

§17 –
C.54:15B-13
§18 - T&E &
Note to §§12-17
§19 –
C.52:18A-257
§20 - Note

P.L.2016, CHAPTER 57, *approved October 14, 2016*
Assembly, No. 12 (*Second Reprint*)

1 AN ACT adjusting certain State taxes ¹to support strengthened
2 investments in public and private assets in this State¹, 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 ¹1. 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,

1 P.L.1990, c.40), (iv) any receipts from laundering, dry cleaning,
2 tailoring, weaving, or pressing clothing, and shoe repairing and
3 shoeshining and (v) services rendered in installing property which,
4 when installed, will constitute an addition or capital improvement to
5 real property, property or land, other than landscaping services and
6 other than installing carpeting and other flooring.

7 (3) Storing all tangible personal property not held for sale in the
8 regular course of business; the rental of safe deposit boxes or
9 similar space; and the furnishing of space for storage of tangible
10 personal property by a person engaged in the business of furnishing
11 space for such storage.

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

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

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

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

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

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

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

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

44 (11) Investigation and security services.

45 (12) Information services.

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

1 (14) Telephone answering services.

2 (15) Radio subscription services.

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

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

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

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

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

34 (3) For the purposes of this subsection:

35 "Food and beverages sold through vending machines" means
36 food and beverages dispensed from a machine or other mechanical
37 device that accepts payment; and

38 "Prepared food" means:

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

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

47 C. food sold with eating utensils provided by the seller,
48 including plates, knives, forks, spoons, glasses, cups, napkins, or

1 straws. A plate does not include a container or packaging used to
2 transport the food;

3 provided however, that

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

6 A. food sold by a seller whose proper primary NAICS
7 classification is manufacturing in section 311, except subsector
8 3118 (bakeries);

9 B. food sold in an unheated state by weight or volume as a
10 single item; or

11 C. bakery items, including bread, rolls, buns, biscuits, bagels,
12 croissants, pastries, donuts, danish, cakes, tortes, pies, tarts,
13 muffins, bars, cookies, and tortillas.

14 (d) The rent for every occupancy of a room or rooms in a hotel
15 in this State, except that the tax shall not be imposed upon a
16 permanent resident.

17 (e) (1) Any admission charge to or for the use of any place of
18 amusement in the State, including charges for admission to race
19 tracks, baseball, football, basketball or exhibitions, dramatic or
20 musical arts performances, motion picture theaters, except charges
21 for admission to boxing, wrestling, kick boxing or combative sports
22 exhibitions, events, performances or contests which charges are
23 taxed under any other law of this State or under section 20 of
24 P.L.1985, c.83 (C.5:2A-20), and, except charges to a patron for
25 admission to, or use of, facilities for sporting activities in which
26 such patron is to be a participant, such as bowling alleys and
27 swimming pools. For any person having the permanent use or
28 possession of a box or seat or lease or a license, other than a season
29 ticket, for the use of a box or seat at a place of amusement, the tax
30 shall be upon the amount for which a similar box or seat is sold for
31 each performance or exhibition at which the box or seat is used or
32 reserved by the holder, licensee or lessee, and shall be paid by the
33 holder, licensee or lessee.

34 (2) The amount paid as charge of a roof garden, cabaret or other
35 similar place in this State, to the extent that a tax upon such charges
36 has not been paid pursuant to subsection (c) hereof.

37 (f) (1) The receipts from every sale, except for resale, of
38 intrastate, interstate, or international telecommunications services
39 and ancillary services sourced to this State in accordance with
40 section 29 of P.L.2005, c.126 (C.54:32B-3.4).

41 (2) (Deleted by amendment, P.L.2008, c.123)

42 (g) (Deleted by amendment, P.L.2008, c.123)

43 (h) Charges in the nature of initiation fees, membership fees or
44 dues for access to or use of the property or facilities of a health and
45 fitness, athletic, sporting or shopping club or organization in this
46 State, except for: (1) membership in a club or organization whose
47 members are predominantly age 18 or under; and (2) charges in the
48 nature of membership fees or dues for access to or use of the

1 property or facilities of a health and fitness, athletic, sporting or
 2 shopping club or organization that is exempt from taxation pursuant
 3 to paragraph (1) of subsection (a) of section 9 of P.L.1966, c.30
 4 (C.54:32B-9), or that is exempt from taxation pursuant to paragraph
 5 (1) or (2) of subsection (b) of section 9 of P.L.1966, c.30 and that
 6 has complied with subsection (d) of section 9 of P.L.1966, c.30.

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

17 For the purposes of this subsection, "municipal parking, storing
 18 or garaging" means any motor vehicle parking, storing or garaging
 19 provided by a municipality or county, or a parking authority
 20 thereof.

21 (cf: P.L.2013, c.193, s.1)¹

22
 23 ¹[2. Section 4 of P.L.1966, c.30 (C.54:32B-4) is amended to
 24 read as follows:

25 4. a. For the purpose of adding and collecting the tax imposed
 26 by this act, or an amount equal as nearly as possible or practicable
 27 to the average equivalent thereof, to be reimbursed to the seller by
 28 the purchaser, a seller shall use one of the two following options:

29 (1) (a) on or before December 31, 2016, a tax shall be calculated
 30 based on the following formula:

31 Amount of Sale	Amount of Tax
32 \$0.01 to \$0.10	No Tax
33 0.11 to 0.19	\$0.01
34 0.20 to 0.32	0.02
35 0.33 to 0.47	0.03
36 0.48 to 0.62	0.04
37 0.63 to 0.77	0.05
38 0.78 to 0.90	0.06
39 0.91 to \$1.10	0.07

40 and in addition to a tax of \$0.07 on each full dollar, a tax shall be
 41 collected on each part of a dollar in excess of a full dollar, in
 42 accordance with the above formula;

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

45 <u>Amount of Sale</u>	<u>Amount of Tax</u>
46 <u>\$0.01 to \$0.06</u>	<u>No Tax</u>
47 <u>0.07 to 0.22</u>	<u>\$0.01</u>
48 <u>0.23 to 0.37</u>	<u>0.02</u>

1	<u>0.38 to 0.53</u>	<u>0.03</u>
2	<u>0.54 to 0.68</u>	<u>0.04</u>
3	<u>0.69 to 0.83</u>	<u>0.05</u>
4	<u>0.84 to 0.99</u>	<u>0.06</u>
5	<u>1.00 to 1.14</u>	<u>0.07</u>
6	<u>1.15 to 1.29</u>	<u>0.08</u>
7	<u>1.30 to 1.45</u>	<u>0.09</u>
8	<u>1.46 to 1.60</u>	<u>0.10</u>
9	<u>1.61 to 1.76</u>	<u>0.11</u>
10	<u>1.77 to 1.91</u>	<u>0.12</u>
11	<u>1.92 to 2.06</u>	<u>0.13</u>

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

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

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

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

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

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

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

34 (cf: P.L. 2008, c.123, s.4)]¹

35
 36 ¹[3. Section 5 of P.L.1966, c.30 (C.54:32B-5) is amended to
 37 read as follows:

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

1 July 1, 1992, the receipts from such agreement are subject to tax at
2 the rate, if any, applicable to each period as set forth hereinabove
3 and shall be apportioned on the basis of the ratio of the number of
4 days falling within each of the said periods to the total number of
5 days covered thereby.

