circumstances from active duty in the Armed
36 Forces of the United States, a reserve component thereof, or the
37 National Guard of New Jersey in a federal active duty status, as
38 those terms are used in N.J.S.38A:1-1 - \$3,000.

39 (c) Special Rule. The personal exemptions allowed under this
40 section shall be limited to that percentage which the total number of
41 months within a taxpayer's taxable year under this act bears to 12.
42 For this purpose 15 days or more shall constitute a month.

43 (d) (Deleted by amendment, P.L.1993, c.178).

44 (e) Nonresidents. For taxable years to which a certification
45 pursuant to section 3 of P.L.1993, c.320 (C.54A:2-1.2) applies, a
46 nonresident taxpayer shall be allowed the same deduction for
47 personal exemptions as a resident taxpayer. However, if (1) the
48 nonresident taxpayer's gross income which is subject to tax under

1 this act is exceeded by (2) the gross income which the nonresident
 2 taxpayer would be required to report under this act if the taxpayer
 3 were a resident by more than \$100.00, the taxpayer's deduction for
 4 personal exemptions shall be limited by the percentage which (1) is
 5 to (2).²

6 (cf: P.L.2003, c.246, s.40)

7
 8 ³[²3. (New section) a. A taxpayer who has gross income for the
 9 taxable year of not more than \$100,000, including a married couple
 10 filing jointly, a married person filing separately, or an individual
 11 filing as a single taxpayer or an individual determining tax pursuant
 12 to subsection a. of N.J.S.54A:2-1, may deduct from the taxpayer's
 13 gross income reported pursuant to the "New Jersey Gross Income
 14 Tax Act," N.J.S.54A:1-1 et seq., an amount equal to the State taxes
 15 paid on purchases of motor fuel for the operation for personal use of
 16 the taxpayer's motor vehicles during the taxable year.

17 b. An amount shall not be deductible under subsection a. of this
 18 section if the amount is:

19 (1) reimbursed to the taxpayer by or for the taxpayer's employer;

20 (2) deductible in determining net profits from business pursuant
 21 to subsection b. of N.J.S.54A:5-1, even if not so deducted;

22 (3) deductible in determining net gains or net income derived
 23 from or in the form of rents, royalties, patents, and copyrights
 24 pursuant to subsection d. of N.J.S.A.54A:5-1, even if not so
 25 deducted;

26 (4) deductible in determining distributive share of partnership
 27 income pursuant to subsection k. of N.J.S.54A:5-1, even if not so
 28 deducted;

29 (5) deductible in determining net pro rata share of S corporation
 30 income pursuant to subsection p. of N.J.S.54A:5-1, even if not so
 31 deducted; or

32 (6) deductible as a medical expense pursuant to N.J.S.54A:3-3,
 33 even if not so deducted, or paid or distributed out of a medical
 34 savings account excluded from gross income pursuant to section 5
 35 of P.L.1997, c.414 (C.54A:6-27).

36 c. The deduction allowed under this section shall not exceed the
 37 amount of \$250 for the taxpayer's taxable year beginning on or
 38 after January 1, 2016 but before January 1, 2017, and shall not
 39 exceed the amount of \$500 for the taxpayer's taxable years
 40 beginning on or after January 1, 2017.

41 d. For the purposes of this section "State taxes paid on purchases
 42 of motor fuel" means the taxes imposed by the "Petroleum Products
 43 Gross Receipts Tax Act," P.L.1990, c.42 (C.54:15B-1 et seq.) and
 44 the "Motor Fuel Tax Act," P.L.2010, c.22 (C.54:39-101 et seq.).²³

45
 46 ²[².] ³[⁴.²] ⁹.³ N.J.S.54A:6-10 is amended to read as follows:
 47 54A:6-10. Pensions and annuities.

1 a. Gross income shall not include that part of any amount
2 received as an annuity under an annuity, endowment, or life
3 insurance contract which bears the same ratio to such amount as the
4 investment in the contract as of the annuity starting date bears to the
5 expected return under the contract as of such date. Where (1) part
6 of the consideration for an annuity, endowment, or life insurance
7 contract is contributed by the employer, and (2) during the three-
8 year period beginning on the date on which an amount is first
9 received under the contract as an annuity, the aggregate amount
10 receivable by the employee under the terms of the contract is equal
11 to or greater than the consideration for the contract contributed by
12 the employee, then all amounts received as an annuity under the
13 contract shall be excluded from gross income until there has been so
14 excluded an amount equal to the consideration for the contract
15 contributed by the employee.

16 b. (1) In addition to that part of any amount received as an
17 annuity which is excludable from gross income as herein provided,
18 gross income shall not include payments:

19 for taxable years beginning before January 1, 2000, of up to
20 \$10,000 for a married couple filing jointly, \$5,000 for a married
21 person filing separately, or \$7,500 for an individual filing as a
22 single taxpayer or an individual determining tax pursuant to
23 subsection a. of N.J.S.54A:2-1;

24 for the taxable year beginning on or after January 1, 2000, but
25 before January 1, 2001, of up to \$12,500 for a married couple filing
26 jointly, \$6,250 for a married person filing separately, or \$9,375 for
27 an individual filing as a single taxpayer or an individual
28 determining tax pursuant to subsection a. of N.J.S.54A:2-1;

29 for the taxable year beginning on or after January 1, 2001, but
30 before January 1, 2002, of up to \$15,000 for a married couple filing
31 jointly, \$7,500 for a married person filing separately, or \$11,250 for
32 an individual filing as a single taxpayer or an individual
33 determining tax pursuant to subsection a. of N.J.S.54A:2-1;

34 for the taxable year beginning on or after January 1, 2002, but
35 before January 1, 2003, of up to \$17,500 for a married couple filing
36 jointly, \$8,750 for a married person filing separately, or \$13,125 for
37 an individual filing as a single taxpayer or an individual
38 determining tax pursuant to subsection a. of N.J.S.54A:2-1;

39 for taxable years beginning on or after January 1, 2003, but
40 before January 1, 2017 of up to \$20,000 for a married couple filing
41 jointly, \$10,000 for a married person filing separately, or \$15,000
42 for an individual filing as a single taxpayer or an individual
43 determining tax pursuant to subsection a. of N.J.S.54A:2-1;

44 for taxable years beginning on or after January 1, 2017, but
45 before January 1, 2018, of up to \$40,000 for a married couple filing
46 jointly, \$20,000 for a married person filing separately, or \$30,000
47 for an individual filing as a single taxpayer or an individual
48 determining tax pursuant to subsection a. of N.J.S.54A:2-1;

1 for taxable years beginning on or after January 1, 2018, but
2 before January 1, 2019, ³gross income shall not include income³
3 of up to \$60,000 for a married couple filing jointly, \$30,000 for a
4 married person filing separately, or ³[\$50,000] \$45,000³ for an
5 individual filing as a single taxpayer or an individual determining
6 tax pursuant to subsection a. of N.J.S.54A:2-1;

7 for taxable years beginning on or after January 1, 2019, but
8 before January 1, 2020, of up to \$80,000 for a married couple filing
9 jointly, \$40,000 for a married person filing separately, or \$60,000
10 for an individual filing as a single taxpayer or an individual
11 determining tax pursuant to subsection a. of N.J.S.54A:2-1;

12 for taxable years beginning on or after January 1, 2020, of up to
13 \$100,000 for a married couple filing jointly, \$50,000 for a married
14 person filing separately, or \$75,000 for an individual filing as a
15 single taxpayer or an individual determining tax pursuant to
16 subsection a. of N.J.S.54A:2-1,

17 which are received as an annuity, endowment or life insurance
18 contract, or payments of any such amounts which are received as
19 pension, disability, or retirement benefits, under any public or
20 private plan, whether the consideration therefor is contributed by
21 the employee or employer or both, by any person who is 62 years of
22 age or older or who, by virtue of disability, is or would be eligible
23 to receive payments under the federal Social Security Act [, but
24 for] .

