

[First Reprint]

**ASSEMBLY, No. 12**

**STATE OF NEW JERSEY**  
**217th LEGISLATURE**

INTRODUCED JUNE 27, 2016

**Sponsored by:**

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**District 37 (Bergen)**

**Assemblyman THOMAS P. GIBLIN**

**District 34 (Essex and Passaic)**

**Assemblyman DAVID P. RIBLE**

**District 30 (Monmouth and Ocean)**

**SYNOPSIS**

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

**CURRENT VERSION OF TEXT**

As reported by the Senate Budget and Appropriations Committee on July 29, 2016, with amendments.

(Sponsorship Updated As Of: 6/28/2016)

1 AN ACT adjusting certain State taxes <sup>1</sup>to support strengthened  
2 investments in public and private assets in this State<sup>1</sup>, amending  
3 and supplementing various parts of the statutory law pertaining  
4 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 <sup>1</sup>[1. Section 3 of P.L.1966, c.30 (C.54:32B-3) is amended to  
10 read as follows:

11 3. There is imposed and there shall be paid a tax of **[7%]** 7  
12 percent on or before December 31, 2016, 6.5 percent on and after  
13 January 1, 2017 but before January 1, 2018, and 6 percent on and  
14 after January 1, 2018 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:

<sup>1</sup>Senate SBA committee amendments adopted July 29, 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.

17 (cf: P.L.2013, c.193, s.1)<sup>1</sup>

18  
 19 <sup>1</sup>[2. Section 4 of P.L.1966, c.30 (C.54:32B-4) is amended to  
 20 read 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, a seller shall use one of the two following options:

25 (1) (a) on or before December 31, 2016, a tax shall be calculated  
 26 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;

39 (b) on and after January 1, 2017, but before January 1, 2018, a  
 40 tax shall be calculated based on the following formula:

<u>Amount of Sale</u>	<u>Amount of Tax</u>
<u>\$0.01 to \$0.06</u>	<u>No Tax</u>
<u>0.07 to 0.22</u>	<u>\$0.01</u>
<u>0.23 to 0.37</u>	<u>0.02</u>
<u>0.38 to 0.53</u>	<u>0.03</u>
<u>0.54 to 0.68</u>	<u>0.04</u>
<u>0.69 to 0.83</u>	<u>0.05</u>
<u>0.84 to 0.99</u>	<u>0.06</u>

1	<u>1.00 to 1.14</u>	<u>0.07</u>
2	<u>1.15 to 1.29</u>	<u>0.08</u>
3	<u>1.30 to 1.45</u>	<u>0.09</u>
4	<u>1.46 to 1.60</u>	<u>0.10</u>
5	<u>1.61 to 1.76</u>	<u>0.11</u>
6	<u>1.77 to 1.91</u>	<u>0.12</u>
7	<u>1.92 to 2.06</u>	<u>0.13</u>

8 and in addition to a tax of \$0.13 on each two dollars, a tax shall  
 9 be collected on each part of a dollar in excess of a full dollar, in  
 10 accordance with the above formula;

11 (c) on and after January 1, 2018, a tax shall be calculated based  
 12 on the following formula:

13	<u>Amount of Sale</u>	<u>Amount of Tax</u>
14	<u>\$0.01 to \$0.10</u>	<u>No Tax</u>
15	<u>0.11 to 0.22</u>	<u>\$0.01</u>
16	<u>0.23 to 0.38</u>	<u>0.02</u>
17	<u>0.39 to 0.56</u>	<u>0.03</u>
18	<u>0.57 to 0.72</u>	<u>0.04</u>
19	<u>0.73 to 0.88</u>	<u>0.05</u>
20	<u>0.89 to 1.10</u>	<u>0.06</u>

21 and in addition to a tax of \$0.06 on each full dollar, a tax shall be  
 22 collected on each part of a dollar in excess of a full dollar, in  
 23 accordance with the above formula; or

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

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

29 b. (Deleted by amendment, P.L.2008, c.123)  
 30 (cf: P.L. 2008, c.123, s.4)]<sup>1</sup>

31  
 32 <sup>1</sup>[3. Section 5 of P.L.1966, c.30 (C.54:32B-5) is amended to  
 33 read as follows:

34 5. a. (1) Except as otherwise provided in this act, receipts  
 35 received from all sales made and services rendered on and after  
 36 January 3, 1983 but prior to July 1, 1990, are subject to the taxes  
 37 imposed under subsections (a), (b), (c), and (f) of section 3 of this  
 38 act at the rate, if any, in effect for such sales and services on June  
 39 30, 1990, except if the property so sold is delivered or the services  
 40 so sold are rendered on or after July 1, 1990 but prior to July 1,  
 41 1992, in which case the tax shall be computed and paid at the rate  
 42 of 7%; provided, however, that if a service or maintenance  
 43 agreement taxable under this act covers any period commencing on  
 44 or after January 3, 1983 and ending after June 30, 1990 but prior to  
 45 July 1, 1992, the receipts from such agreement are subject to tax at  
 46 the rate, if any, applicable to each period as set forth hereinabove  
 47 and shall be apportioned on the basis of the ratio of the number of

1 days falling within each of the said periods to the total number of  
2 days covered thereby.

3 (2) Except as otherwise provided in this act, receipts received  
4 from all sales made and services rendered on and after July 1, 1990  
5 but prior to July 1, 1992, are subject to the taxes imposed under  
6 subsections (a), (b), (c) and (f) of section 3 of this act at the rate of  
7 7%, except if the property so sold is delivered or the services so  
8 sold are rendered on or after July 1, 1992 but prior to July 15, 2006,  
9 in which case the tax shall be computed and paid at the rate of 6%,  
10 provided, however, that if a service or maintenance agreement  
11 taxable under this act covers any period commencing on or after  
12 July 1, 1990, and ending after July 1, 1992, the receipts from such  
13 agreement are subject to tax at the rate applicable to each period as  
14 set forth hereinabove and shall be apportioned on the basis of the  
15 ratio of the number of days falling within each of the said periods to  
16 the total number of days covered thereby.

17 (3) Except as otherwise provided in this act, receipts received  
18 from all sales made and services rendered on and after July 1, 1992  
19 but prior to July 15, 2006, are subject to the taxes imposed under  
20 subsections (a), (b), (c), (f) and (g) of section 3 of P.L.1966, c.30  
21 (C.54:32B-3) at the rate of 6%, except if the property so sold is  
22 delivered or the services so sold are rendered on or after July 15,  
23 2006, in which case the tax shall be computed and paid at the rate  
24 of 7%, provided, however, that if a service or maintenance  
25 agreement taxable under this act covers any period commencing on  
26 or after July 1, 1992, and ending after July 15, 2006, the receipts  
27 from such agreement are subject to tax at the rate applicable to each  
28 period as set forth hereinabove and shall be apportioned on the  
29 basis of the ratio of the number of days falling within each of the  
30 said periods to the total number of days covered thereby; provided  
31 however, if a service or maintenance agreement in effect on July 14,  
32 2006 covers billing periods ending after July 15, 2006, the seller  
33 shall charge and collect from the purchaser a tax on such sales at  
34 the rate of 6%, unless the billing period starts on or after July 15,  
35 2006 in which case the seller shall charge and collect a tax at the  
36 rate of 7%.