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

20 (3) Except as otherwise provided in this act, receipts received
21 from all sales made and services rendered on and after July 1, 1992
22 but prior to July 15, 2006, are subject to the taxes imposed under
23 subsections (a), (b), (c), (f) and (g) of section 3 of P.L.1966, c.30
24 (C.54:32B-3) at the rate of 6%, except if the property so sold is
25 delivered or the services so sold are rendered on or after July 15,
26 2006, in which case the tax shall be computed and paid at the rate
27 of 7%, provided, however, that if a service or maintenance
28 agreement taxable under this act covers any period commencing on
29 or after July 1, 1992, and ending after July 15, 2006, the receipts
30 from such agreement are subject to tax at the rate applicable to each
31 period as set forth hereinabove and shall be apportioned on the
32 basis of the ratio of the number of days falling within each of the
33 said periods to the total number of days covered thereby; provided
34 however, if a service or maintenance agreement in effect on July 14,
35 2006 covers billing periods ending after July 15, 2006, the seller
36 shall charge and collect from the purchaser a tax on such sales at
37 the rate of 6%, unless the billing period starts on or after July 15,
38 2006 in which case the seller shall charge and collect a tax at the
39 rate of 7%.

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

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

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

14 (3) The tax imposed under subsection (d) of section 3 shall be
15 paid at the rate of 7% upon any occupancy on and after July 15,
16 2006, although such occupancy is pursuant to a prior contract, lease
17 or other arrangement. If an occupancy, taxable under this act,
18 covers any period on or after July 1, 1992 but prior to July 15,
19 2006, the rent for the period of occupancy prior to July 15, 2006
20 shall be taxed at the rate of 6%. If rent is paid on a weekly,
21 monthly or other term basis, the rent applicable to each period as set
22 forth hereinabove shall be apportioned on the basis of the ratio of
23 the number of days falling within each of the said periods to the
24 total number of days covered thereby.

25 c. (1) Except as otherwise hereinafter provided, the tax
26 imposed under subsection (e) of section 3 shall be applicable at the
27 rate of 7% to any admission to or for the use of facilities of a place
28 of amusement occurring on or after July 1, 1990 but prior to July 1,
29 1992, whether or not the admission charge has been paid prior to
30 July 1, 1990, unless the tickets were actually sold and delivered,
31 other than for resale, prior to July 1, 1990 and the tax imposed
32 under this act during the period January 3, 1983 through June 30,
33 1990 shall have been paid.

34 (2) Except as otherwise hereinafter provided, the tax imposed
35 under subsection (e) of section 3 shall be applicable at the rate of
36 6% to any admission to or for the use of facilities of a place of
37 amusement occurring on or after July 1, 1992 but prior to July 15,
38 2006, whether or not the admission charge has been paid prior to
39 July 1, 1992, unless the tickets were actually sold and delivered,
40 other than for resale, prior to July 1, 1992 and the tax imposed
41 under this act during the period July 1, 1990 through December 31,
42 1990 shall have been paid.

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

1 15, 2006 and the tax imposed under this act during the period July
2 1, 1992 through July 14, 2006 shall have been paid.

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

18 (2) Sales made on or after July 1, 1992 but prior to July 15,
19 2006 to contractors, subcontractors or repairmen of materials,
20 supplies, or services for use in erecting structures for others, or
21 building on, or otherwise improving, altering or repairing real
22 property of others shall be subject to the taxes imposed by
23 subsections (a) and (b) of section 3 and section 6 hereof at the rate
24 of 6%; provided, however, that if such sales are made for use in
25 performance of a contract which is either of a fixed price not
26 subject to change or modification, or entered into pursuant to the
27 obligation of a formal written bid which cannot be altered or
28 withdrawn, and, in either case, such contract was entered into or
29 such bid was made on or after July 1, 1990, but prior to July 1,
30 1992, such sales shall be subject to tax at the rate of 7%.

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

45 e. (1) As to sales other than those referred to in d. above, the
46 taxes imposed under subsections (a) and (b) of section 3 and section
47 6 hereof, and the taxes imposed under subsection (f) of section 3
48 and section 6 hereof, upon receipts received on or after July 1, 1990

1 and on or before December 31, 1990, shall be at the rate in effect on
2 June 30, 1990, in case of sales made or services rendered pursuant
3 to a written contract entered on or after January 3, 1983 but prior to
4 July 1, 1990, and accompanied by a deposit or partial payment of
5 the contract price, except in the case of a contract which, in the
6 usage of trade, is not customarily accompanied by a deposit or
7 partial payment of the contract price, but the vendor shall charge
8 and collect from the purchaser on such sales at the rate of 7%,
9 which tax shall be reduced to the rate, if any, in effect on June 30,
10 1990, only by a claim for refund filed by the purchaser with the
11 director within 90 days after receipt of said receipts and otherwise
12 pursuant to the provisions of section 20 of P.L.1966, c.30
13 (C.54:32B-20). A claim for refund shall not be allowed if there has
14 been no deposit or partial payment of the contract price unless the
15 claimant shall establish by clear and convincing evidence that, in
16 the usage of trade, such contracts are not customarily accompanied
17 by a deposit or partial payment of the contract price.

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

40 f. (1) The taxes imposed under subsections (a), (b), (c) and (f)
41 of section 3 upon receipts received on or after July 1, 1990 but prior
42 to July 1, 1992 shall be at the rate, if any, in effect on June 30, 1990
43 in the case of sales made or services rendered, if delivery of the
44 property which was the subject matter of the sale has been
45 completed or such services have been entirely rendered prior to July
46 1, 1990.

47 (2) The taxes imposed under subsections (a), (b), (c) and (f) of
48 section 3 upon receipts received on or after July 1, 1992 but prior to

1 July 15, 2006 shall be at the rate of 7% in the case of sales made or
2 services rendered, where delivery of the property which was the
3 subject matter of the sale has been completed or such services have
4 been entirely rendered on or after July 1, 1990 but prior to July 1,
5 1992.

