ASSEMBLY, No. 2366

STATE OF NEW JERSEY

209th LEGISLATURE

INTRODUCED MAY 8, 2000

Sponsored by:
Assemblyman KENNETH C. LEFEVRE
District 2 (Atlantic)
Assemblyman LEROY J. JONES, JR.
District 27 (Essex)

Co-Sponsored by:
Assemblymen Lance, Malone and Zisa

SYNOPSIS
Exempts sale and repair of limousines from sales and use tax.

CURRENT VERSION OF TEXT
As introduced.

(Sponsorship Updated As Of: 6/6/2000)
AN ACT providing an exemption from the sales and use tax for the sale
or repair of limousines, supplementing P.L.1966, c.30 (C.54:32B-1
et seq.).

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

1. Receipts from the sale of a limousine to a person licensed under
R.S.48:16-17 to operate a limousine service, and receipts from the
repair, including replacement parts and labor, of a limousine operated
by a person so licensed or by a person licensed under the laws of
another state or the United States to operate a limousine service, are
exempt from the tax imposed under the "Sales and Use Tax Act." For
the purposes of this section, "limousine" means a motor vehicle used
in the business of carrying passengers for hire to provide prearranged
passenger transportation at a premium fare on a dedicated,
nonscheduled, charter basis that is not conducted on a regular route
and with a seating capacity in no event of more than 14 passengers,
not including the driver, providing, that such a motor vehicle shall not
have a seating capacity in excess of four passengers, not including the
driver, beyond the maximum passenger seating capacity of the vehicle,
not including the driver, at the time of manufacture. "Limousine" shall
not include any taxicab, hotel or airport shuttle or bus, or bus
employed solely in transporting schoolchildren or teachers to and from
school, or any vehicle owned and operated without charge or
remuneration by a business entity for its own purposes.

2. This act shall take effect immediately, but section 1 shall remain
inoperative until the first day of the second month following
enactment.

STATEMENT

This bill exempts from the sales and use tax all receipts from (1) the
sale of limousines to any limousine service operator licensed in New
Jersey (for New Jersey sales tax purposes, "sale" includes rentals and
leases), and (2) the repair, including replacement parts and labor, of
limousines operated by any limousine service operator, wherever
licensed.

This legislation restores to licensed limousine operators an
exemption from sales tax that they previously enjoyed under
N.J.S.A.54:32B-8.31, which covered sales and repair of commercial
vehicles generally. The prior exemption was repealed by P.L.1990,
c.40, then partially restored under separate legislation (P.L.1990,
c.115) covering commercial trucks, truck tractors, tractors and semitrailers, but not limousines.

The sponsor notes that over 80% of the New Jersey limousine industry consists of small businesses.