37 b. (1) The tax imposed under subsection (d) of section 3 shall  
38 be paid at the rate of 7% upon any occupancy on and after July 1,  
39 1990 but prior to July 1, 1992, although such occupancy is pursuant  
40 to a prior contract, lease or other arrangement. If an occupancy,  
41 taxable under this act, covers any period on or after January 3, 1983  
42 but prior to July 1, 1990, the rent for the period of occupancy prior  
43 to July 1, 1990 shall be taxed at the rate of 6%. If rent is paid on a  
44 weekly, monthly or other term basis, the rent applicable to each  
45 period as set forth hereinabove shall be apportioned on the basis of  
46 the ratio of the number of days falling within each of the said  
47 periods to the total number of days covered thereby.



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

12       (3) 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 15,  
14 2006, although such occupancy is pursuant to a prior contract, lease  
15 or other arrangement. If an occupancy, taxable under this act,  
16 covers any period on or after July 1, 1992 but prior to July 15,  
17 2006, the rent for the period of occupancy prior to July 15, 2006  
18 shall be taxed at the rate of 6%. If rent is paid on a weekly,  
19 monthly or other term basis, the rent applicable to each period as set  
20 forth hereinabove shall be apportioned on the basis of the ratio of  
21 the number of days falling within each of the said periods to the  
22 total number of days covered thereby.

23       c. (1) Except as otherwise hereinafter provided, the tax  
24 imposed under subsection (e) of section 3 shall be applicable at the  
25 rate of 7% to any admission to or for the use of facilities of a place  
26 of amusement occurring on or after July 1, 1990 but prior to July 1,  
27 1992, whether or not the admission charge has been paid prior to  
28 July 1, 1990, unless the tickets were actually sold and delivered,  
29 other than for resale, prior to July 1, 1990 and the tax imposed  
30 under this act during the period January 3, 1983 through June 30,  
31 1990 shall have been paid.

32       (2) Except as otherwise hereinafter provided, the tax imposed  
33 under subsection (e) of section 3 shall be applicable at the rate of  
34 6% to any admission to or for the use of facilities of a place of  
35 amusement occurring on or after July 1, 1992 but prior to July 15,  
36 2006, whether or not the admission charge has been paid prior to  
37 July 1, 1992, unless the tickets were actually sold and delivered,  
38 other than for resale, prior to July 1, 1992 and the tax imposed  
39 under this act during the period July 1, 1990 through December 31,  
40 1990 shall have been paid.

41       (3) Except as otherwise hereinafter provided, the tax imposed  
42 under subsection (e) of section 3 shall be applicable at the rate of  
43 7% to any admission to or for the use of facilities of a place of  
44 amusement occurring on or after July 15, 2006, whether or not the  
45 admission charge has been paid prior to that date, unless the tickets  
46 were actually sold and delivered, other than for resale, prior to July  
47 15, 2006 and the tax imposed under this act during the period July  
48 1, 1992 through July 14, 2006 shall have been paid.

1 d. (1) Sales made on and after July 1, 1990 but prior to July 1,  
2 1992 to contractors, subcontractors or repairmen of materials,  
3 supplies, or services for use in erecting structures for others, or  
4 building on, or otherwise improving, altering or repairing real  
5 property of others shall be subject to the taxes imposed by  
6 subsections (a) and (b) of section 3 and section 6 hereof at the rate  
7 of 7%; provided, however, that if such sales are made for use in  
8 performance of a contract which is either of a fixed price not  
9 subject to change or modification, or entered into pursuant to the  
10 obligation of a formal written bid which cannot be altered or  
11 withdrawn, and, in either case, such contract was entered into or  
12 such bid was made on or after January 3, 1983 but prior to July 1,  
13 1990, such sales shall be subject to tax at the rate of 6%, but the  
14 vendor shall charge and collect from the purchaser a tax on such  
15 sales at the rate of 7%.

16 (2) Sales made on or after July 1, 1992 but prior to July 15,  
17 2006 to contractors, subcontractors or repairmen of materials,  
18 supplies, or services for use in erecting structures for others, or  
19 building on, or otherwise improving, altering or repairing real  
20 property of others shall be subject to the taxes imposed by  
21 subsections (a) and (b) of section 3 and section 6 hereof at the rate  
22 of 6%; provided, however, that if such sales are made for use in  
23 performance of a contract which is either of a fixed price not  
24 subject to change or modification, or entered into pursuant to the  
25 obligation of a formal written bid which cannot be altered or  
26 withdrawn, and, in either case, such contract was entered into or  
27 such bid was made on or after July 1, 1990, but prior to July 1,  
28 1992, such sales shall be subject to tax at the rate of 7%.

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

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

1 to a written contract entered on or after January 3, 1983 but prior to  
2 July 1, 1990, and accompanied by a deposit or partial payment of  
3 the contract price, except in the case of a contract which, in the  
4 usage of trade, is not customarily accompanied by a deposit or  
5 partial payment of the contract price, but the vendor shall charge  
6 and collect from the purchaser on such sales at the rate of 7%,  
7 which tax shall be reduced to the rate, if any, in effect on June 30,  
8 1990, only by a claim for refund filed by the purchaser with the  
9 director within 90 days after receipt of said receipts and otherwise  
10 pursuant to the provisions of section 20 of P.L.1966, c.30  
11 (C.54:32B-20). A claim for refund shall not be allowed if there has  
12 been no deposit or partial payment of the contract price unless the  
13 claimant shall establish by clear and convincing evidence that, in  
14 the usage of trade, such contracts are not customarily accompanied  
15 by a deposit or partial payment of the contract price.

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

38 f. (1) The taxes imposed under subsections (a), (b), (c) and (f)  
39 of section 3 upon receipts received on or after July 1, 1990 but prior  
40 to July 1, 1992 shall be at the rate, if any, in effect on June 30, 1990  
41 in the case of sales made or services rendered, if delivery of the  
42 property which was the subject matter of the sale has been  
43 completed or such services have been entirely rendered prior to July  
44 1, 1990.

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

1 subject matter of the sale has been completed or such services have  
2 been entirely rendered on or after July 1, 1990 but prior to July 1,  
3 1992.

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

10 g. The director is empowered to promulgate rules and  
11 regulations to implement the provisions of this section.

12 h. The transitional provisions for sales made and services rendered  
13 on and after the rate decrease to 6.5 percent on and after January 1,  
14 2017, but before January 1, 2018 and the rate decrease to 6 percent on  
15 and after January 1, 2018 pursuant to P.L. , c. (C. )(pending  
16 before the Legislature as this bill), shall be implemented in a manner  
17 analogous to each paragraph (2) of subsection a., b., c., d., and f. of  
18 this section.