25 (2) For taxable years beginning on or after January 1, 2005,
26 ³[but before January 1, 2021,]³ the exclusion provided by this
27 subsection shall only be allowed if the taxpayer has gross income
28 for the taxable year of not more than \$100,000 ³[:

29 for taxable years beginning on or after January 1, 2021, if the
30 taxpayer has gross income for the taxable year of not more than
31 \$100,000 the exclusion provided by this subsection shall be fully
32 allowed, if the taxpayer has gross income for the taxable year in
33 excess of \$100,000 but not more than \$125,000 then the taxpayer
34 may exclude 50 percent of the amount otherwise allowed, and if the
35 taxpayer has gross income for the taxable year in excess of
36 \$125,000 but not more than \$150,000 then the taxpayer may
37 exclude 25 percent of the amount otherwise allowed]³.

38 c. Gross income shall not include any amount received under
39 any public or private plan by reason of a permanent and total
40 disability.

41 d. Gross income shall not include distributions from an
42 employees' trust described in section 401(a) of the Internal Revenue
43 Code of 1986, as amended (hereinafter referred to as "the Code"),
44 which is exempt from tax under section 501(a) of the Code if the
45 distribution, except the portion representing the employees'
46 contributions, is rolled over in accordance with section 402(a)(5) or
47 section 403(a)(4) of the Code. The distribution shall be paid in one
48 or more installments which constitute a lump-sum distribution

1 within the meaning of section 402(e)(4)(A) (determined without
2 reference to subsection (e)(4)(B)), or be on account of a termination
3 of a plan of which the trust is a part or, in the case of a profit-
4 sharing or stock bonus plan, a complete discontinuance of
5 contributions under such plan.

6 (cf: P.L.2005, c.130, s.1)

7
8 ²[3.] ³[5.2] 10.³ Section 3 of P.L.1977, c.273 (C.54A:6-15) is
9 amended to read as follows:

10 3. Other retirement income. a. (1) Gross income shall not
11 include income:

12 for taxable years beginning before January 1, 2000, of up to
13 \$10,000 for a married couple filing jointly, \$5,000 for a married
14 person filing separately, or \$7,500 for an individual filing as a
15 single taxpayer or an individual determining tax pursuant to
16 subsection a. of N.J.S.54A:2-1;

17 for the taxable year beginning on or after January 1, 2000, but
18 before January 1, 2001, of up to \$12,500 for a married couple filing
19 jointly, \$6,250 for a married person filing separately, or \$9,375 for
20 an individual filing as a single taxpayer or an individual
21 determining tax pursuant to subsection a. of N.J.S.54A:2-1;

22 for the taxable year beginning on or after January 1, 2001, but
23 before January 1, 2002, of up to \$15,000 for a married couple filing
24 jointly, \$7,500 for a married person filing separately, or \$11,250 for
25 an individual filing as a single taxpayer or an individual
26 determining tax pursuant to subsection a. of N.J.S.54A:2-1;

27 for the taxable year beginning on or after January 1, 2002, but
28 before January 1, 2003, of up to \$17,500 for a married couple filing
29 jointly, \$8,750 for a married person filing separately, or \$13,125 for
30 an individual filing as a single taxpayer or an individual
31 determining tax pursuant to subsection a. of N.J.S.54A:2-1;

32 for taxable years beginning on or after January 1, 2003, but
33 before January 1, 2017, gross income shall not include income of up
34 to \$20,000 for a married couple filing jointly, \$10,000 for a married
35 person filing separately, or \$15,000 for an individual filing as a
36 single taxpayer or an individual determining tax pursuant to
37 subsection a. of N.J.S.54A:2-1;

38 for taxable years beginning on or after January 1, 2017 but
39 before January 1, 2018, gross income shall not include income of up
40 to \$40,000 for a married couple filing jointly, \$20,000 for a married
41 person filing separately, or \$30,000 for an individual filing as a
42 single taxpayer or an individual determining tax pursuant to
43 subsection a. of N.J.S.54A:2-1;

44 for taxable years beginning on or after January 1, 2018, but
45 before January 1, 2019, gross income shall not include income of up
46 to \$60,000 for a married couple filing jointly, \$30,000 for a married
47 person filing separately, or ³[\$50,000] \$45,000³ for an individual

1 filing as a single taxpayer or an individual determining tax pursuant
 2 to subsection a. of N.J.S.54A:2-1;

3 for taxable years beginning on or after January 1, 2019, but
 4 before January 1, 2020, gross income shall not include income of up
 5 to \$80,000 for a married couple filing jointly, \$40,000 for a married
 6 person filing separately, or \$60,000 for an individual filing as a
 7 single taxpayer or an individual determining tax pursuant to
 8 subsection a. of N.J.S.54A:2-1;

9 for taxable years beginning on or after January 1, 2020, gross
 10 income shall not include income of up to \$100,000 for a married
 11 couple filing jointly, \$50,000 for a married person filing separately,
 12 or \$75,000 for an individual filing as a single taxpayer or an
 13 individual determining tax pursuant to subsection a. of N.J.S.54A:2-
 14 1,

15 when received in any tax year by a person aged 62 years or older
 16 who received no income in excess of \$3,000 from one or more of
 17 the sources enumerated in subsections a., b., k. and p. of
 18 N.J.S.54A:5-1 **[, but for] .**

19 **(2)** For taxable years beginning on or after January 1, 2005,
 20 **³[but before January 1, 2021,]³** the exclusion provided by this
 21 subsection shall only be allowed if the taxpayer has gross income
 22 for the taxable year of not more than \$100,000 **[, provided,**
 23 **however, that the]³;**

24 for taxable years beginning on or after January 1, 2021, if the
 25 taxpayer has gross income for the taxable year of not more than
 26 \$100,000 the exclusion provided by this subsection shall be fully
 27 allowed, if the taxpayer has gross income for the taxable year in
 28 excess of \$100,000 but not more than \$125,000 then the taxpayer
 29 may exclude 50 percent of the amount otherwise allowed, and if the
 30 taxpayer has gross income for the taxable year in excess of
 31 \$125,000 but not more than \$150,000 then the taxpayer may
 32 exclude 25 percent of the amount otherwise allowed]³.

33 **(3)** The total exclusion under this subsection and that allowable
 34 under N.J.S.54A:6-10 shall not exceed the amounts of the
 35 exclusions set forth in this subsection.

36 b. In addition to the exclusion provided under N.J.S.54A:6-10
 37 and subsection a. of this section, gross income shall not include
 38 income of up to \$6,000 for a married couple filing jointly or an
 39 individual determining tax pursuant to subsection a. of N.J.S.54A:2-
 40 1, or \$3,000 for a single person or a married person filing
 41 separately, who is not covered under N.J.S.54A:6-2 or N.J.S.54A:6-
 42 3, but who would be eligible in any year to receive payments under
 43 either section if he or she were covered thereby.

44 (cf: P.L.2005, c.130, s.2)

45

46 **²[4.] ³[6.] ^{11.}³** Section 2 of P.L.2000, c.80 (C.54A:4-7) is
 47 amended to read as follows:

1 2. There is established the New Jersey Earned Income Tax
2 Credit program in the Division of Taxation in the Department of the
3 Treasury.