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

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

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

21 (cf: P.L. 2011, c.49, s.3)]¹

22

23 ¹[4. Section 6 of P.L.1966, c.30 (C.54:32B-6) is amended to
24 read as follows:

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

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

1 processing service provider that is attributable to the service
2 distributed in this State. For purposes of clause (I) of this section,
3 the tax shall be at the applicable rate on the charge made by the
4 service provider. For purposes of clause (J) of this section, the tax
5 shall be at the applicable rate on the charges in the nature of
6 initiation fees, membership fees or dues.
7 (cf: P.L.2011, c.49, s.4)】¹

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

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

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

20 b. Irrespective of the rate of tax imposed by such ordinance,
21 such sales shall be exempt only to the extent that the rate of taxation
22 imposed by the ordinance exceeds 6%, except that the combined
23 rate of taxation imposed under the ordinance and under this section
24 shall not exceed ~~【13%】~~ 13 percent on or before December 31,
25 2016, 12.5 percent on and after January 1, 2017 but before January
26 1, 2018, and 12 percent on and after January 1, 2018.

27 (cf: P.L.2006, c.44, s.10)】¹

28
29 ¹【6. Section 1 of P.L.2003, c.114 (C.54:32D-1) is amended to
30 read as follows:

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

45 (1) the combined rates of the fee imposed under this section,
46 plus the tax imposed under the "Sales and Use Tax Act", P.L.1966,
47 c.30 (C.54:32B-1 et seq.), plus any tax imposed under P.L.1947,
48 c.71 (C.40:48-8.15 et seq.), shall not exceed a total rate of 14% on

1 or before December 31, 2016, 13.5% on and after January 1, 2017
2 but before January 1, 2018, and 13% on and after January 1, 2018,
3 and to the extent that the total combined rate of taxation for the
4 listed fees and taxes would exceed 14% on or before December 31,
5 2016, 13.5% on and after January 1, 2017 but before January 1,
6 2018, and 13% on and after January 1, 2018, the fee imposed under
7 this section shall be reduced so that the total combined rate equals
8 14% on or before December 31, 2016, 13.5% on and after January
9 1, 2017 but before January 1, 2018, and 13% on and after January 1,
10 2018;

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

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

28 b. The hotel and motel occupancy fee imposed by subsection a.
29 of this section shall not be imposed on the rent for an occupancy if
30 the purchaser, user or consumer is an entity exempt from the tax
31 imposed on an occupancy under the "Sales and Use Tax Act"
32 pursuant to subsection (a) of section 9 of P.L.1966, c.30 (C.54:32B-
33 9).

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

36 (cf: P.L.2006, c.44, s.18)]¹

37

38 ²1. Section 3 of P.L.1966, c.30 (C.54:32B-3) is amended to read
39 as follows:

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

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

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

3 (1) Producing, fabricating, processing, printing or imprinting
4 tangible personal property or a specified digital product, performed
5 for a person who directly or indirectly furnishes the tangible
6 personal property or specified digital product, not purchased by him
7 for resale, upon which such services are performed.

8 (2) Installing tangible personal property or a specified digital
9 product, or maintaining, servicing, repairing tangible personal
10 property or a specified digital product not held for sale in the
11 regular course of business, whether or not the services are
12 performed directly or by means of coin-operated equipment or by
13 any other means, and whether or not any tangible personal property
14 or specified digital product is transferred in conjunction therewith,
15 except (i) such services rendered by an individual who is engaged
16 directly by a private homeowner or lessee in or about his residence
17 and who is not in a regular trade or business offering his services to
18 the public, (ii) such services rendered with respect to personal
19 property exempt from taxation hereunder pursuant to section 13 of
20 P.L.1980, c.105 (C.54:32B-8.1), (iii) (Deleted by amendment,
21 P.L.1990, c.40), (iv) any receipts from laundering, dry cleaning,
22 tailoring, weaving, or pressing clothing, and shoe repairing and
23 shoeshining and (v) services rendered in installing property which,
24 when installed, will constitute an addition or capital improvement to
25 real property, property or land, other than landscaping services and
26 other than installing carpeting and other flooring.

27 (3) Storing all tangible personal property not held for sale in the
28 regular course of business; the rental of safe deposit boxes or
29 similar space; and the furnishing of space for storage of tangible
30 personal property by a person engaged in the business of furnishing
31 space for such storage.

32 "Space for storage" means secure areas, such as rooms, units,
33 compartments or containers, whether accessible from outside or
34 from within a building, that are designated for the use of a customer
35 and wherein the customer has free access within reasonable
36 business hours, or upon reasonable notice to the furnisher of space
37 for storage, to store and retrieve property. Space for storage shall
38 not include the lease or rental of an entire building, such as a
39 warehouse or airplane hangar.

40 (4) Maintaining, servicing or repairing real property, other than
41 a residential heating system unit serving not more than three
42 families living independently of each other and doing their cooking
43 on the premises, whether the services are performed in or outside of
44 a building, as distinguished from adding to or improving such real
45 property by a capital improvement, but excluding services rendered
46 by an individual who is not in a regular trade or business offering
47 his services to the public, and excluding garbage removal and sewer

1 services performed on a regular contractual basis for a term not less
2 than 30 days.

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

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

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

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

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

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

17 (11) Investigation and security services.

18 (12) Information services.

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

22 (14) Telephone answering services.

23 (15) Radio subscription services.

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

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

33 (c) (1) Receipts from the sale of prepared food in or by
34 restaurants, taverns, or other establishments in this State, or by
35 caterers, including in the amount of such receipts any cover,
36 minimum, entertainment or other charge made to patrons or
37 customers, except for meals especially prepared for and delivered to
38 homebound elderly, age 60 or older, and to disabled persons, or
39 meals prepared and served at a group-sitting at a location outside of
40 the home to otherwise homebound elderly persons, age 60 or older,
41 and otherwise homebound disabled persons, as all or part of any
42 food service project funded in whole or in part by government or as
43 part of a private, nonprofit food service project available to all such
44 elderly or disabled persons residing within an area of service
45 designated by the private nonprofit organization; and

46 (2) Receipts from sales of food and beverages sold through
47 vending machines, at the wholesale price of such sale, which shall
48 be defined as 70% of the retail vending machine selling price,

1 except sales of milk, which shall not be taxed. Nothing herein
2 contained shall affect other sales through coin-operated vending
3 machines taxable pursuant to subsection (a) above or the exemption
4 thereto provided by section 21 of P.L.1980, c.105 (C.54:32B-8.9).

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

7 (3) For the purposes of this subsection:

8 "Food and beverages sold through vending machines" means
9 food and beverages dispensed from a machine or other mechanical
10 device that accepts payment; and

11 "Prepared food" means:

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

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

20 C. food sold with eating utensils provided by the seller,
21 including plates, knives, forks, spoons, glasses, cups, napkins, or
22 straws. A plate does not include a container or packaging used to
23 transport the food;
24 provided however, that

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

27 A. food sold by a seller whose proper primary NAICS
28 classification is manufacturing in section 311, except subsector
29 3118 (bakeries);

30 B. food sold in an unheated state by weight or volume as a
31 single item; or

32 C. bakery items, including bread, rolls, buns, biscuits, bagels,
33 croissants, pastries, donuts, danish, cakes, tortes, pies, tarts,
34 muffins, bars, cookies, and tortillas.