19 (cf: P.L. 2011, c.49, s.3)]<sup>1</sup>

20

21 <sup>1</sup>[4. Section 6 of P.L.1966, c.30 (C.54:32B-6) is amended to  
22 read as follows:

23 6. Unless property or services have already been or will be  
24 subject to the sales tax under this act, there is hereby imposed on  
25 and there shall be paid by every person a use tax for the use within  
26 this State of **[7%]** 7 percent on or before December 31, 2016, 6.5  
27 percent on and after January 1, 2017 but before January 1, 2018,  
28 and 6 percent on and after January 1, 2018, except as otherwise  
29 exempted under this act, (A) of any tangible personal property or  
30 specified digital product purchased at retail, including energy,  
31 provided however, that electricity consumed by the generating  
32 facility that produced it shall not be subject to tax, (B) of any  
33 tangible personal property or specified digital product  
34 manufactured, processed or assembled by the user, if items of the  
35 same kind of tangible personal property or specified digital  
36 products are offered for sale by him in the regular course of  
37 business, or if items of the same kind of tangible personal property  
38 are not offered for sale by him in the regular course of business and  
39 are used as such or incorporated into a structure, building or real  
40 property, (C) of any tangible personal property or specified digital  
41 product, however acquired, where not acquired for purposes of  
42 resale, upon which any taxable services described in paragraphs (1)  
43 and (2) of subsection (b) of section 3 of P.L.1966, c.30 (C.54:32B-  
44 3) have been performed, (D) of intrastate, interstate, or international  
45 telecommunications services described in subsection (f) of section 3  
46 of P.L.1966, c.30, (E) (Deleted by amendment, P.L.1995, c.184),  
47 (F) of utility service provided to persons in this State for use in this  
48 State, provided however, that utility service used by the facility that

1 provides the service shall not be subject to tax, (G) of mail  
2 processing services described in paragraph (5) of subsection (b) of  
3 section 3 of P.L.1966, c.30 (C.54:32B-3), (H) (Deleted by  
4 amendment, P.L.2008, c.123), (I) of any services subject to tax  
5 pursuant to subsection (11), (12), (13), (14) or (15) of subsection  
6 (b) of section 3 of P.L.1966, c.30 (C.54:32B-3), and (J) of access to  
7 or use of the property or facilities of a health and fitness, athletic,  
8 sporting or shopping club or organization in this State. For  
9 purposes of clause (A) of this section, the tax shall be at the  
10 applicable rate, as set forth hereinabove, of the consideration given  
11 or contracted to be given for such property or for the use of such  
12 property including delivery charges made by the seller, but  
13 excluding any credit for property of the same kind accepted in part  
14 payment and intended for resale. For the purposes of clause (B) of  
15 this section, the tax shall be at the applicable rate, as set forth  
16 hereinabove, of the price at which items of the same kind of  
17 tangible personal property or specified digital products are offered  
18 for sale by the user, or if items of the same kind of tangible personal  
19 property are not offered for sale by the user in the regular course of  
20 business and are used as such or incorporated into a structure,  
21 building or real property the tax shall be at the applicable rate, as  
22 set forth hereinabove, of the consideration given or contracted to be  
23 given for the tangible personal property manufactured, processed or  
24 assembled by the user into the tangible personal property the use of  
25 which is subject to use tax pursuant to this section, and the mere  
26 storage, keeping, retention or withdrawal from storage of tangible  
27 personal property or specified digital products by the person who  
28 manufactured, processed or assembled such property shall not be  
29 deemed a taxable use by him. For purposes of clause (C) of this  
30 section, the tax shall be at the applicable rate, as set forth  
31 hereinabove, of the consideration given or contracted to be given  
32 for the service, including the consideration for any tangible personal  
33 property or specified digital product transferred in conjunction with  
34 the performance of the service, including delivery charges made by  
35 the seller. For the purposes of clause (D) of this section, the tax  
36 shall be at the applicable rate on the charge made by the  
37 telecommunications service provider; provided however, that for  
38 prepaid calling services and prepaid wireless calling services the tax  
39 shall be at the applicable rate on the consideration given or  
40 contracted to be given for the prepaid calling service or prepaid  
41 wireless calling service or the recharge of the prepaid calling  
42 service or prepaid wireless calling service. For purposes of clause  
43 (F) of this section, the tax shall be at the applicable rate on the  
44 charge made by the utility service provider. For purposes of clause  
45 (G) of this section, the tax shall be at the applicable rate on that  
46 proportion of the amount of all processing costs charged by a mail  
47 processing service provider that is attributable to the service  
48 distributed in this State. For purposes of clause (I) of this section,

1 the tax shall be at the applicable rate on the charge made by the  
2 service provider. For purposes of clause (J) of this section, the tax  
3 shall be at the applicable rate on the charges in the nature of  
4 initiation fees, membership fees or dues.

5 (cf: P.L.2011, c.49, s.4)】<sup>1</sup>

6

7 <sup>1</sup>【5. Section 31 of P.L.1980, c.105 (C.54:32B-8.19) is amended  
8 to read as follows:

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

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

18 b. Irrespective of the rate of tax imposed by such ordinance,  
19 such sales shall be exempt only to the extent that the rate of taxation  
20 imposed by the ordinance exceeds 6%, except that the combined  
21 rate of taxation imposed under the ordinance and under this section  
22 shall not exceed **【13%】** 13 percent on or before December 31,  
23 2016, 12.5 percent on and after January 1, 2017 but before January  
24 1, 2018, and 12 percent on and after January 1, 2018.

25 (cf: P.L.2006, c.44, s.10)】<sup>1</sup>

26

27 <sup>1</sup>【6. Section 1 of P.L.2003, c.114 (C.54:32D-1) is amended to  
28 read as follows:

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

43 (1) the combined rates of the fee imposed under this section,  
44 plus the tax imposed under the "Sales and Use Tax Act", P.L.1966,  
45 c.30 (C.54:32B-1 et seq.), plus any tax imposed under P.L.1947,  
46 c.71 (C.40:48-8.15 et seq.), shall not exceed a total rate of 14% on  
47 or before December 31, 2016, 13.5% on and after January 1, 2017  
48 but before January 1, 2018, and 13% on and after January 1, 2018,

1 and to the extent that the total combined rate of taxation for the  
2 listed fees and taxes would exceed 14% on or before December 31,  
3 2016, 13.5% on and after January 1, 2017 but before January 1,  
4 2018, and 13% on and after January 1, 2018, the fee imposed under  
5 this section shall be reduced so that the total combined rate equals  
6 14% on or before December 31, 2016, 13.5% on and after January  
7 1, 2017 but before January 1, 2018, and 13% on and after January 1,  
8 2018;