4 a. (1) A resident individual who is eligible for a credit under
5 section 32 of the federal Internal Revenue Code of 1986 (26 U.S.C.
6 s.32) shall be allowed a credit for the taxable year equal to a
7 percentage, as provided in paragraph (2) of this subsection, of the
8 federal earned income tax credit that would be allowed to the
9 individual or the married individuals filing a joint return under
10 section 32 of the federal Internal Revenue Code of 1986 (26 U.S.C.
11 s.32) for the same taxable year for which a credit is claimed
12 pursuant to this section, subject to the restrictions of this subsection
13 and subsections b., c., d. and e. of this section.

14 (2) For the purposes of the calculation of the New Jersey earned
15 income tax credit, the percentage of the federal earned income tax
16 credit referred to in paragraph (1) of this subsection shall be:

17 (a) 10% for the taxable year beginning on or after January 1,
18 2000, but before January 1, 2001;

19 (b) 15% for the taxable year beginning on or after January 1,
20 2001, but before January 1, 2002;

21 (c) 17.5% for the taxable year beginning on or after January 1,
22 2002, but before January 1, 2003;

23 (d) 20% for taxable years beginning on or after January 1, 2003,
24 but before January 1, 2008;

25 (e) 22.5% for taxable years beginning on or after January 1,
26 2008 but before January 1, 2009;

27 (f) 25% for taxable years beginning on or after January 1, 2009
28 but before January 1, 2010;

29 (g) 20% for taxable years beginning on or after January 1, 2010,
30 but before January 1, 2015; **[and]**

31 (h) 30% for taxable years beginning on or after January 1, 2015,
32 but before January 1, 2016; and

33 (i) ³**[40%]** 35%³ for taxable years beginning on or after
34 January 1, 2016.

35 (3) To qualify for the New Jersey earned income tax credit, if
36 the claimant is married, except for a claimant who files as a head of
37 household or surviving spouse for federal income tax purposes for
38 the taxable year, the claimant shall file a joint return or claim for
39 the credit.

40 b. In the case of a part-year resident claimant, the amount of
41 the credit allowed pursuant to this section shall be pro-rated, based
42 upon that proportion which the total number of months of the
43 claimant's residency in the taxable year bears to 12 in that period.
44 For this purpose, 15 days or more shall constitute a month.

45 c. The amount of the credit allowed pursuant to this section
46 shall be applied against the tax otherwise due under N.J.S.54A:1-1
47 et seq., after all other credits and payments. If the credit exceeds the
48 amount of tax otherwise due, that amount of excess shall be an

1 overpayment for the purposes of N.J.S.54A:9-7; provided however,
2 that subsection (f) of N.J.S.54A:9-7 shall not apply. The credit
3 provided under this section as a credit against the tax otherwise due
4 and the amount of the credit treated as an overpayment shall be
5 treated as a credit towards or overpayment of gross income tax,
6 subject to all provisions of N.J.S.54A:1-1 et seq., except as may be
7 otherwise specifically provided in P.L.2000, c.80 (C.54A:4-6 et al.).

8 d. The Director of the Division of Taxation in the Department
9 of the Treasury shall [have discretion to] establish a program for
10 the distribution of earned income tax credits pursuant to the
11 provisions of this section.

12 e. Any earned income tax credit pursuant to this section shall
13 not be taken into account as income or receipts for purposes of
14 determining the eligibility of an individual for benefits or assistance
15 or the amount or extent of benefits or assistance under any State
16 program and, to the extent permitted by federal law, under any State
17 program financed in whole or in part with federal funds.

18 (cf: P.L.2015, c.73, s.1)

19

20 ²[5. (New section) a. A taxpayer shall be allowed to deduct
21 from gross income the amount of charitable contributions of money
22 made to a qualified charitable agency or a qualified charitable fund-
23 raising organization in the taxable year equal to the amount that is
24 allowed as a deduction from federal adjusted gross income for the
25 federal taxable year pursuant to section 170 of the federal Internal
26 Revenue Code (26 U.S.C. s.170) or the amount that the taxpayer
27 would have been allowed to deduct from federal adjusted gross
28 income for the federal taxable year pursuant to section 170 of the
29 federal Internal Revenue Code (26 U.S.C. s.170) if the taxpayer had
30 claimed that deduction on that taxpayer's federal income tax return.
31 Provided however, that the taxpayer shall not be allowed to deduct
32 from gross income an amount in excess of 50 percent of the
33 taxpayer's gross income for the taxable year, determined before any
34 other adjustments on account of other deductions, exclusions, or
35 credits.

36 b. For the purposes of this section:

37 "qualified charitable agency" means an agency that is a
38 volunteer, not-for-profit organization that primarily provides health,
39 welfare, or human care services to individuals in New Jersey that
40 has been determined to meet the eligibility criteria pursuant to
41 section 8 of P.L.1985, c.140 (C.52:14-15.9c8) to participate in a
42 charitable fund raising campaign pursuant to the "Public Employee
43 Charitable Fund-Raising Act," P.L.1985, c.140 (C.52:14-15.9c1 et
44 seq.), and the regulations as may be applicable thereunder, for the
45 taxable year, provided however, that "qualified charitable agency"
46 shall not include an agency that is primarily affiliated with an
47 institution of higher education that is exempt from the registration

1 requirements of subsection b. of section 9 of P.L.1994,
2 c.16 (C.45:17A-26); and
3 “qualified charitable fund-raising organization” means a
4 voluntary not-for-profit organization that receives voluntary
5 charitable contributions and distributes those contributions
6 primarily to qualified charitable agencies, and that has been
7 determined to meet the eligibility criteria pursuant to section 7 of
8 P.L.1985, c.140 (C.52:14-15.9c7) to participate in a charitable fund
9 raising campaign pursuant to the “Public Employee Charitable
10 Fund-Raising Act,” P.L.1985, c.140 (C.52:14-15.9c1 et seq.), and
11 the regulations as may be applicable thereunder, for the taxable
12 year, provided however, that “qualified charitable organization”
13 shall not include an organization that is primarily affiliated with an
14 institution of higher education that is exempt from the registration
15 requirements of subsection b. of section 9 of P.L.1994,
16 c.16 (C.45:17A-26).

17 c. The director shall provide each taxpayer with an opportunity
18 to claim the taxpayer's deduction amount on the taxpayer's tax
19 return, which may include on the return the amounts of charitable
20 contributions claimed and indicated by numerical designation
21 coding for each qualified charitable agency and qualified charitable
22 fund-raising organization as are limited and defined pursuant to the
23 provisions of this section and as also may be available pursuant to
24 the “Public Employee Charitable Fund-Raising Act,” P.L.1985,
25 c.140 (C.52:14-15.9c1 et seq.), the regulations as may be applicable
26 thereunder, and the advice of the council established pursuant to
27 subsection d. of this section, for the taxable year. The director shall
28 make available on a taxpayer accessible searchable website on or
29 before January 1 of a taxable year, only the relevant portions of the
30 annual New Jersey employees charitable campaign resources and
31 reference guide code book prepared pursuant to P.L.1985,
32 c.140 (C.52:14-15.9c1 et seq.) that the director shall determine,
33 with the advice of the council established pursuant to subsection d.
34 of this section, are applicable in the administration of this section,
35 and the regulations as may be applicable thereunder, provided
36 however, that no costs of administering this section shall be allowed
37 as costs subject to section 12 of P.L.1985, c.140 (C.52:14-15.9c12).