35 (d) The rent for every occupancy of a room or rooms in a hotel
36 in this State, except that the tax shall not be imposed upon a
37 permanent resident.

38 (e) (1) Any admission charge to or for the use of any place of
39 amusement in the State, including charges for admission to race
40 tracks, baseball, football, basketball or exhibitions, dramatic or
41 musical arts performances, motion picture theaters, except charges
42 for admission to boxing, wrestling, kick boxing or combative sports
43 exhibitions, events, performances or contests which charges are
44 taxed under any other law of this State or under section 20 of
45 P.L.1985, c.83 (C.5:2A-20), and, except charges to a patron for
46 admission to, or use of, facilities for sporting activities in which
47 such patron is to be a participant, such as bowling alleys and
48 swimming pools. For any person having the permanent use or

1 possession of a box or seat or lease or a license, other than a season
2 ticket, for the use of a box or seat at a place of amusement, the tax
3 shall be upon the amount for which a similar box or seat is sold for
4 each performance or exhibition at which the box or seat is used or
5 reserved by the holder, licensee or lessee, and shall be paid by the
6 holder, licensee or lessee.

7 (2) The amount paid as charge of a roof garden, cabaret or other
8 similar place in this State, to the extent that a tax upon such charges
9 has not been paid pursuant to subsection (c) hereof.

10 (f) (1) The receipts from every sale, except for resale, of
11 intrastate, interstate, or international telecommunications services
12 and ancillary services sourced to this State in accordance with
13 section 29 of P.L.2005, c.126 (C.54:32B-3.4).

14 (2) (Deleted by amendment, P.L.2008, c.123)

15 (g) (Deleted by amendment, P.L.2008, c.123)

16 (h) Charges in the nature of initiation fees, membership fees or
17 dues for access to or use of the property or facilities of a health and
18 fitness, athletic, sporting or shopping club or organization in this
19 State, except for: (1) membership in a club or organization whose
20 members are predominantly age 18 or under; and (2) charges in the
21 nature of membership fees or dues for access to or use of the
22 property or facilities of a health and fitness, athletic, sporting or
23 shopping club or organization that is exempt from taxation pursuant
24 to paragraph (1) of subsection (a) of section 9 of P.L.1966, c.30
25 (C.54:32B-9), or that is exempt from taxation pursuant to paragraph
26 (1) or (2) of subsection (b) of section 9 of P.L.1966, c.30 and that
27 has complied with subsection (d) of section 9 of P.L.1966, c.30.

28 (i) The receipts from parking, storing or garaging a motor
29 vehicle, excluding charges for the following: residential parking;
30 employee parking, when provided by an employer or at a facility
31 owned or operated by the employer; municipal parking, storing or
32 garaging; receipts from charges or fees imposed pursuant to section
33 3 of P.L.1993, c.159 (C.5:12-173.3) or pursuant to an agreement
34 between the Casino Reinvestment Development Authority and a
35 casino operator in effect on the date of enactment of P.L.2007,
36 c.105; and receipts from parking, storing or garaging a motor
37 vehicle subject to tax pursuant to any other law or ordinance.

38 For the purposes of this subsection, "municipal parking, storing
39 or garaging" means any motor vehicle parking, storing or garaging
40 provided by a municipality or county, or a parking authority
41 thereof.²

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

43

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

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

1 the purchaser, on or before December 31, 2016 a seller shall use
2 one of the two following options:

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

4	Amount of Sale	Amount of Tax
5	\$0.01 to \$0.10	No Tax
6	0.11 to 0.19	\$0.01
7	0.20 to 0.32	0.02
8	0.33 to 0.47	0.03
9	0.48 to 0.62	0.04
10	0.63 to 0.77	0.05
11	0.78 to 0.90	0.06
12	0.91 to \$1.10	0.07

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

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

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

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

22 c. For the purpose of adding and collecting the tax imposed by
23 this act, or an amount equal as nearly as possible or practicable to
24 the average equivalent thereof, to be reimbursed to the seller by the
25 purchaser, on or after January 1, 2017 a seller shall use one of the
26 two following options:

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

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

32 Sellers may compute the tax due on a transaction on either an
33 item or an invoice basis.²

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

35
36 ²3. Section 5 of P.L.1966, c.30 (C.54:32B-5) is amended to read
37 as follows:

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

1 July 1, 1992, the receipts from such agreement are subject to tax at
2 the rate, if any, applicable to each period as set forth hereinabove
3 and shall be apportioned on the basis of the ratio of the number of
4 days falling within each of the said periods to the total number of
5 days covered thereby.

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

20 (3) Except as otherwise provided in this act, receipts received
21 from all sales made and services rendered on and after July 1, 1992
22 but prior to July 15, 2006, are subject to the taxes imposed under
23 subsections (a), (b), (c), (f) and (g) of section 3 of P.L.1966, c.30
24 (C.54:32B-3) at the rate of 6%, except if the property so sold is
25 delivered or the services so sold are rendered on or after July 15,
26 2006 but prior to January 1, 2017, in which case the tax shall be
27 computed and paid at the rate of 7%, provided, however, that if a
28 service or maintenance agreement taxable under this act covers any
29 period commencing on or after July 1, 1992, and ending after July
30 15, 2006 but prior to January 1, 2017, the receipts from such
31 agreement are subject to tax at the rate applicable to each period as
32 set forth hereinabove and shall be apportioned on the basis of the
33 ratio of the number of days falling within each of the said periods to
34 the total number of days covered thereby; provided however, if a
35 service or maintenance agreement in effect on July 14, 2006 covers
36 billing periods ending after July 15, 2006 but prior to January 1,
37 2017, the seller shall charge and collect from the purchaser a tax on
38 such sales at the rate of 6%, unless the billing period starts on or
39 after July 15, 2006 but prior to January 1, 2017 in which case the
40 seller shall charge and collect a tax at the rate of 7%.