9 (2) the combined rates of the fee imposed under this section,  
10 plus the tax imposed under the "Sales and Use Tax Act", P.L.1966,  
11 c.30 (C.54:32B-1 et seq.), plus any tax and assessment imposed  
12 under section 4 of P.L.1992, c.165 (C.40:54D-4), shall not exceed a  
13 total rate of 14% on or before December 31, 2016, 13.5% on and  
14 after January 1, 2017 but before January 1, 2018, and 13% on and  
15 after January 1, 2018, and to the extent that the total combined rate  
16 of taxation for the listed fees and taxes would exceed 14% on or  
17 before December 31, 2016, 13.5% on and after January 1, 2017 but  
18 before January 1, 2018, and 13% on and after January 1, 2018, the  
19 fee imposed under this section shall be reduced so that the total  
20 combined rate equals 14% on or before December 31, 2016, 13.5%  
21 on and after January 1, 2017 but before January 1, 2018, and 13%  
22 on and after January 1, 2018; and

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

26 b. The hotel and motel occupancy fee imposed by subsection a.  
27 of this section shall not be imposed on the rent for an occupancy if  
28 the purchaser, user or consumer is an entity exempt from the tax  
29 imposed on an occupancy under the "Sales and Use Tax Act"  
30 pursuant to subsection (a) of section 9 of P.L.1966, c.30 (C.54:32B-  
31 9).

32 c. Terms used in this section shall have the meaning given  
33 those terms pursuant to section 2 of P.L.1966, c.30 (C.54:32B-2).

34 (cf: P.L.2006, c.44, s.18) **1**

35

36 <sup>1</sup>1. R.S.54:38-1 is amended to read as follows:

37 54:38-1. a. In addition to the inheritance, succession or legacy  
38 taxes imposed by this State under authority of chapters 33 to 36 of  
39 this title (R.S.54:33-1 et seq.), or hereafter imposed under authority  
40 of any subsequent enactment, there is hereby imposed an estate or  
41 transfer tax:

42 (1) Upon the transfer of the estate of every resident decedent  
43 dying before January 1, 2002 which is subject to an estate tax  
44 payable to the United States under the provisions of the federal  
45 revenue act of one thousand nine hundred and twenty-six and the  
46 amendments thereof and supplements thereto or any other federal  
47 revenue act in effect as of the date of death of the decedent, the  
48 amount of which tax shall be the sum by which the maximum credit

1 allowable against any federal estate tax payable to the United States  
2 under any federal revenue act on account of taxes paid to any state  
3 or territory of the United States or the District of Columbia, shall  
4 exceed the aggregate amount of all estate, inheritance, succession or  
5 legacy taxes actually paid to any state or territory of the United  
6 States or the District of Columbia, including inheritance, succession  
7 or legacy taxes actually paid this State, in respect to any property  
8 owned by such decedent or subject to such taxes as a part of or in  
9 connection with the estate; and

10 (2) (a) Upon the transfer of the estate of every resident  
11 decedent dying after December 31, 2001, but before January 1,  
12 2017, which would have been subject to an estate tax payable to the  
13 United States under the provisions of the federal Internal Revenue  
14 Code of 1986 (26 U.S.C. s.1 et seq.) in effect on December 31,  
15 2001, the amount of which tax shall be, at the election of the person  
16 or corporation liable for the payment of the tax under this chapter,  
17 either

18 (i) the maximum credit that would have been allowable under  
19 the provisions of that federal Internal Revenue Code in effect on  
20 that date against the federal estate tax that would have been payable  
21 under the provisions of that federal Internal Revenue Code in effect  
22 on that date on account of taxes paid to any state or territory of the  
23 United States or the District of Columbia, or

24 (ii) determined pursuant to the simplified tax system as may be  
25 prescribed by the Director of the Division of Taxation in the  
26 Department of the Treasury to produce a liability similar to the  
27 liability determined pursuant to clause (i) of this paragraph reduced  
28 pursuant to paragraph (b) of this subsection.

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

41 (3) (a) Upon the transfer of the estate of each resident decedent  
42 dying on or after January 1, 2017, whether or not subject to an  
43 estate tax payable to the United States under the provisions of the  
44 federal Internal Revenue Code (26 U.S.C. s.1 et seq.), the amount of  
45 the taxable estate, determined pursuant to section 2051 of the  
46 federal Internal Revenue Code (26 U.S.C. s.2051), shall be subject  
47 to tax pursuant to the following schedule:



A12 [1R] PRIETO, MCKEON

<u>On any amount up to \$100,000 . . . . .</u>	<u>0.0%</u>
<u>On any amount in excess of \$100,000, up to \$150,000 . . . . .</u>	<u>0.8% of the excess over \$100,000</u>
<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</u> <u>\$3,600,000, up to \$4,100,000. . . . .</u>	<u>\$238,800 plus 10.4% of the</u> <u>excess over \$3,600,000</u>
<u>On any amount in excess of</u> <u>\$4,100,000, up to \$5,100,000. . . . .</u>	<u>\$290,800 plus 11.2% of the</u> <u>excess over \$4,100,000</u>
<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 \$2,000,000.  
For the transfer of the estate of each resident decedent dying on or after January 1, 2018, but before January 1, 2020, the 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 regulation.  
(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,

1 succession or legacy taxes actually paid to any state of the United  
2 States, including inheritance taxes actually paid this State, in  
3 respect to any property owned by that decedent or subject to those  
4 taxes as a part of or in connection with the estate; provided  
5 however, that the amount of the reduction shall not exceed the  
6 proportion of the tax otherwise due under this subsection that the  
7 amount of the estate's property subject to tax by other jurisdictions  
8 bears to the entire estate taxable under this chapter.

9 (4) For the transfer of the estate of each resident decedent dying  
10 on or after January 1, 2020, there shall be no tax imposed.

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

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

33 (2) In the case of the estate of a decedent dying after December  
34 31, 2001, but before January 1, 2017, where no inheritance,  
35 succession or legacy tax is due this State under the provisions of  
36 chapters 33 to 36 of this title or under authority of any subsequent  
37 enactment imposing taxes of a similar nature, the tax imposed by  
38 this chapter shall be determined pursuant to paragraph (2) of  
39 subsection a. of this section.

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

44 c. For the purposes of this section, a "simplified tax system" to  
45 produce a liability similar to the liability determined pursuant to  
46 clause (i) of subparagraph (a) of paragraph (2) of subsection a. of  
47 this section is a tax system that is based upon the \$675,000 unified  
48 estate and gift tax applicable exclusion amount in effect under the

1 provisions of the federal Internal Revenue Code of 1986 (26 U.S.C.  
2 s.1 et seq.) in effect on December 31, 2001, and results in general in  
3 the determination of a similar amount of tax but which will enable  
4 the person or corporation liable for the payment of the tax to  
5 calculate an amount of tax notwithstanding the lack or paucity of  
6 information for compliance due to such factors as the absence of an  
7 estate valuation made for federal estate tax purposes, the absence of  
8 a measure of the impact of gifts made during the lifetime of the  
9 decedent in the absence of federal gift tax information, and any  
10 other information compliance problems as the director determines  
11 are the result of the phased repeal of the federal estate tax.<sup>1</sup>  
12 (cf: P.L.2002, c.31, s.1)

13

14 <sup>1</sup>2. N.J.S.54A:3-1 is amended to read as follows:

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

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

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

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

27 2. For each dependent who qualifies as a dependent of the  
28 taxpayer during the taxable year for federal income tax purposes -  
29 \$1,500.00.