38 d. There is established in the Department of the Treasury the
39 “Charity Advisory Council” which shall consist of eight members,
40 four of whom shall be the Commissioner Human Services, the
41 Commissioner of Children and Families, the Commissioner of
42 Health and the Commissioner of Community Affairs, or their
43 designees, and four public members who shall be individuals
44 actively engaged in providing health, welfare, or human care
45 services to individuals in New Jersey. Of the four public members,
46 one shall be appointed by the Senate President, one shall be
47 appointed by the Speaker of the General Assembly, one shall be
48 appointed by the Senate Minority Leader, and one shall be

1 appointed by the Assembly Minority Leader. The public members
2 shall serve for terms of three years. Vacancies among the public
3 members shall be filled in the same manner as the original
4 appointments were made.

5 The council shall organize upon appointment of a quorum and
6 shall meet regularly as it may determine, and shall also meet at the
7 call of the director.

8 The council shall appoint a chairperson from among its
9 members.

10 Members of the council shall serve without compensation, but
11 the council may, within the limits of funds appropriated or
12 otherwise made available for such purposes, reimburse its members
13 for necessary expenses incurred in the discharge of their official
14 duties.

15 The council shall annually advise the director on the qualified
16 charitable agencies and the qualified charitable fund-raising
17 organizations that conform to the criteria of subsection b. of this
18 section. The advisory council may consult with the State charitable
19 fund-raising campaign steering committee established pursuant to
20 section 4 of P.L.1985, c.140 (C.52:14-15.9c4) for any assistance in
21 the administration of this section as the director deems necessary. **1**²

22

23 ²**[6.]** ³**[7.]** 12.³ Section 2 of P.L.1990, c.42 (C.54:15B-2) is
24 amended to read as follows:

25 2. For the purposes of this act:

26 "Aviation fuel" means aviation gasoline or aviation grade
27 kerosene or any other fuel that is used in aircraft.

28 "Aviation gasoline" means fuel specifically compounded for use
29 in reciprocating aircraft engines.

30 "Aviation grade kerosene" means any kerosene type jet fuel
31 covered by ASTM Specification D 1655 or meeting specification
32 MIL-DTL-5624T (Grade JP-5) or MIL-DTL-83133E (Grade JP-8).

33 "Blended fuel" means a mixture composed of gasoline, diesel
34 fuel, kerosene or blended fuel and another liquid, including blend
35 stock other than a de minimis amount of a product such as
36 carburetor detergent or oxidation inhibitor, that can be used as a
37 fuel in a highway vehicle. "Blended fuel" includes but is not limited
38 to gasohol, biobased liquid fuel, biodiesel fuel, ethanol, methanol,
39 fuel grade alcohol, diesel fuel enhancers and resulting blends.

40 "Company" includes a corporation, partnership, limited
41 partnership, limited liability company, association, individual, or
42 any fiduciary thereof.

43 "Diesel fuel" means a liquid that is commonly or commercially
44 known or sold as a fuel that is suitable for use in a diesel-powered
45 highway vehicle. A liquid meets this requirement if, without further
46 processing or blending, the liquid has practical and commercial
47 fitness for use in the propulsion engine of a diesel-powered

1 highway vehicle. "Diesel fuel" includes biobased liquid fuel,
2 biodiesel fuel, and number 1 and number 2 diesel.

3 "Director" means the Director of the Division of Taxation in the
4 Department of the Treasury.

5 "First sale of petroleum products within this State" means the
6 initial sale of a petroleum product delivered to a location in this
7 State. A "first sale of petroleum products within this State" does not
8 include a book or exchange transfer of petroleum products if such
9 products are intended to be sold in the ordinary course of business.

10 "Gasoline" means all products commonly or commercially
11 known or sold as gasoline that are suitable for use as a motor fuel.
12 "Gasoline" does not include products that have an ASTM octane
13 number of less than 75 as determined by the "motor method,"
14 ASTM D2700-92. The term does not include racing gasoline or
15 aviation gasoline, but for administrative purposes does include fuel
16 grade alcohol.

17 "Gross receipts" means all consideration derived from the first
18 sale of petroleum products within this State except sales of:

19 a. asphalt;

20 b. petroleum products sold pursuant to a written contract
21 extending one year or longer to nonprofit entities qualifying under
22 subsection (b) of section 9 of P.L.1966, c.30 (C.54:32B-9) as
23 evidenced by an invoice in form prescribed by subsection b. of
24 section 3 of P.L.1991, c.19 (C.54:15B-10);

25 c. petroleum products sold to governmental entities qualifying
26 under subsection (a) of section 9 of P.L.1966, c.30 (C.54:32B-9) as
27 evidenced by an invoice in form prescribed by subsection b. of
28 section 3 of P.L.1991, c.19 (C.54:15B-10); and

29 d. polymer grade propylene used in the manufacture of
30 polypropylene.

31 "Highway fuel" means gasoline, blended fuel that contains
32 gasoline or is intended for use as gasoline, liquefied petroleum gas,
33 and diesel fuel, blended fuel that contains diesel fuel or is intended
34 for use as diesel fuel, and kerosene, other than aviation grade
35 kerosene.

36 "Kerosene" means the petroleum fraction containing
37 hydrocarbons that are slightly heavier than those found in gasoline
38 and naphtha, with a boiling range of 149 to 300 degrees Celsius.

39 "Petroleum products" means refined products made from crude
40 petroleum and its fractionation products, through straight
41 distillation of crude oil or through redistillation of unfinished
42 derivatives, but shall not mean the products commonly known as
43 number 2 heating oil, number 4 heating oil, number 6 heating oil,
44 kerosene and propane gas to be used exclusively for residential use.

45 "Quarterly period" means a period of three calendar months
46 commencing on the first day of January, April, July or October and
47 ending on the last day of March, June, September or December,
48 respectively.

1 ["Retail gasoline price survey" means a Statewide representative
2 random sample of retail gasoline prices conducted by the Board of
3 Public Utilities, Office of the Economist, or its successor, that shall
4 be completed for the month of November and May of each year.]

5 "Retail price per gallon" means the price [posted by gasoline]
6 charged by retailers in the State for [unleaded regular gasoline] a
7 gallon of the petroleum product dispensed into the fuel tanks of
8 motor vehicles without State or federal tax included.

9 "Unleaded regular gasoline" means gasoline of the octane rating
10 equal to the lowest octane rated gasoline offered for sale at a
11 majority of the gasoline retailers in the State.

12 ²"2016 implementation date" means the later of ³[September]
13 November³ 1, 2016 or the 15th day after the date of enactment of
14 P.L. , c. (pending before the Legislature as this bill).²
15 (cf: P.L.1991, c.181, s.1)

16
17 ²[7.] ³[8.²] 13.³ Section 7 of P.L.1991, c.181 (C.54:15B-2.1) is
18 amended to read as follows:

19 7. a. "Gross receipts," as otherwise defined by section 2 of
20 P.L.1990, c.42 (C.54:15B-2), shall not include receipts from sales
21 of petroleum products used by marine vessels engaged in interstate
22 or foreign commerce [and sales of aviation fuels used by common
23 carriers in interstate or foreign commerce other than the "burnout"
24 portion which shall be taxable pursuant to rules promulgated by the
25 director] ²and receipts from sales of aviation fuels used by common
26 carriers in interstate or foreign commerce other than the "burnout"
27 portion which shall be taxable pursuant to rules promulgated by the
28 director².