41 (4) Except as otherwise provided in this act, receipts received
42 from all sales made and services rendered on or after July 15, 2006
43 but prior to January 1, 2017, are subject to the taxes imposed under
44 subsections (a), (b), (c), (f), and (i) of section 3 of P.L.1966, c.30
45 (C.54:32B-3) at the rate of 7%, except if the property so sold is
46 delivered or the services so sold are rendered on or after January 1,
47 2017 but prior to January 1, 2018, in which case the tax shall be
48 computed and paid at the rate of 6.875%; provided, however, that if

1 a service or maintenance agreement taxable under this act covers
2 any period commencing on or after July 15, 2006 and ending after
3 January 1, 2017 but prior to January 1, 2018, the receipts from such
4 agreement are subject to tax at the rate applicable to each period as
5 set forth hereinabove and shall be apportioned on the basis of the
6 ratio of the number of days falling within each of the said periods to
7 the total number of days covered thereby; provided, further, if a
8 service or maintenance agreement in effect on December 31, 2016
9 covers billing periods ending after January 1, 2017 but prior to
10 January 1, 2018, the seller shall charge and collect from the
11 purchaser a tax on such sales at the rate of 7%, unless the bill for
12 such service or maintenance agreement is rendered on or after
13 January 1, 2017 but prior to January 1, 2018 in which case the seller
14 shall charge and collect a tax at a rate of 6.875%.

15 (5) Except as otherwise provided in this act, receipts received
16 from all sales made and services rendered on or after January 1,
17 2017 but prior to January 1, 2018, are subject to the taxes imposed
18 under subsections (a), (b), (c), (f), and (i) of section 3 of P.L.1966,
19 c.30 (C.54:32B-3) at the rate of 6.875%, except if the property so
20 sold is delivered or the services so sold are rendered on or after
21 January 1, 2018, in which case the tax shall be computed and paid
22 at the rate of 6.625%; provided, however, that if a service or
23 maintenance agreement taxable under this act covers any period
24 commencing on or after January 1, 2017 and ending after January 1,
25 2018, the receipts from such agreement are subject to tax at the rate
26 applicable to each period as set forth hereinabove and shall be
27 apportioned on the basis of the ratio of the number of days falling
28 within each of the said periods to the total number of days covered
29 thereby; provided, further, if a service or maintenance agreement in
30 effect on December 31, 2017 covers billing periods ending after
31 January 1, 2018, the seller shall charge and collect from the
32 purchaser a tax on such sales at the rate of 6.875%, unless the bill
33 for such service or maintenance agreement is rendered on or after
34 January 1, 2018 in which case the seller shall charge and collect a
35 tax at a rate of 6.625%.

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

47 (2) The tax imposed under subsection (d) of section 3 shall be
48 paid at the rate of 6% upon any occupancy on and after July 1, 1992

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

10 (3) The tax imposed under subsection (d) of section 3 shall be
11 paid at the rate of 7% upon any occupancy on and after July 15,
12 2006 but prior to January 1, 2017, although such occupancy is
13 pursuant to a prior contract, lease or other arrangement. If an
14 occupancy, taxable under this act, covers any period on or after July
15 1, 1992 but prior to July 15, 2006, the rent for the period of
16 occupancy prior to July 15, 2006 shall be taxed at the rate of 6%. If
17 rent is paid on a weekly, monthly or other term basis, the rent
18 applicable to each period as set forth hereinabove shall be
19 apportioned on the basis of the ratio of the number of days falling
20 within each of the said periods to the total number of days covered
21 thereby.

22 (4) The tax imposed under subsection (d) of section 3 shall be
23 paid at the rate of 6.875% upon any occupancy on or after January
24 1, 2017 but prior to January 1, 2018, although such occupancy is
25 pursuant to a prior contract, lease, or other arrangement. If an
26 occupancy, taxable under this act, covers any period on or after July
27 15, 2006 but prior to January 1, 2017, the rent for the period of
28 occupancy prior to January 1, 2017 shall be taxed at the rate of 7%.
29 If rent is paid on a weekly, monthly, or other term basis, the rent
30 applicable to each period as set forth hereinabove shall be
31 apportioned on the basis of the ratio of the number of days falling
32 within each of the said periods to the total number of days covered
33 thereby.

34 (5) The tax imposed under subsection (d) of section 3 shall be
35 paid at the rate of 6.625% upon any occupancy on or after January
36 1, 2018, although such occupancy is pursuant to a prior contract,
37 lease, or other arrangement. If an occupancy, taxable under this act,
38 covers any period on or after January 1, 2017 but prior to January 1,
39 2018, the rent for the period of occupancy prior to January 1, 2018
40 shall be taxed at the rate of 6.875%. If rent is paid on a weekly,
41 monthly, or other term basis, the rent applicable to each period as
42 set forth hereinabove shall be apportioned on the basis of the ratio
43 of the number of days falling within each of the said periods to the
44 total number of days covered thereby.

45 c. (1) Except as otherwise hereinafter provided, the tax imposed
46 under subsection (e) of section 3 shall be applicable at the rate of
47 7% to any admission to or for the use of facilities of a place of
48 amusement occurring on or after July 1, 1990 but prior to July 1,

1 1992, whether or not the admission charge has been paid prior to
2 July 1, 1990, unless the tickets were actually sold and delivered,
3 other than for resale, prior to July 1, 1990 and the tax imposed
4 under this act during the period January 3, 1983 through June 30,
5 1990 shall have been paid.

6 (2) Except as otherwise hereinafter provided, the tax imposed
7 under subsection (e) of section 3 shall be applicable at the rate of
8 6% to any admission to or for the use of facilities of a place of
9 amusement occurring on or after July 1, 1992 but prior to July 15,
10 2006, whether or not the admission charge has been paid prior to
11 July 1, 1992, unless the tickets were actually sold and delivered,
12 other than for resale, prior to July 1, 1992 and the tax imposed
13 under this act during the period July 1, 1990 through December 31,
14 1990 shall have been paid.

15 (3) Except as otherwise hereinafter provided, the tax imposed
16 under subsection (e) of section 3 shall be applicable at the rate of
17 7% to any admission to or for the use of facilities of a place of
18 amusement occurring on or after July 15, 2006 but prior to January
19 1, 2017, whether or not the admission charge has been paid prior to
20 **[that date]** July 15, 2006, unless the tickets were actually sold and
21 delivered, other than for resale, prior to July 15, 2006 and the tax
22 imposed under this act during the period July 1, 1992 through July
23 14, 2006 shall have been paid.

24 (4) Except as otherwise hereinafter provided, the tax imposed
25 under subsection (e) of section 3 shall be applicable at the rate of
26 6.875% to any admission to or for the use of facilities of a place of
27 amusement occurring on or after January 1, 2017 but prior to
28 January 1, 2018, whether or not the admission charge has been paid
29 prior to January 1, 2017, unless the tickets were actually sold and
30 delivered, other than for resale, prior to January 1, 2017 and the tax
31 imposed under this act during the period July 15, 2006 through
32 December 31, 2016 shall have been paid.

33 (5) Except as otherwise hereinafter provided, the tax imposed
34 under subsection (e) of section 3 shall be applicable at the rate of
35 6.625% to any admission to or for the use of facilities of a place of
36 amusement occurring on or after January 1, 2018, whether or not
37 the admission charge has been paid prior to that date, unless the
38 tickets were actually sold and delivered, other than for resale, prior
39 to January 1, 2018 and the tax imposed under this act during the
40 period January 1, 2017 through December 31, 2017 shall have been
41 paid.