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

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

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

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

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

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

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

46 (e) Nonresidents. For taxable years to which a certification  
47 pursuant to section 3 of P.L.1993, c.320 (C.54A:2-1.2) applies, a  
48 nonresident taxpayer shall be allowed the same deduction for

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

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

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

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

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

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

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

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

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

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

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

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

1        **[7.] 4.**<sup>1</sup> N.J.S.54A:6-10 is amended to read as follows:

2        54A:6-10. Pensions and annuities.

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

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

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

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

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

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

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

46        for taxable years beginning on or after January 1, 2017, but  
47 before January 1, 2018, of up to \$40,000 for a married couple filing  
48 jointly, \$20,000 for a married person filing separately, or \$30,000

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

3 for taxable years beginning on or after January 1, 2018, but  
4 before January 1, 2019, gross income shall not include income of up  
5 to \$60,000 for a married couple filing jointly, \$30,000 for a married  
6 person filing separately, or \$50,000 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, 2019, but  
10 before January 1, 2020, of up to \$80,000 for a married couple filing  
11 jointly, \$40,000 for a married person filing separately, or \$60,000  
12 for an individual filing as a single taxpayer or an individual  
13 determining tax pursuant to subsection a. of N.J.S.54A:2-1;

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

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

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

31 for taxable years beginning on or after January 1, 2021, if the  
32 taxpayer has gross income for the taxable year of not more than  
33 \$100,000 the exclusion provided by this subsection shall be fully  
34 allowed, if the taxpayer has gross income for the taxable year in  
35 excess of \$100,000 but not more than \$125,000 then the taxpayer  
36 may exclude 50 percent of the amount otherwise allowed, and if the  
37 taxpayer has gross income for the taxable year in excess of  
38 \$125,000 but not more than \$150,000 then the taxpayer may  
39 exclude 25 percent of the amount otherwise allowed.

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

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

1 section 403(a)(4) of the Code. The distribution shall be paid in one  
2 or more installments which constitute a lump-sum distribution  
3 within the meaning of section 402(e)(4)(A) (determined without  
4 reference to subsection (e)(4)(B)), or be on account of a termination  
5 of a plan of which the trust is a part or, in the case of a profit-  
6 sharing or stock bonus plan, a complete discontinuance of  
7 contributions under such plan.

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

9

10 **‘[8.] 5.’** Section 3 of P.L.1977, c.273 (C.54A:6-15) is amended  
11 to read as follows:

12 3. Other retirement income. a. (1) Gross income shall not  
13 include income:

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

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

24 for the taxable year beginning on or after January 1, 2001, but  
25 before January 1, 2002, of up to \$15,000 for a married couple filing  
26 jointly, \$7,500 for a married person filing separately, or \$11,250 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, 2002, but  
30 before January 1, 2003, of up to \$17,500 for a married couple filing  
31 jointly, \$8,750 for a married person filing separately, or \$13,125 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 taxable years beginning on or after January 1, 2003, but  
35 before January 1, 2017, gross income shall not include income of up  
36 to \$20,000 for a married couple filing jointly, \$10,000 for a married  
37 person filing separately, or \$15,000 for an individual filing as a  
38 single taxpayer or an individual determining tax pursuant to  
39 subsection a. of N.J.S.54A:2-1;

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

46 for taxable years beginning on or after January 1, 2018, but  
47 before January 1, 2019, gross income shall not include income of up  
48 to \$60,000 for a married couple filing jointly, \$30,000 for a married



1 person filing separately, or \$50,000 for an individual filing as a  
2 single taxpayer or an individual determining tax pursuant to  
3 subsection a. of N.J.S.54A:2-1;

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

10 for taxable years beginning on or after January 1, 2020, gross  
11 income shall not include income of up to \$100,000 for a married  
12 couple filing jointly, \$50,000 for a married person filing separately,  
13 or \$75,000 for an individual filing as a single taxpayer or an  
14 individual determining tax pursuant to subsection a. of N.J.S.54A:2-  
15 1,

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

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

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

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

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

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

46

47 <sup>16</sup>. Section 2 of P.L.2000, c.80 (C.54A:4-7) is amended to read  
48 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) 40% for taxable years beginning on or after January 1, 2016.

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

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

44       c. The amount of the credit allowed pursuant to this section  
45 shall be applied against the tax otherwise due under N.J.S.54A:1-1  
46 et seq., after all other credits and payments. If the credit exceeds the  
47 amount of tax otherwise due, that amount of excess shall be an  
48 overpayment for the purposes of N.J.S.54A:9-7; provided however,

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

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

11 e. Any earned income tax credit pursuant to this section shall  
12 not be taken into account as income or receipts for purposes of  
13 determining the eligibility of an individual for benefits or assistance  
14 or the amount or extent of benefits or assistance under any State  
15 program and, to the extent permitted by federal law, under any State  
16 program financed in whole or in part with federal funds.<sup>1</sup>

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

18

19 <sup>1</sup>**【9.】 7.**<sup>1</sup> Section 2 of P.L.1990, c. 42 (C.54:15B-2) is amended  
20 to read as follows:

21 2. For the purposes of this act:

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

24 "Aviation gasoline" means fuel specifically compounded for use  
25 in reciprocating aircraft engines.

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

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

37 "Company" includes a corporation, partnership, limited  
38 partnership, limited liability company, association, individual, or  
39 any fiduciary thereof.

40 "Diesel fuel" means a liquid that is commonly or commercially  
41 known or sold as a fuel that is suitable for use in a diesel-powered  
42 highway vehicle. A liquid meets this requirement if, without  
43 further processing or blending, the liquid has practical and  
44 commercial fitness for use in the propulsion engine of a diesel-  
45 powered highway vehicle. "Diesel fuel" includes biobased liquid  
46 fuel, biodiesel fuel, and number 1 and number 2 diesel.

47 "Director" means the Director of the Division of Taxation in the  
48 Department of the Treasury.

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

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

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

16 a. asphalt;

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

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

26 d. polymer grade propylene used in the manufacture of  
27 polypropylene.

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

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

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

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

46 **["Retail gasoline price survey" means a Statewide representative**  
47 **random sample of retail gasoline prices conducted by the Board of**

1 Public Utilities, Office of the Economist, or its successor, that shall  
2 be completed for the month of November and May of each year.】

3 "Retail price per gallon" means the price **【posted by gasoline】**  
4 charged by retailers in the State for **【unleaded regular gasoline】** a  
5 gallon of the petroleum product dispensed into the fuel tanks of  
6 motor vehicles without State or federal tax included.