29 b. ²[Motor fuel] Highway fuel² used for the following purposes
30 is exempt from the tax imposed by section 3 of P.L.1990,
31 c.42 (C.54:15B-3), and a refund of the tax imposed by that section
32 may be claimed by the consumer providing proof the tax has been
33 paid and no refund has been previously issued:

34 (1) autobuses while being operated over the highways of this
35 State in those municipalities to which the operator has paid a
36 monthly franchise tax for the use of the streets therein under the
37 provisions of R.S.48:16-25 and autobuses while being operated over
38 the highways of this State in a regular route bus operation as
39 defined in R.S.48:4-1 and under operating authority conferred
40 pursuant to R.S.48:4-3, or while providing bus service under a
41 contract with the New Jersey Transit Corporation or under a
42 contract with a county for special or rural transportation bus service
43 subject to the jurisdiction of the New Jersey Transit Corporation
44 pursuant to P.L.1979, c.150 (C.27:25-1 et seq.), and autobuses
45 providing commuter bus service which receive or discharge
46 passengers in New Jersey. For the purpose of this paragraph
47 "commuter bus service" means regularly scheduled passenger

- 1 service provided by motor vehicles whether within or across the
 2 geographical boundaries of New Jersey and utilized by passengers
 3 using reduced fare, multiple ride, or commutation tickets and shall
 4 not include charter bus operations for the transportation of enrolled
 5 children and adults referred to in subsection c. of R.S.48:4-1 and
 6 "regular route service" does not mean a regular route in the nature
 7 of special bus operation or a casino bus operation;
- 8 (2) agricultural tractors not operated on a public highway;
 9 (3) farm machinery;
 10 (4) ambulances;
 11 (5) rural free delivery carriers in the dispatch of their official
 12 business;
 13 (6) vehicles that run only on rails or tracks, and such vehicles as
 14 run in substitution therefor;
 15 (7) highway motor vehicles that are operated exclusively on
 16 private property;
 17 (8) motor boats or motor vessels used exclusively for or in the
 18 propagation, planting, preservation and gathering of oysters and
 19 clams in the tidal waters of this State;
 20 (9) motor boats or motor vessels used exclusively for
 21 commercial fishing;
 22 (10) motor boats or motor vessels, while being used for hire for
 23 fishing parties or being used for sightseeing or excursion parties;
 24 (11) fire engines and fire-fighting apparatus;
 25 (12) stationary machinery and vehicles or implements not
 26 designed for the use of transporting persons or property on the
 27 public highways;
 28 (13) heating and lighting devices;
 29 (14) motor boats or motor vessels used exclusively for Sea Scout
 30 training by a duly chartered unit of the Boy Scouts of America; and
 31 (15) emergency vehicles used exclusively by volunteer first-aid
 32 or rescue squads.

33 (cf: P.L.1991, c.181, s.7)

- 34
- 35 ²~~[8.]~~ ³~~[9.2]~~ ^{14.}³ Section 3 of P.L.1990, c.42 (C.54:15B-3) is
 36 amended to read as follows:
- 37 3. a. (1) (a) There is imposed on each company which is
 38 engaged in the refining or distribution, or both, of petroleum
 39 products other than highway fuel ²and aviation fuel² and which
 40 distributes such products in this State a tax at the rate of [two and
 41 three-quarters percent (2 3/4%)] seven percent of its gross receipts
 42 derived from the first sale of petroleum products within this State
 43 and there is imposed on each company which is engaged in the
 44 refining or distribution, or both, of highway fuel a tax at the rate of
 45 ²~~[12.5]~~ ^{12.85}² percent ¹, as adjusted pursuant to subsection c. of
 46 this section,¹ of its gross receipts derived from the first sale of those
 47 products within this State. [; provided however, that the]

1 **(b) The applicable tax rate for [fuel oils, aviation fuels and**
2 **motor fuels subject to tax under R.S.54:39-1 et seq.] gasoline,**
3 **blended fuel that contains gasoline or is intended for use as**
4 **gasoline, and liquefied petroleum gas, which are taxed as a highway**
5 **fuel pursuant to subparagraph (a) of this paragraph, shall be**
6 **converted to a cents-per-gallon rate, rounded to the nearest tenth of**
7 **a cent, [that shall be calculated by the use of] and adjusted**
8 **quarterly by the director, effective on July 1, October 1, January 1,**
9 **and April 1, based on the average retail price per gallon of unleaded**
10 **regular gasoline [in December 1990,] in the State, as determined in**
11 **[a] the most recent survey of the retail price per gallon of gasoline**
12 **[prices] that [included] includes a Statewide representative**
13 **random sample conducted [in December 1990 for that month] by**
14 **the Board of Public Utilities, Office of the Economist, [and shall be**
15 **effective for the tax due for months ending after that date; and] or**
16 **its successor.**

17 **(c) The cents-per-gallon rate determined pursuant to**
18 **subparagraph (b) of this paragraph shall not be less than the rate**
19 **determined for the ²[quarter beginning] average retail price per**
20 **gallon of unleaded gasoline in the State on² July 1, 2016 ¹[and shall**
21 **not exceed a rate reflecting more than an average retail price per**
22 **gallon of gasoline of \$3]¹ .**

23 **(d) The applicable tax rate for diesel fuel, blended fuel that**
24 **contains diesel fuel or is intended for use as diesel fuel, and**
25 **kerosene, other than aviation grade kerosene, which are taxed as a**
26 **highway fuel pursuant to subparagraph (a) of this paragraph, shall**
27 **be converted to a cents-per-gallon rate, rounded to the nearest tenth**
28 **of a cent, and adjusted quarterly by the director, effective on July 1,**
29 **October 1, January 1, and April 1, based on the average retail price**
30 **per gallon of number 2 diesel in the State, as determined in the most**
31 **recent survey of retail diesel fuel prices that includes a Statewide**
32 **representative random sample conducted by the Board of Public**
33 **Utilities, Office of the Economist, or its successor.**

34 **Notwithstanding the provisions of subparagraph (a) of this**
35 **paragraph to the contrary, for the period from ²[July 1, 2016] the**
36 **2016 implementation date² through December 31, 2016, no rate of**
37 **tax shall be applied to diesel fuel, blended fuel that contains diesel**
38 **fuel or is intended for use as diesel fuel, or kerosene, other than**
39 **aviation grade kerosene; for the period from January 1, 2017**
40 **through June 30, 2017, the applicable rate for those fuels shall be 70**
41 **percent of the rate otherwise determined pursuant to subparagraph**
42 **(a) of this paragraph, and for July 1, 2017 and thereafter the**
43 **applicable rate for those fuels determined pursuant to subparagraph**
44 **(a) of this paragraph.**

45 **(e) The cents-per-gallon rate determined pursuant to**
46 **subparagraph (d) of this paragraph shall not be less than the rate**
47 **determined for the ²[quarter beginning] average retail price per**

1 gallon of number 2 diesel in the State on² July 1, 2016¹ and shall
2 not exceed a rate reflecting more than an average retail price per
3 gallon of gasoline of \$3¹.

4 (f) The applicable tax rate for² aviation fuel fuel oil² ,
5 determined pursuant to subparagraph (a) of this paragraph shall be
6 converted to a cents-per-gallon rate, rounded to the nearest tenth of
7 a cent,² based on the average price per gallon, without State or
8 federal tax included, of aviation grade kerosene in the State,
9 effective July 1, 2016, as determined in the most recent survey of
10 aviation grade kerosene prices paid by commercial consumers that
11 includes] and adjusted quarterly by the director, effective on July 1,
12 October 1, January 1, and April 1, to reflect the average price per
13 gallon, without State or federal tax included, of retail sales of
14 number 2 fuel oil in the State, as determined in the most recent
15 survey of retail diesel fuel prices that included² a Statewide
16 representative random sample conducted by the Board of Public
17 Utilities, Office of the Economist, or its successor.