42 d. (1) Sales made on and after July 1, 1990 but prior to July 1,
43 1992 to contractors, subcontractors or repairmen of materials,
44 supplies, or services for use in erecting structures for others, or
45 building on, or otherwise improving, altering or repairing real
46 property of others shall be subject to the taxes imposed by
47 subsections (a) and (b) of section 3 and section 6 hereof at the rate
48 of 7%; provided, however, that if such sales are made for use in

1 performance of a contract which is either of a fixed price not
2 subject to change or modification, or entered into pursuant to the
3 obligation of a formal written bid which cannot be altered or
4 withdrawn, and, in either case, such contract was entered into or
5 such bid was made on or after January 3, 1983 but prior to July 1,
6 1990, such sales shall be subject to tax at the rate of 6%, but the
7 vendor shall charge and collect from the purchaser a tax on such
8 sales at the rate of 7%.

9 (2) Sales made on or after July 1, 1992 but prior to July 15,
10 2006 to contractors, subcontractors or repairmen of materials,
11 supplies, or services for use in erecting structures for others, or
12 building on, or otherwise improving, altering or repairing real
13 property of others shall be subject to the taxes imposed by
14 subsections (a) and (b) of section 3 and section 6 hereof at the rate
15 of 6%; provided, however, that if such sales are made for use in
16 performance of a contract which is either of a fixed price not
17 subject to change or modification, or entered into pursuant to the
18 obligation of a formal written bid which cannot be altered or
19 withdrawn, and, in either case, such contract was entered into or
20 such bid was made on or after July 1, 1990, but prior to July 1,
21 1992, such sales shall be subject to tax at the rate of 7%.

22 (3) Sales made on or after July 15, 2006 but prior to January 1,
23 2017 to contractors, subcontractors or repairmen of materials,
24 supplies, or services for use in erecting structures for others, or
25 building on, or otherwise improving, altering or repairing real
26 property of others shall be subject to the taxes imposed by
27 subsections (a) and (b) of section 3 and section 6 hereof at the rate
28 of 7%; provided, however, that if such sales are made for use in
29 performance of a contract which is either of a fixed price not
30 subject to change or modification, or entered into pursuant to the
31 obligation of a formal written bid which cannot be altered or
32 withdrawn, and, in either case, such contract was entered into or
33 such bid was made on or after July 1, 1992, but prior to July 15,
34 2006, such sales shall be subject to tax at the rate of 6%, but the
35 seller shall charge and collect from the purchaser a tax on such sales
36 at the rate of 7%.

37 (4) Sales made on or after January 1, 2017 but prior to January
38 1, 2018 to contractors, subcontractors, or repairmen of materials,
39 supplies, or services for use in erecting structures for others, or
40 building on, or otherwise improving, altering or repairing real
41 property of others shall be subject to the taxes imposed by
42 subsections (a) and (b) of section 3 and section 6 hereof at the rate
43 of 6.875%; provided, however, that if such sales are made for use in
44 the performance of a contract which is either of a fixed price not
45 subject to change or modification, or entered into pursuant to the
46 obligation of a formal written bid which cannot be altered or
47 withdrawn, and, in either case, such contract was entered into or

1 such bid was made on or after July 15, 2006, but prior to January 1,
2 2017, such sales shall be subject to tax at the rate of 7%.

3 (5) Sales made on or after January 1, 2018 to contractors,
4 subcontractors, or repairmen of materials, supplies, or services for
5 use in erecting structures for others, or building on, or otherwise
6 improving, altering or repairing real property of others shall be
7 subject to the taxes imposed by subsections (a) and (b) of section 3
8 and section 6 hereof at the rate of 6.625%; provided, however, that
9 if such sales are made for use in the performance of a contract
10 which is either of a fixed price not subject to change or
11 modification, or entered into pursuant to the obligation of a formal
12 written bid which cannot be altered or withdrawn, and, in either
13 case, such contract was entered into or such bid was made prior to
14 January 1, 2018, such sales shall be subject to tax at the rate in
15 effect during the time period in which such contract was entered
16 into or such bid was made.

17 e. (1) As to sales other than those referred to in d. above, the
18 taxes imposed under subsections (a) and (b) of section 3 and section
19 6 hereof, and the taxes imposed under subsection (f) of section 3
20 and section 6 hereof, upon receipts received on or after July 1, 1990
21 and on or before December 31, 1990, shall be at the rate in effect on
22 June 30, 1990, in case of sales made or services rendered pursuant
23 to a written contract entered on or after January 3, 1983 but prior to
24 July 1, 1990, and accompanied by a deposit or partial payment of
25 the contract price, except in the case of a contract which, in the
26 usage of trade, is not customarily accompanied by a deposit or
27 partial payment of the contract price, but the vendor shall charge
28 and collect from the purchaser on such sales at the rate of 7%,
29 which tax shall be reduced to the rate, if any, in effect on June 30,
30 1990, only by a claim for refund filed by the purchaser with the
31 director within 90 days after receipt of said receipts and otherwise
32 pursuant to the provisions of section 20 of P.L.1966, c.30
33 (C.54:32B-20). A claim for refund shall not be allowed if there has
34 been no deposit or partial payment of the contract price unless the
35 claimant shall establish by clear and convincing evidence that, in
36 the usage of trade, such contracts are not customarily accompanied
37 by a deposit or partial payment of the contract price.

38 (2) As to sales other than those referred to in d. above, the taxes
39 imposed under subsections (a) and (b) of section 3 and section 6
40 hereof, and the taxes imposed under subsections (f) and (g) of
41 section 3 and section 6 hereof, upon receipts received on or after
42 July 15, 2006 and on or before December 31, 2006, shall be at the
43 rate in effect on July 14, 2006, in case of sales made or services
44 rendered pursuant to a written contract entered on or after July 1,
45 1992 but prior to July 15, 2006, and accompanied by a deposit or
46 partial payment of the contract price, except in the case of a
47 contract which, in the usage of trade, is not customarily
48 accompanied by a deposit or partial payment of the contract price,

1 but the seller shall charge and collect from the purchaser on such
2 sales at the rate of 7%, which tax shall be reduced to the rate, if any,
3 in effect on July 14, 2006, only by a claim for refund filed by the
4 purchaser with the director within 90 days after receipt of said
5 receipts and otherwise pursuant to the provisions of section 20 of
6 P.L.1966, c.30 (C.54:32B-20). A claim for refund shall not be
7 allowed if there has been no deposit or partial payment of the
8 contract price unless the claimant shall establish by clear and
9 convincing evidence that, in the usage of trade, such contracts are
10 not customarily accompanied by a deposit or partial payment of the
11 contract price.