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

10 <sup>1</sup>"2016 implementation date" means the later of September 1,  
11 2016 or the 15th day after the date of enactment of P.L. , c.  
12 (pending before the Legislature as this bill).<sup>1</sup>  
13 (cf: P.L.1991, c.181, s.1)

14  
15 <sup>1</sup>**【10.】 8.**<sup>1</sup> Section 7 of P.L.1991, c.181 (C.54:15B-2.1) is  
16 amended to read as follows:

17 7. a. "Gross receipts," as otherwise defined by section 2 of  
18 P.L.1990, c.42 (C.54:15B-2), shall not include receipts from sales  
19 of petroleum products used by marine vessels engaged in interstate  
20 or foreign commerce and <sup>1</sup>receipts from<sup>1</sup> sales of aviation fuels  
21 used by common carriers in interstate or foreign commerce other  
22 than the "burnout" portion which shall be taxable pursuant to rules  
23 promulgated by the director.

24 b. <sup>1</sup>**【Motor fuel】 Highway fuel<sup>1</sup>** used for the following purposes  
25 is exempt from the tax imposed by section 3 of P.L.1990, c.42  
26 (C.54:15B-3), and a refund of the tax imposed by that section may  
27 be claimed by the consumer providing proof the tax has been paid  
28 and no refund has been previously issued:

29 (1) autobuses while being operated over the highways of this  
30 State in those municipalities to which the operator has paid a  
31 monthly franchise tax for the use of the streets therein under the  
32 provisions of R.S.48:16-25 and autobuses while being operated over  
33 the highways of this State in a regular route bus operation as  
34 defined in R.S.48:4-1 and under operating authority conferred  
35 pursuant to R.S.48:4-3, or while providing bus service under a  
36 contract with the New Jersey Transit Corporation or under a  
37 contract with a county for special or rural transportation bus service  
38 subject to the jurisdiction of the New Jersey Transit Corporation  
39 pursuant to P.L.1979, c.150 (C.27:25-1 et seq.), and autobuses  
40 providing commuter bus service which receive or discharge  
41 passengers in New Jersey. For the purpose of this paragraph  
42 "commuter bus service" means regularly scheduled passenger  
43 service provided by motor vehicles whether within or across the  
44 geographical boundaries of New Jersey and utilized by passengers  
45 using reduced fare, multiple ride, or commutation tickets and shall  
46 not include charter bus operations for the transportation of enrolled  
47 children and adults referred to in subsection c. of R.S.48:4-1 and

- 1 "regular route service" does not mean a regular route in the nature  
 2 of special bus operation or a casino bus operation;  
 3 (2) agricultural tractors not operated on a public highway;  
 4 (3) farm machinery;  
 5 (4) ambulances;  
 6 (5) rural free delivery carriers in the dispatch of their official  
 7 business;  
 8 (6) vehicles that run only on rails or tracks, and such vehicles as  
 9 run in substitution therefor;  
 10 (7) highway motor vehicles that are operated exclusively on  
 11 private property;  
 12 (8) motor boats or motor vessels used exclusively for or in the  
 13 propagation, planting, preservation and gathering of oysters and  
 14 clams in the tidal waters of this State;  
 15 (9) motor boats or motor vessels used exclusively for  
 16 commercial fishing;  
 17 (10) motor boats or motor vessels, while being used for hire for  
 18 fishing parties or being used for sightseeing or excursion parties;  
 19 (11) fire engines and fire-fighting apparatus;  
 20 (12) stationary machinery and vehicles or implements not  
 21 designed for the use of transporting persons or property on the  
 22 public highways;  
 23 (13) heating and lighting devices;  
 24 (14) motor boats or motor vessels used exclusively for Sea Scout  
 25 training by a duly chartered unit of the Boy Scouts of America; and  
 26 (15) emergency vehicles used exclusively by volunteer first-aid  
 27 or rescue squads.  
 28 (cf: P.L.1991, c.181, s.7)  
 29

30 <sup>1</sup> **11.1** 9.1 Section 3 of P.L.1990, c.42 (C.54:15B-3) is amended  
 31 to read as follows:

32 3. a. (1) (a) There is imposed on each company which is  
 33 engaged in the refining or distribution, or both, of petroleum  
 34 products other than highway fuel and aviation fuel and which  
 35 distributes such products in this State a tax at the rate of **two and**  
 36 **three-quarters percent (2 3/4%)** seven percent of its gross receipts  
 37 derived from the first sale of petroleum products within this State  
 38 and there is imposed on each company which is engaged in the  
 39 refining or distribution, or both, of highway fuel a tax at the rate of  
 40 <sup>1</sup> **12.5** 12.85 <sup>1</sup> percent, as adjusted pursuant to subsection c. of this  
 41 section, of its gross receipts derived from the first sale of those  
 42 products within this State. **;** provided however, that the **]**

43 (b) The applicable tax rate for **fuel oils, aviation fuels and**  
 44 **motor fuels subject to tax under R.S.54:39-1 et seq.] gasoline,**  
 45 blended fuel that contains gasoline or is intended for use as  
 46 gasoline, and liquefied petroleum gas, which are taxed as a highway  
 47 fuel pursuant to subparagraph (a) of this paragraph, shall be  
 48 converted to a cents-per-gallon rate, rounded to the nearest tenth of

1 a cent, ~~that shall be calculated by the use of~~ and adjusted  
2 quarterly by the director, effective on July 1, October 1, January 1,  
3 and April 1, based on the average retail price per gallon of unleaded  
4 regular gasoline ~~in December 1990,~~ in the State, as determined in  
5 ~~the most recent~~ survey of the retail price per gallon of gasoline  
6 ~~prices~~ that ~~included~~ includes a Statewide representative  
7 random sample conducted ~~in December 1990 for that month~~ by  
8 the Board of Public Utilities, Office of the Economist, ~~and shall be~~  
9 effective for the tax due for months ending after that date; and ~~or~~  
10 its successor.

11 (c) The cents-per-gallon rate determined pursuant to  
12 subparagraph (b) of this paragraph shall not be less than the rate  
13 determined for the ~~quarter beginning~~ average retail price per  
14 gallon of unleaded gasoline in the State on<sup>1</sup> July 1, 2016.

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

26 Notwithstanding the provisions of subparagraph (a) of this  
27 paragraph to the contrary, for the period from ~~July 1, 2016~~ the  
28 2016 implementation date<sup>1</sup> through December 31, 2016, no rate of  
29 tax shall be applied to diesel fuel, blended fuel that contains diesel  
30 fuel or is intended for use as diesel fuel, or kerosene, other than  
31 aviation grade kerosene; for the period from January 1, 2017  
32 through June 30, 2017, the applicable rate for those fuels shall be 70  
33 percent of the rate otherwise determined pursuant to subparagraph  
34 (a) of this paragraph, and for July 1, 2017 and thereafter the  
35 applicable rate for those fuels determined pursuant to subparagraph  
36 (a) of this paragraph.