18 (g) ¹Each year as of January 1, the rate for aviation fuel in
19 effect on the immediately preceding December 31 shall be adjusted
20 as follows: the rate shall be multiplied by a fraction, the numerator
21 of which is the sum of the monthly producer price index
22 (unadjusted) published by the Bureau of Labor Statistics of the
23 United States Department of Labor for the category of commodities
24 designated “petroleum products, refined,” or its successor series, for
25 the 12 consecutive months ending with the month of August of the
26 immediately preceding year and the denominator of which is the
27 sum of the monthly producer price index (unadjusted) published by
28 the Bureau of Labor Statistics of the United States Department of
29 Labor for the category of commodities designated “petroleum
30 products, refined,” or its successor series, for the 12 consecutive
31 months ending with the month of August in the year prior to that
32 immediately preceding year, and rounded to the nearest tenth of a
33 cent] The cents per gallon rate² for aviation fuel shall be adjusted
34 annually by the director, effective on January 1, based on the
35 average price per gallon, without State or federal tax included, of
36 aviation grade kerosene in the State, as determined in the most
37 recent survey of aviation grade kerosene prices paid by commercial
38 consumers that includes a Statewide representative random sample
39 conducted by the Board of Public Utilities, Office of the Economist,
40 or its successor; provided however, that the adjusted rate shall not
41 increase above or decrease below the rate in effect on the
42 immediately preceding December 31 by more than five percent¹]
43 determined pursuant to subparagraph (f) of this paragraph shall not
44 be less than the rate determined for the average price per gallon,
45 without State or federal tax included, of retail sales of number 2
46 fuel oil in the State on July 1, 2016².

1 (h) ²The applicable tax rate for fuel oil determined pursuant to
 2 subparagraph (a) of this paragraph shall be converted to a cents-per-
 3 gallon rate, rounded to the nearest tenth of a cent, and adjusted
 4 quarterly by the director, effective on July 1, October 1, January 1,
 5 and April 1, to reflect the average price per gallon, without State or
 6 federal tax included, of retail sales of number ¹~~4~~ ² fuel oil in the
 7 State, as determined in the most recent survey of retail diesel fuel
 8 prices that included a Statewide representative random sample
 9 conducted by the Board of Public Utilities, Office of the Economist,
 10 or its successor.

11 (i) The cents-per-gallon rate determined pursuant to
 12 subparagraph (h) of this paragraph shall not be less than the rate
 13 determined for the quarter beginning July 1, 2016.

14 (j) ²On and after the 10th day following a certification by the
 15 review council pursuant to subsection c. of section ²~~13~~ ³~~14~~
 16 ³19 of P.L. , c. (C.) (pending before the Legislature as this
 17 bill), no tax shall be imposed pursuant to this paragraph.

18 (2) (a) In addition to the tax, if any, imposed by paragraph (1) of
 19 this subsection, a cents-per-gallon tax is imposed on each
 20 company's gross receipts derived from the first sale of petroleum
 21 products within this State on gasoline, blended fuel that contains
 22 gasoline or that is intended for use as gasoline, ³~~and~~ ³ liquefied
 23 petroleum gas ³, ³ ²and aviation fuel² at the rate of four cents per
 24 gallon; and

25 (b) In addition to the tax, if any, imposed by paragraph (1) of
 26 this subsection, a cents-per-gallon tax is imposed on each
 27 company's gross receipts derived from the first sale of petroleum
 28 products within this State on diesel fuel, blended fuel that contains
 29 diesel fuel or is intended for use as diesel fuel, and kerosene, other
 30 than aviation grade kerosene, at the rate of four cents per gallon
 31 before July 1, 2017 and at the rate of eight cents per gallon on and
 32 after July 1, 2017.

33 b. There is imposed on each company that imports or causes to
 34 be imported, other than by a company subject to and having paid
 35 the tax on those imported petroleum products that have generated
 36 gross receipts taxable under subsection a. of this section, petroleum
 37 products for use or consumption by it within this State a tax at the
 38 rate ~~of two and three-quarters percent (2 3/4%)~~ or rates ³~~of~~,
 39 determined pursuant to subsection a. of this section, on³ the
 40 consideration given or contracted to be given and the gallonage ³,
 41 determined pursuant to subsection a. of this section,³ for such
 42 petroleum products if the consideration given or contracted to be
 43 given for all such deliveries made during a quarterly period exceeds
 44 \$5,000; provided however, that the applicable tax rate for fuel oils,
 45 aviation fuels and motor fuels subject to tax under R.S.54:39-1 et
 46 seq. shall be converted to a cents per gallon rate, rounded to the
 47 nearest cent, that shall be calculated by the use of the average retail

1 price per gallon of unleaded regular gasoline in December 1990, as
2 determined in a survey of retail gasoline prices that included a
3 Statewide representative random sample conducted in December
4 1990 for that month by the Board of Public Utilities, Office of the
5 Economist, and shall be effective for the tax due for months ending
6 after that date¹.

7 ¹c. (1) For State fiscal years 2018 through 2026, the rate of tax
8 imposed on highway fuel pursuant to subsection a. of this section
9 shall be adjusted annually so that the total revenue derived from
10 highway fuel shall not exceed the highway fuel cap amount.

11 (2) The State Treasurer shall, on or before December 31, 2016,
12 determine the highway fuel cap amount as the sum of:

13 (a) the taxes collected for State Fiscal Year 2016 pursuant to
14 paragraphs (1) and (2) of subsection a. of section 3 of P.L.2010,
15 c.22 (C.54:39-103) ²on highway fuel² ,

16 (b) the amount derived from taxing the gallonage of highway
17 fuel subject to motor fuel tax in State Fiscal Year 2016 at the rate of
18 four cents per gallon, and

19 (c) the amount that would have been derived from taxing the
20 gallonage of highway fuel subject to motor fuel tax in State Fiscal
21 Year 2016 at the rate of 23 cents per gallon.

22 (3) On or before August 15 of each State Fiscal Year following
23 State Fiscal Year 2017, the State Treasurer and the Legislative
24 Budget and Finance Officer shall determine the total revenue
25 derived from:

26 (a) the taxes collected for the prior State Fiscal Year pursuant to
27 paragraphs (1) and (2) of subsection a. of section 3 of P.L.2010,
28 c.22 (C.54:39-103) ²on highway fuel² ,

29 (b) the revenue that would be derived from imposing the tax
30 pursuant to paragraph (2) of subsection a. of this section ³on
31 highway fuel³ at the rate of four cents per gallon, and

32 (c) the revenue derived from the taxation of highway fuel
33 pursuant to paragraph (1) of subsection a. of this section.

34 (4) Upon consideration of the result of the determination
35 pursuant to paragraph (3) of this subsection, and consultation with
36 the Legislative Budget and Finance Officer, the State Treasurer
37 shall determine the rate of tax to be imposed on highway fuel
38 pursuant to subsection a. of this section that will result in revenue
39 from:

40 (a) the taxes collected ²on highway fuel² for the current State
41 Fiscal Year pursuant to paragraphs (1) and (2) of subsection a. of
42 section 3 of P.L.2010, c.22 (C.54:39-103),

43 (b) the revenue derived from the tax imposed pursuant to
44 paragraph (2) of subsection a. of this section ²on highway fuel² at
45 the rate of four cents per gallon for the current State Fiscal Year,
46 and

47 (c) the revenue derived from the taxation of highway fuel
48 pursuant to paragraph (1) of subsection a. of this section

1 equaling the highway fuel cap amount determined pursuant to
2 paragraph (2) of this subsection, as adjusted pursuant to paragraph
3 (5) of this subsection;

4 and that rate shall take effect on ³the³ October 1 of that year.