12 f. (1) The taxes imposed under subsections (a), (b), (c) and (f) of
13 section 3 upon receipts received on or after July 1, 1990 but prior to
14 July 1, 1992 shall be at the rate, if any, in effect on June 30, 1990 in
15 the case of sales made or services rendered, if delivery of the
16 property which was the subject matter of the sale has been
17 completed or such services have been entirely rendered prior to July
18 1, 1990.

19 (2) The taxes imposed under subsections (a), (b), (c) and (f) of
20 section 3 upon receipts received on or after July 1, 1992 but prior to
21 July 15, 2006 shall be at the rate of 7% in the case of sales made or
22 services rendered, where delivery of the property which was the
23 subject matter of the sale has been completed or such services have
24 been entirely rendered on or after July 1, 1990 but prior to July 1,
25 1992.

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

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

38 (5) The taxes imposed under subsections (a), (b), (c), (f), and (i)
39 of section 3 upon receipts received on or after January 1, 2018 shall
40 be at the rate of 6.875% in the case of sales made or services
41 rendered, where delivery of the property which was the subject
42 matter of the sale has been completed or such services have been
43 entirely rendered on or after January 1, 2017 but prior to January 1,
44 2018.

45 g. (1) Except as otherwise hereinafter provided, the taxes
46 imposed by subsection (h) of section 3 of P.L.1966, c.30
47 (C.54:32B-3) and clause (J) of section 6 of P.L.1966, c.30
48 (C.54:32B-6) shall be imposed and paid at the rate of 6.875% upon

1 all charges in the nature of initiation fees, membership fees, or dues
2 paid on or after January 1, 2017 but before January 1, 2018. All
3 charges in the nature of initiation fees, membership fees, or dues
4 paid on or after October 1, 2006 but before January 1, 2017 shall be
5 imposed and paid at the rate of 7%; provided, however, that any
6 charges in the nature of membership fees and dues paid on or after
7 October 1, 2006 but before January 1, 2017 that allow a member
8 access to or use of the property or facilities of a health and fitness,
9 athletic, sporting, or shopping club or organization in this State for
10 any period beginning on or after October 1, 2006 but before January
11 1, 2017 and ending on or after January 1, 2017 but before January
12 1, 2018 shall be subject to tax at the rate applicable to each period
13 as set forth hereinabove and shall be apportioned on the basis of the
14 ratio of the number of days falling within each of the said periods to
15 the total number of days covered thereby.

16 (2) Except as otherwise hereinafter provided, the taxes imposed
17 by subsection (h) of section 3 of P.L.1966, c.30 (C.54:32B-3) and
18 clause (J) of section 6 of P.L.1966, c.30 (C.54:32B-6) shall be
19 imposed and paid at the rate of 6.625% upon all charges in the
20 nature of initiation fees, membership fees, or dues paid on or after
21 January 1, 2018. All charges in the nature of initiation fees,
22 membership fees, or dues paid on or after January 1, 2017 but
23 before January 1, 2018 shall be imposed and paid at the rate of
24 6.875%; provided, however, that any charges in the nature of
25 membership fees and dues paid on or after January 1, 2017 but
26 before January 1, 2018 that allow a member access to or use of the
27 property or facilities of a health and fitness, athletic, sporting, or
28 shopping club or organization in this State for any period beginning
29 on or after January 1, 2017 but before January 1, 2018 and ending
30 on or after January 1, 2018 shall be subject to tax at the rate
31 applicable to each period as set forth hereinabove and shall be
32 apportioned on the basis of the ratio of the number of days falling
33 within each of the said periods to the total number of days covered
34 thereby.

35 **[g]** h. The director is empowered to promulgate rules and
36 regulations to implement the provisions of this section.²
37 (cf: P.L.2011, c.49, s.3)

38

39 ²4. Section 6 of P.L.1966, c.30 (C.54:32B-6) is amended to read
40 as follows:

41 6. Unless property or services have already been or will be
42 subject to the sales tax under this act, there is hereby imposed on
43 and there shall be paid by every person a use tax for the use within
44 this State of 7% on or before December 31, 2016, 6.875% on and
45 after January 1, 2017 but before January 1, 2018, and 6.625% on
46 and after January 1, 2018, except as otherwise exempted under this
47 act, (A) of any tangible personal property or specified digital
48 product purchased at retail, including energy, provided however,

1 that electricity consumed by the generating facility that produced it
2 shall not be subject to tax, (B) of any tangible personal property or
3 specified digital product manufactured, processed or assembled by
4 the user, if items of the same kind of tangible personal property or
5 specified digital products are offered for sale by him in the regular
6 course of business, or if items of the same kind of tangible personal
7 property are not offered for sale by him in the regular course of
8 business and are used as such or incorporated into a structure,
9 building or real property, (C) of any tangible personal property or
10 specified digital product, however acquired, where not acquired for
11 purposes of resale, upon which any taxable services described in
12 paragraphs (1) and (2) of subsection (b) of section 3 of P.L.1966,
13 c.30 (C.54:32B-3) have been performed, (D) of intrastate, interstate,
14 or international telecommunications services described in
15 subsection (f) of section 3 of P.L.1966, c.30, (E) (Deleted by
16 amendment, P.L.1995, c.184), (F) of utility service provided to
17 persons in this State for use in this State, provided however, that
18 utility service used by the facility that provides the service shall not
19 be subject to tax, (G) of mail processing services described in
20 paragraph (5) of subsection (b) of section 3 of P.L.1966, c.30
21 (C.54:32B-3), (H) (Deleted by amendment, P.L.2008, c.123), (I) of
22 any services subject to tax pursuant to subsection (11), (12), (13),
23 (14) or (15) of subsection (b) of section 3 of P.L.1966, c.30
24 (C.54:32B-3), and (J) of access to or use of the property or facilities
25 of a health and fitness, athletic, sporting or shopping club or
26 organization in this State. For purposes of clause (A) of this
27 section, the tax shall be at the applicable rate, as set forth
28 hereinabove, of the consideration given or contracted to be given
29 for such property or for the use of such property including delivery
30 charges made by the seller, but excluding any credit for property of
31 the same kind accepted in part payment and intended for resale. For
32 the purposes of clause (B) of this section, the tax shall be at the
33 applicable rate, as set forth hereinabove, of the price at which items
34 of the same kind of tangible personal property or specified digital
35 products are offered for sale by the user, or if items of the same
36 kind of tangible personal property are not offered for sale by the
37 user in the regular course of business and are used as such or
38 incorporated into a structure, building or real property the tax shall
39 be at the applicable rate, as set forth hereinabove, of the
40 consideration given or contracted to be given for the tangible
41 personal property manufactured, processed or assembled by the user
42 into the tangible personal property the use of which is subject to use
43 tax pursuant to this section, and the mere storage, keeping, retention
44 or withdrawal from storage of tangible personal property or
45 specified digital products by the person who manufactured,
46 processed or assembled such property shall not be deemed a taxable
47 use by him. For purposes of clause (C) of this section, the tax shall
48 be at the applicable rate, as set forth hereinabove, of the