37 (e) The cents-per-gallon rate determined pursuant to  
38 subparagraph (d) of this paragraph shall not be less than the rate  
39 determined for the ~~quarter beginning~~ average retail price per  
40 gallon of number 2 diesel in the State on<sup>1</sup> July 1, 2016.

41 (f) The applicable tax rate for fuel oil determined pursuant to  
42 subparagraph (a) of this paragraph shall be converted to a cents-per-  
43 gallon rate, rounded to the nearest tenth of a cent, and adjusted  
44 quarterly by the director, effective on July 1, October 1, January 1,  
45 and April 1, to reflect the average price per gallon, without State or  
46 federal tax included, of retail sales of number 2 fuel oil in the State,  
47 as determined in the most recent survey of retail diesel fuel prices

1 that included a Statewide representative random sample conducted  
2 by the Board of Public Utilities, Office of the Economist, or its  
3 successor.

4 (g) The cents-per-gallon rate determined pursuant to  
5 subparagraph (f) of this paragraph shall not be less than the rate  
6 determined for the <sup>1</sup>【quarter beginning】 average price per gallon,  
7 without State or federal tax included, of retail sales of number 2  
8 fuel oil in the State on<sup>1</sup> July 1, 2016.

9 (h) On and after the 10th day following a certification by the  
10 review council pursuant to subsection c. of section <sup>1</sup>【16】 14<sup>1</sup> of  
11 P.L. , c. (C. ) (pending before the Legislature as this bill), no  
12 tax shall be imposed pursuant to this paragraph.

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

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

27 b. There is imposed on each company that imports or causes to  
28 be imported, other than by a company subject to and having paid  
29 the tax on those imported petroleum products that have generated  
30 gross receipts taxable under subsection a. of this section, petroleum  
31 products for use or consumption by it within this State a tax at the  
32 rate **【of two and three-quarters percent (2 3/4%)】** or rates of the  
33 consideration given or contracted to be given and the gallonage,  
34 determined pursuant to subsection a. of this section, for such  
35 petroleum products if the consideration given or contracted to be  
36 given for all such deliveries made during a quarterly period exceeds  
37 \$5,000**【**; provided however, that the applicable tax rate for fuel oils,  
38 aviation fuels and motor fuels subject to tax under R.S.54:39-1 et  
39 seq. shall be converted to a cents per gallon rate, rounded to the  
40 nearest cent, that shall be calculated by the use of the average retail  
41 price per gallon of unleaded regular gasoline in December 1990, as  
42 determined in a survey of retail gasoline prices that included a  
43 Statewide representative random sample conducted in December  
44 1990 for that month by the Board of Public Utilities, Office of the  
45 Economist, and shall be effective for the tax due for months ending  
46 after that date**】**.

47 c. (1) For State fiscal years 2018 through 2026, the rate of tax  
48 imposed on highway fuel pursuant to subsection a. of this section



1 shall be adjusted annually so that the total revenue derived from  
2 highway fuel shall not exceed the highway fuel cap amount.

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

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

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

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

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

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

21 (b) the revenue that would be derived from imposing the tax  
22 pursuant to paragraph (2) of subsection a. of this section on  
23 highway fuel at the rate of four cents per gallon, and

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

26 (4) Upon consideration of the result of the determination  
27 pursuant to paragraph (3) of this subsection, and consultation with  
28 the Legislative Budget and Finance Officer, the State Treasurer  
29 shall determine the rate of tax to be imposed on highway fuel  
30 pursuant to subsection a. of this section that will result in revenue  
31 from:

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

35 (b) the revenue derived from the tax imposed pursuant to  
36 paragraph (2) of subsection a. of this section on highway fuel at the  
37 rate of four cents per gallon for the current State Fiscal Year, and

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

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

43 and that rate shall take effect on the October 1 of that year.

44 (5) If the actual revenue determined pursuant to paragraph (3) of  
45 this subsection exceeds the highway fuel cap amount determined  
46 pursuant to paragraph (2) of this subsection, then the highway fuel  
47 cap amount for the succeeding year shall be decreased by the  
48 amount of the excess in setting the rate pursuant to paragraph (4) of

1 this subsection. If the actual revenue determined pursuant to  
2 paragraph (3) of this subsection is less than the highway fuel cap  
3 amount determined pursuant to paragraph (2) of this subsection,  
4 then the highway fuel cap amount for the succeeding year shall be  
5 increased by the amount of the shortfall in setting the rate pursuant  
6 to paragraph (4) of this subsection.

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

8

9 <sup>1</sup>**【12.】 10.**<sup>1</sup> Section 2 of P.L.1991, c.19 (C.54:15B-9) is  
10 amended to read as follows:

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

27 b. A person who knowingly uses, or who conspires with an  
28 official, agent or employee of a federal government department,  
29 agency or instrumentality, for the use of, a requisition, purchase  
30 order, or a card or an authority to which the person is not  
31 specifically entitled by government regulations, with the intent to  
32 obtain petroleum products from a federal government department,  
33 agency or instrumentality for a use not specifically associated with  
34 a federal government function or operation, upon which the  
35 petroleum products gross receipts tax has not been paid, is guilty of  
36 a crime of the fourth degree.

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

38

39 <sup>1</sup>**【13.】 11.**<sup>1</sup> Section 3 of P.L.1991, c.19 (C.54:15B-10) is  
40 amended to read as follows:

41 a. A federal government department, agency or instrumentality,  
42 that purchases petroleum products other than by the first sale of that  
43 product in this State for use in a federal government function or  
44 operation, upon which petroleum products the petroleum products  
45 gross receipts tax has been paid or is due and payable, shall be  
46 reimbursed and paid an amount **【equivalent to two and three-**  
47 **quarters percent (2 3/4%)】** at the rate or rates of the consideration  
48 given or contracted to be given **【by the federal government**

1 department, agency or instrumentality for the purchase of the  
2 petroleum products<sup>1</sup>, and the gallonage, determined pursuant to  
3 subsection a. of section 3 of P.L.1990, c.42 (C.54:15B-3).

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

19 c. If petroleum products are sold to a federal government  
20 department, agency or instrumentality that shall be entitled to a  
21 reimbursement under this act, the seller of the petroleum products  
22 shall supply the purchaser with an invoice that conforms with the  
23 requirements of subsection b. of this section.

