

SENATE, No. 756

STATE OF NEW JERSEY 214th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

Sponsored by:

Senator JENNIFER BECK

District 12 (Mercer and Monmouth)

Senator ROBERT M. GORDON

District 38 (Bergen)

SYNOPSIS

Exempts from sales tax for two years certain hybrid and highly fuel efficient vehicles and energy efficient appliances.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



(Sponsorship Updated As Of: 2/23/2010)

S756 BECK, GORDON

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

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

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9 1. a. Receipts from the retail sale of a hybrid vehicle, and any
10 motor vehicle capable of attaining average fuel economy of at least
11 35 miles per gallon, with sales price of \$40,000 or less, shall be
12 exempt from the tax imposed under the "Sales and Use Tax Act,"
13 P.L.1966, c.30 (C.54:32B-1 et seq.). Receipts from the retail sale of
14 any hybrid vehicle and any motor vehicle capable of attaining
15 average fuel economy of at least 35 miles per gallon, with sales
16 price greater than \$40,000, shall be exempt from the tax imposed
17 under the "Sales and Use Tax Act" only for the first \$40,000 of
18 such sales price. Notwithstanding the provisions of this subsection,
19 receipts from the sale of any motor vehicle that uses diesel fuel
20 shall not be exempt from the tax imposed under the "Sales and Use
21 Tax Act.

22 b. The State Treasurer, in consultation with the Department of
23 Environmental Protection, the Department of Transportation, and
24 the New Jersey Motor Vehicle Commission, shall adopt any rules
25 and regulations necessary to implement this section.

26 c. As used in this section, "average fuel economy" means the
27 average of the city and highway miles per gallon estimates provided
28 by automobile manufacturers and printed on the fuel economy label
29 affixed to a window on the motor vehicle, pursuant to section
30 600.306-86 of title 40, Code of Federal Regulations, which shall be
31 calculated by the seller. "Hybrid vehicle" means a motor vehicle
32 propelled by both an internal combustion engine and an energy
33 storage device which regenerates energy captured from braking.

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35 2. a. Receipts from the retail sale of any qualified product
36 bearing the Energy Star label shall be exempt from the tax imposed
37 under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et
38 seq.).

39 b. For the purposes of this section, "Energy Star label" means
40 the label granted to certain products that meet the energy efficiency
41 criteria of the federal Environmental Protection Agency Energy Star
42 program administered in collaboration with the federal Department
43 of Energy and established pursuant to 42 U.S.C. s.6249a.

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45 3. This act shall take effect on the 60th day after the date of
46 enactment and shall expire two years after the effective date.

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STATEMENT

This bill would exempt for two years the retail sale of hybrid vehicles, and any motor vehicles capable of attaining an average fuel economy of at least 35 miles per gallon, of which the sales price is \$40,000 or less, from the tax imposed under the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.). The bill exempts the retail sale of such vehicles of which the sales price is greater than \$40,000 from the tax imposed under the “Sales and Use Tax Act” only for the first \$40,000 of such sales price. However, any vehicle that uses diesel fuel would be excluded from this sales and use tax exemption. The purpose of the bill is to provide an incentive for New Jersey drivers to purchase, and auto manufacturers to market, fuel efficient vehicles.

This bill would exempt for two years the retail sale of qualified products bearing the federal Energy Star label from the tax imposed under the “Sales and Use Tax Act”. The purpose of the bill is to provide an incentive for those who purchase energy efficient products that meet the energy efficiency criteria of the federal Environmental Protection Agency Energy Star program administered in collaboration with the federal Department of Energy and established pursuant to 42 U.S.C. s.6249a.