5 (5) If the actual revenue determined pursuant to paragraph (3) of
6 this subsection exceeds the highway fuel cap amount determined
7 pursuant to paragraph (2) of this subsection, then the highway fuel
8 cap amount for the succeeding year shall be decreased by the
9 amount of the excess in setting the rate pursuant to paragraph (4) of
10 this subsection. If the actual revenue determined pursuant to
11 paragraph (3) of this subsection is less than the highway fuel cap
12 amount determined pursuant to paragraph (2) of this subsection,
13 then the highway fuel cap amount for the succeeding year shall be
14 increased by the amount of the shortfall in setting the rate pursuant
15 to paragraph (4) of this subsection.¹

16 (cf: P.L.2000, c.48, s.1)

17
18 ¹[9.] ³[10.²] ^{15.}³ Section 2 of P.L.1991, c.19 (C.54:15B-9) is
19 amended to read as follows:

20 2. a. A person who shall purchase or otherwise acquire
21 petroleum products, upon which the petroleum products gross
22 receipts tax has not been paid and is not due pursuant to subsection
23 b. of section 5 of P.L.1990, c.42 (C.54:15B-5) or upon which a
24 reimbursement payment has been paid pursuant to section 3 of **[this**
25 **act]** P.L.1991, c.19 (C.54:15B-10), from a federal government
26 department, agency or instrumentality, or any agent or officer
27 thereof, for use not specifically associated with any federal
28 government function or operation, shall pay to the State a tax
29 **[equivalent to two and three-quarters percent (2 3/4%)]** at the rate
30 or rates of the consideration given or contracted to be given for the
31 purchase or acquisition of the petroleum products and the
32 gallonge, determined pursuant to subsection a. of section 3 of
33 P.L.1990, c.42 (C.54:15B-3) in accordance with the procedures set
34 forth in the "Petroleum Products Gross Receipts Tax Act,"
35 P.L.1990, c.42 (C.54:15B-1 et seq.).

36 b. A person who knowingly uses, or who conspires with an
37 official, agent or employee of a federal government department,
38 agency or instrumentality, for the use of, a requisition, purchase
39 order, or a card or an authority to which the person is not
40 specifically entitled by government regulations, with the intent to
41 obtain petroleum products from a federal government department,
42 agency or instrumentality for a use not specifically associated with
43 a federal government function or operation, upon which the
44 petroleum products gross receipts tax has not been paid, is guilty of
45 a crime of the fourth degree.

46 (cf: P.L.1991, c.19, s.2)

1 ²[10.] ³[11.²] 16.³ Section 3 of P.L.1991, c.19 (C.54:15B-10)
2 is amended to read as follows:

3 a. A federal government department, agency or instrumentality,
4 that purchases petroleum products other than by the first sale of that
5 product in this State for use in a federal government function or
6 operation, upon which petroleum products the petroleum products
7 gross receipts tax has been paid or is due and payable, shall be
8 reimbursed and paid an amount [equivalent to two and three-
9 quarters percent (2 3/4%)] at the rate or rates of the consideration
10 given or contracted to be given [by the federal government
11 department, agency or instrumentality for the purchase of the
12 petroleum products] , and the gallonage, determined pursuant to
13 subsection a. of section 3 of P.L.1990, c.42 (C.54:15B-3).

14 b. The reimbursement shall be claimed by presenting to the
15 Director of the Division of Taxation in the Department of the
16 Treasury an application for the reimbursement, on a form prescribed
17 by the director, which application shall be verified by a declaration
18 of the applicant that the statements contained therein are true. Such
19 application for reimbursement shall be supported by an invoice, or
20 invoices, showing the name and address of the person from whom
21 the petroleum products were purchased, the name of the purchaser,
22 the date of purchase, the quantity of the product purchased, the
23 price paid for the purchase of the product, and an acknowledgment
24 by the seller that payment of the cost of the product to the seller,
25 including the petroleum gross receipts tax due thereon, has been
26 made. Such invoice, or invoices, shall be legibly written and shall
27 be void if any corrections or erasures shall appear on the face
28 thereof.

29 c. If petroleum products are sold to a federal government
30 department, agency or instrumentality that shall be entitled to a
31 reimbursement under this act, the seller of the petroleum products
32 shall supply the purchaser with an invoice that conforms with the
33 requirements of subsection b. of this section.
34 (cf: P.L.1991, c.19, s.3)

35
36 ²[11. (New section) a. There is levied a tax on persons, other
37 than licensed companies pursuant to section 6 of P.L.1991,
38 c.181 (C.54:15B-12), holding the fuels enumerated in subparagraph
39 (a) of paragraph (2) of subsection a. of section 3 of P.L.1990,
40 c.42 (C.54:15B-3) in storage for sale as of the close of the first
41 business day following the date of enactment of P.L. ,
42 c. (C.) (pending before the Legislature as this bill) by fifteen
43 days on which tax has previously been paid. The amount of tax
44 shall be the difference between the tax per gallon specified by
45 subsection a. of section 3 of P.L.1990, c.42 (C.54:15B-3) for the
46 type of fuel and the tax previously paid per gallon, multiplied by the
47 gallons in storage of that type of fuel as of the close of the business
48 day on that day.

1 b. Persons in possession of those fuels in storage as of the close
2 of the first business day following the date of enactment of
3 P.L. , c. (C.) (pending before the Legislature as this bill) by
4 fifteen days shall:

5 (1) take an inventory at the close of the business day on that
6 day;

7 (2) report the gallons listed in paragraph (1) of this subsection
8 on forms provided by the director, not later than 45 days following
9 the date of enactment of P.L. , c. (C.) (pending before the
10 Legislature as this bill) by fifteen days; and

11 (3) Remit the tax levied under this section to the director no
12 later than February 1, 2017.

13 c. Fuel not reflected in the inventory taken pursuant to
14 subsection b. of this section is deemed to be previously untaxed,
15 except to the extent that it is invoiced as delivered tax-paid on or
16 after July 1, 2016.

17 d. There is levied a tax on persons, other than licensed
18 companies pursuant to section 6 of P.L.1991, c.181 (C.54:15B-12),
19 holding the fuels enumerated in subparagraph (b) of paragraph (2)
20 of subsection a. of section 3 of P.L.1990, c.42 (C.54:15B-3) in
21 storage for sale as of the close of the business day on December 31,
22 2016 on which tax has previously been paid. The amount of tax
23 shall be the difference between the tax per gallon specified by
24 subsection a. of section 3 of P.L.1990, c.42 (C.54:15B-3) for the
25 type of fuel and the tax previously paid per gallon, multiplied by the
26 gallons in storage of that type of fuel as of the close of the business
27 day on December 31, 2016.

28 e. Persons in possession of those fuels in storage as of the close
29 of the business day on December 31, 2016 shall:

30 (1) take an inventory at the close of the business day on
31 December 31, 2016;

32 (2) report the gallons listed in paragraph (1) of this subsection
33 on forms provided by the director, not later than January 31, 2017;
34 and

35 (3) Remit the tax levied under this section to the director no
36 later than August 1, 2017.

37 f. Fuel not reflected in the inventory taken pursuant to
38 subsection b. of this section is deemed to be previously untaxed,
39 except to the extent that it is invoiced as delivered tax-paid on or
40 after January 1, 2017.

41 g. In determining the amount of tax due under this section, a
42 person may exclude the amount of fuel in dead storage in each
43 storage tank

44 h. As used in this section:

45 "Close of the business day" means the time at which the last
46 transaction has occurred for that day.