24 (cf: P.L.1991, c.19, s.3)

25

26 <sup>1</sup>§14. (New section) a. There is levied a tax on persons, other  
27 than licensed companies pursuant to section 6 of P.L.1991, c.181  
28 (C.54:15B-12), holding the fuels enumerated in subparagraph (a) of  
29 paragraph (2) of subsection a. of section 3 of P.L.1990, c.42  
30 (C.54:15B-3) in storage for sale as of the close of the first business  
31 day following the date of enactment of P.L. , c. (C. ) (pending  
32 before the Legislature as this bill) by fifteen days on which tax has  
33 previously been paid. The amount of tax shall be the difference  
34 between the tax per gallon specified by subsection a. of section 3 of  
35 P.L.1990, c.42 (C.54:15B-3) for the type of fuel and the tax  
36 previously paid per gallon, multiplied by the gallons in storage of  
37 that type of fuel as of the close of the business day on that day.

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

42 (1) take an inventory at the close of the business day on that  
43 day;

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

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

3 c. Fuel not reflected in the inventory taken pursuant to  
4 subsection b. 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 July 1, 2016.

7 d. 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 December 31,  
12 2016 on which tax has previously been paid. The amount of tax  
13 shall be the difference between the tax per gallon specified by  
14 subsection a. of section 3 of P.L.1990, c.42 (C.54:15B-3) for the  
15 type of fuel and the tax previously paid per gallon, multiplied by the  
16 gallons in storage of that type of fuel as of the close of the business  
17 day on December 31, 2016.

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

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

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

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

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

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

34 h. As used in this section:

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

37 "Dead storage" means the amount of fuel that cannot be pumped  
38 out of a fuel storage tank because the motor fuel is below the mouth  
39 of the draw pipe. The amount of motor fuel in dead storage is 200  
40 gallons for a tank with a capacity of less than 10,000 gallons and  
41 400 gallons for a tank with a capacity of 10,000 gallons or more. <sup>1</sup>

42  
43 <sup>1</sup>12. (New section) a. There is levied a tax on persons, other  
44 than licensed companies pursuant to section 6 of P.L.1991, c.181  
45 (C.54:15B-12), holding the fuels enumerated in subparagraph (a) of  
46 paragraph (2) of subsection a. of section 3 of P.L.1990, c.42  
47 (C.54:15B-3) in storage for sale as of the close of the last business  
48 day before the 2016 implementation date on which tax has

1 previously been paid. The amount of tax shall be the difference  
2 between the tax per gallon specified by subsection a. of section 3 of  
3 P.L.1990, c.42 (C.54:15B-3) for the type of fuel sold on or after the  
4 2016 implementation date and the tax previously paid per gallon,  
5 multiplied by the gallons in storage of that type of fuel as of the  
6 close of the business day on that day.

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

9 (1) take an inventory at the close of the business day on that  
10 day;

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

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

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

20 d. There is levied a tax on persons, other than licensed  
21 companies pursuant to section 6 of P.L.1991, c.181 (C.54:15B-12),  
22 holding the fuels enumerated in subparagraph (b) of paragraph (2)  
23 of subsection a. of section 3 of P.L.1990, c.42 (C.54:15B-3) in  
24 storage for sale as of the close of the business day on December 31,  
25 2016 on which tax has previously been paid. The amount of tax  
26 shall be the difference between the tax per gallon specified by  
27 subsection a. of section 3 of P.L.1990, c.42 (C.54:15B-3) for the  
28 type of fuel sold on or after January 1, 2017 and the tax previously  
29 paid per gallon, multiplied by the gallons in storage of that type of  
30 fuel as of the close of the business day on December 31, 2016.

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

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

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

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

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

44 g. There is levied a tax on persons, other than licensed  
45 companies pursuant to section 6 of P.L.1991, c.181 (C.54:15B-12),  
46 holding the fuels enumerated in subparagraph (b) of paragraph (2)  
47 of subsection a. of section 3 of P.L.1990, c.42 (C.54:15B-3) in  
48 storage for sale as of the close of the business day on June 30, 2017

1 on which tax has previously been paid. The amount of tax shall be  
2 the difference between the tax per gallon specified by subsection a.  
3 of section 3 of P.L1990, c.42 (C.54:15B-3) for the type of fuel sold  
4 on or after July 1, 2017 and the tax previously paid per gallon,  
5 multiplied by the gallons in storage of that type of fuel as of the  
6 close of the business day on June 30, 2017.

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

9 (1) take an inventory at the close of the business day on June 30,  
10 2017;

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

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

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

19 j. In determining the amount of tax due under this section, a  
20 person may exclude the amount of fuel in dead storage in each  
21 storage tank.

22 k. As used in this section:

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

25 "Dead storage" means the amount of fuel that cannot be pumped  
26 out of a fuel storage tank because the motor fuel is below the mouth  
27 of the draw pipe. The amount of motor fuel in dead storage is 200  
28 gallons for a tank with a capacity of less than 10,000 gallons and  
29 400 gallons for a tank with a capacity of 10,000 gallons or more.<sup>1</sup>

30  
31 <sup>1</sup>**[15.] 13.**<sup>1</sup> (New section) Notwithstanding any provision of the  
32 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
33 seq.) to the contrary, the director may adopt immediately upon  
34 filing with the Office of Administrative Law such regulations as the  
35 director deems necessary to implement the provisions of sections  
36 <sup>1</sup>**[9.] 7<sup>1</sup>** through <sup>1</sup>**[14.] 12<sup>1</sup>** of P.L. , c. (pending before the  
37 Legislature as this bill), which regulations shall be effective for a  
38 period not to exceed 360 days following the date of enactment of  
39 P.L. , c. (pending before the Legislature as this bill) and may  
40 thereafter be amended, adopted, or readopted by the director in  
41 accordance with the "Administrative Procedure Act," P.L.1968,  
42 c.410 (C.52:14B-1 et seq.).

43  
44 <sup>1</sup>**[16.] 14.**<sup>1</sup> (New section) a. The State Treasurer, and the  
45 Legislative Budget and Finance Officer, together with a third public  
46 member who shall be jointly selected thereby, shall constitute the  
47 review council.

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

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

13       The review council shall, not later than five days after any  
14 Legislative action that halts, delays, or reverses the implementation  
15 of those sections as scheduled on the date of enactment of P.L. ,  
16 c. (C. ) (pending before the Legislature as this bill), certify  
17 for the purposes of subparagraph (h) of paragraph (1) of subsection  
18 a. of section 3. of P.L.1990, c.42 (C.54:15B-3) to the Director of the  
19 Division of Taxation that the scheduled implementation of P.L. ,  
20 c. (C. ) had been impeded.

21

22       <sup>1</sup>**[17.] 15.**<sup>1</sup> This act shall take effect immediately, <sup>1</sup>section 2  
23 shall apply to taxable years beginning on or after January 1, 2017,<sup>1</sup>  
24 and sections <sup>1</sup>**[9.] 7**<sup>1</sup> through <sup>1</sup>**[14.] 11**<sup>1</sup> shall apply to first sales of  
25 petroleum products within this State and to deliveries of petroleum  
26 products for use or consumption within this State made on or after  
27 <sup>1</sup>**[July 1, 2016]** the 2016 implementation date<sup>1</sup>.