47 "Dead storage" means the amount of fuel that cannot be pumped
48 out of a fuel storage tank because the motor fuel is below the mouth

1 of the draw pipe. The amount of motor fuel in dead storage is 200
2 gallons for a tank with a capacity of less than 10,000 gallons and
3 400 gallons for a tank with a capacity of 10,000 gallons or more.]²
4

5 ³[²12.] 17.³ (New section) a. There is levied a tax on persons,
6 other than licensed companies pursuant to section 6 of P.L.1991,
7 c.181 (C.54:15B-12), holding the fuels enumerated in subparagraph
8 (a) of paragraph (2) of subsection a. of section 3 of P.L.1990,
9 c.42 (C.54:15B-3) in storage for sale as of the close of the last
10 business day before the 2016 implementation date on which tax has
11 previously been paid. The amount of tax shall be the difference
12 between the tax per gallon specified by subsection a. of section 3 of
13 P.L.1990, c.42 (C.54:15B-3) for the type of fuel sold on or after the
14 2016 implementation date and the tax previously paid per gallon,
15 multiplied by the gallons in storage of that type of fuel as of the
16 close of the business day on that day.

17 b. Persons in possession of those fuels in storage as of the close
18 of the last business day before the 2016 implementation date shall:

19 (1) take an inventory at the close of the business day on that
20 day;

21 (2) report the gallons listed in paragraph (1) of this subsection
22 on forms provided by the director, not later than 45 days following
23 the 2016 implementation date; and

24 (3) remit the tax levied under subsection a. of this section to the
25 director no later than February 1, 2017.

26 c. Fuel not reflected in the inventory taken pursuant to
27 subsection b. of this section is deemed to be previously untaxed,
28 except to the extent that it is invoiced as delivered tax-paid on or
29 after the 2016 implementation date.

30 d. There is levied a tax on persons, other than licensed
31 companies pursuant to section 6 of P.L.1991, c.181 (C.54:15B-12),
32 holding the fuels enumerated in subparagraph (b) of paragraph (2)
33 of subsection a. of section 3 of P.L.1990, c.42 (C.54:15B-3) in
34 storage for sale as of the close of the business day on December 31,
35 2016 on which tax has previously been paid. The amount of tax
36 shall be the difference between the tax per gallon specified by
37 subsection a. of section 3 of P.L.1990, c.42 (C.54:15B-3) for the
38 type of fuel sold on or after January 1, 2017 and the tax previously
39 paid per gallon, multiplied by the gallons in storage of that type of
40 fuel as of the close of the business day on December 31, 2016.

41 e. Persons in possession of those fuels in storage as of the close
42 of the business day on December 31, 2016 shall:

43 (1) take an inventory at the close of the business day on
44 December 31, 2016;

45 (2) report the gallons listed in paragraph (1) of this subsection
46 on forms provided by the director, not later than January 31, 2017;
47 and

1 (3) remit the tax levied under subsection d. of this section to the
 2 director no later than June 1, 2017.

3 f. Fuel not reflected in the inventory taken pursuant to
 4 subsection e. of this section is deemed to be previously untaxed,
 5 except to the extent that it is invoiced as delivered tax-paid on or
 6 after January 1, 2017.

7 g. There is levied a tax on persons, other than licensed
 8 companies pursuant to section 6 of P.L.1991, c.181 (C.54:15B-12),
 9 holding the fuels enumerated in subparagraph (b) of paragraph (2)
 10 of subsection a. of section 3 of P.L.1990, c.42 (C.54:15B-3) in
 11 storage for sale as of the close of the business day on June 30, 2017
 12 on which tax has previously been paid. The amount of tax shall be
 13 the difference between the tax per gallon specified by subsection a.
 14 of section 3 of P.L.1990, c.42 (C.54:15B-3) for the type of fuel sold
 15 on or after July 1, 2017 and the tax previously paid per gallon,
 16 multiplied by the gallons in storage of that type of fuel as of the
 17 close of the business day on June 30, 2017.

18 h. Persons in possession of those fuels in storage as of the close
 19 of the business day on June 30, 2017 shall:

20 (1) take an inventory at the close of the business day on June 30,
 21 2017;

22 (2) report the gallons listed in paragraph (1) of this subsection
 23 on forms provided by the director, not later than July 31, 2017; and

24 (3) remit the tax levied under subsection g. of this section to the
 25 director no later than December 1, 2017.

26 i. Fuel not reflected in the inventory taken pursuant to
 27 subsection e. of this section is deemed to be previously untaxed,
 28 except to the extent that it is invoiced as delivered tax-paid on or
 29 after July 1, 2017.

30 j. In determining the amount of tax due under this section, a
 31 person may exclude the amount of fuel in dead storage in each
 32 storage tank.

33 k. As used in this section:

34 "Close of the business day" means the time at which the last
 35 transaction has occurred for that day.

36 "Dead storage" means the amount of fuel that cannot be pumped
 37 out of a fuel storage tank because the motor fuel is below the mouth
 38 of the draw pipe. The amount of motor fuel in dead storage is 200
 39 gallons for a tank with a capacity of less than 10,000 gallons and
 40 400 gallons for a tank with a capacity of 10,000 gallons or more.²

41
 42 ²[12.] ³[13.²] 18.³ (New section) Notwithstanding any
 43 provision of the "Administrative Procedure Act," P.L.1968, c.410
 44 (C.52:14B-1 et seq.) to the contrary, the director may adopt
 45 immediately upon filing with the Office of Administrative Law
 46 such regulations as the director deems necessary to implement the
 47 provisions of sections ²[6] ³[7²] 12³ through ²[11] ³[12²] 17³ of
 48 P.L. , c. (pending before the Legislature as this bill), which

1 regulations shall be effective for a period not to exceed 360 days
2 following the date of enactment of P.L. , c. (pending before the
3 Legislature as this bill) and may thereafter be amended, adopted, or
4 readopted by the director in accordance with the "Administrative
5 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).
6

7 ²[13.] ³[14.²] 19.³ (New section) a. The State Treasurer, and
8 the Legislative Budget and Finance Officer, together with a third
9 public member who shall be jointly selected thereby, shall
10 constitute the review council.

11 b. The review council shall, on or before January 15, 2020,
12 provide the Governor and the Legislature with an advisory report of
13 their consensus estimate of the increase or decrease in State
14 revenues pursuant to each section of P.L. , c. (C.) (pending
15 before the Legislature as this bill), and pursuant to this act as a
16 whole, during the preceding three State fiscal years, including a
17 comparison of those estimates to the legislative fiscal estimate or
18 fiscal note published contemporaneous with the enactment of this
19 act prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

20 c. The review council shall conduct an ongoing review of the
21 application of each section of P.L. , c. (C.) (pending before
22 the Legislature as this bill).

23 The review council shall, not later than five days after any
24 Legislative action that halts, delays, or reverses the implementation
25 of those sections as scheduled on the date of enactment of
26 P.L. , c. (C.) (pending before the Legislature as this bill),
27 certify ¹for the purposes of subparagraph ²[(j)] (h)² of paragraph
28 (1) of subsection a. of section 3. of P.L.1990, c.42 (C.54:15B-3)¹ to
29 the Director of the Division of Taxation that the scheduled
30 implementation of P.L. , c. (C.) had been impeded.
31

32 ²[14.] ³[15.²] 20.³ This act shall take effect immediately,
33 section ²[5] ³[2²] 8³ shall apply to taxable years beginning on or
34 after January 1, 2017, and sections ²[6] ³[7²] 12³ through ²[10]
35 ³[11²] 16³ shall apply to first sales of petroleum products within
36 this State and to deliveries of petroleum products for use or
37 consumption within this State made on or after ²[July 1, 2016] the
38 2016 implementation date².