1 consideration given or contracted to be given for the service,
2 including the consideration for any tangible personal property or
3 specified digital product transferred in conjunction with the
4 performance of the service, including delivery charges made by the
5 seller. For the purposes of clause (D) of this section, the tax shall
6 be at the applicable rate on the charge made by the
7 telecommunications service provider; provided however, that for
8 prepaid calling services and prepaid wireless calling services the tax
9 shall be at the applicable rate on the consideration given or
10 contracted to be given for the prepaid calling service or prepaid
11 wireless calling service or the recharge of the prepaid calling
12 service or prepaid wireless calling service. For purposes of clause
13 (F) of this section, the tax shall be at the applicable rate on the
14 charge made by the utility service provider. For purposes of clause
15 (G) of this section, the tax shall be at the applicable rate on that
16 proportion of the amount of all processing costs charged by a mail
17 processing service provider that is attributable to the service
18 distributed in this State. For purposes of clause (I) of this section,
19 the tax shall be at the applicable rate on the charge made by the
20 service provider. For purposes of clause (J) of this section, the tax
21 shall be at the applicable rate on the charges in the nature of
22 initiation fees, membership fees or dues.²

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

24

25 ²⁵. Section 31 of P.L.1980, c.105 (C.54:32B-8.19) is amended
26 to read as follows:

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

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

36 b. Irrespective of the rate of tax imposed by such ordinance,
37 such sales shall be exempt only to the extent that the rate of taxation
38 imposed by the ordinance exceeds 6%, except that the combined
39 rate of taxation imposed under the ordinance and under this section
40 shall not exceed 13% on or before December 31, 2016, 12.875% on
41 and after January 1, 2017 but before January 1, 2018, and 12.625%
42 on and after January 1, 2018.²

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

44 ²⁶. Section 1 of P.L.2003, c.114 (C.54:32D-1) is amended to
45 read as follows:

46 1. a. In addition to any other tax, assessment or use fee
47 authorized by law, there is imposed and shall be paid a hotel and
48 motel occupancy fee of 7% for occupancies on and after August 1,

1 2003 but before July 1, 2004, and of 5% for occupancies on and
2 after July 1, 2004, upon the rent for every occupancy of a room or
3 rooms in a hotel subject to taxation pursuant to subsection (d) of
4 section 3 of P.L.1966, c.30 (C.54:32B-3), which every person
5 required to collect tax shall collect from the customer when
6 collecting the rent to which it applies; provided however, that on
7 and after the tenth day following a certification by the Director of
8 the Division of Budget and Accounting in the Department of the
9 Treasury pursuant to subsection d. of section 2 of P.L.2003, c.114
10 (C.54:32D-2), no such fee shall be paid or collected; and provided
11 further that:

12 (1) the combined rates of the fee imposed under this section,
13 plus the tax imposed under the "Sales and Use Tax Act", P.L.1966,
14 c.30 (C.54:32B-1 et seq.), plus any tax imposed under P.L.1947,
15 c.71 (C.40:48-8.15 et seq.), shall not exceed a total rate of 14% on
16 or before December 31, 2016, 13.875% on and after January 1,
17 2017 but before January 1, 2018, and 13.625% on and after January
18 1, 2018, and to the extent that the total combined rate of taxation for
19 the listed fees and taxes would exceed 14% on or before December
20 31, 2016, 13.875% on and after January 1, 2017 but before January
21 1, 2018, and 13.625% on and after January 1, 2018, the fee imposed
22 under this section shall be reduced so that the total combined rate
23 equals 14% on or before December 31, 2016, 13.875% on and after
24 January 1, 2017 but before January 1, 2018, and 13.625% on and
25 after January 1, 2018;

26 (2) the combined rates of the fee imposed under this section,
27 plus the tax imposed under the "Sales and Use Tax Act", P.L.1966,
28 c.30 (C.54:32B-1 et seq.), plus any tax and assessment imposed
29 under section 4 of P.L.1992, c.165 (C.40:54D-4), shall not exceed a
30 total rate of 14% on or before December 31, 2016, 13.875% on and
31 after January 1, 2017 but before January 1, 2018, and 13.625% on
32 and after January 1, 2018, and to the extent that the total combined
33 rate of taxation for the listed fees and taxes would exceed 14% on
34 or before December 31, 2016, 13.875% on and after January 1,
35 2017 but before January 1, 2018, and 13.625% on and after January
36 1, 2018, the fee imposed under this section shall be reduced so that
37 the total combined rate equals 14% on or before December 31,
38 2016, 13.875% on and after January 1, 2017 but before January 1,
39 2018, and 13.625% on and after January 1, 2018; and

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

43 b. The hotel and motel occupancy fee imposed by subsection a.
44 of this section shall not be imposed on the rent for an occupancy if
45 the purchaser, user or consumer is an entity exempt from the tax
46 imposed on an occupancy under the "Sales and Use Tax Act"
47 pursuant to subsection (a) of section 9 of P.L.1966, c.30 (C.54:32B-
48 9).

1 c. Terms used in this section shall have the meaning given
2 those terms pursuant to section 2 of P.L.1966, c.30 (C.54:32B-2).²
3 (cf: P.L.2006, c.44, s.18)
4

5 ²[¹1.] 7.² R.S.54:38-1 is amended to read as follows:

6 54:38-1. a. In addition to the inheritance, succession or legacy
7 taxes imposed by this State under authority of chapters 33 to 36 of
8 this title (R.S.54:33-1 et seq.), or hereafter imposed under authority
9 of any subsequent enactment, there is hereby imposed an estate or
10 transfer tax:

11 (1) Upon the transfer of the estate of every resident decedent
12 dying before January 1, 2002 which is subject to an estate tax
13 payable to the United States under the provisions of the federal
14 revenue act of one thousand nine hundred and twenty-six and the
15 amendments thereof and supplements thereto or any other federal
16 revenue act in effect as of the date of death of the decedent, the
17 amount of which tax shall be the sum by which the maximum credit
18 allowable against any federal estate tax payable to the United States
19 under any federal revenue act on account of taxes paid to any state
20 or territory of the United States or the District of Columbia, shall
21 exceed the aggregate amount of all estate, inheritance, succession or
22 legacy taxes actually paid to any state or territory of the United
23 States or the District of Columbia, including inheritance, succession
24 or legacy taxes actually paid this State, in respect to any property
25 owned by such decedent or subject to such taxes as a part of or in
26 connection with the estate; and

27 (2) (a) Upon the transfer of the estate of every resident
28 decedent dying after December 31, 2001, but before January 1,
29 2017, which would have been subject to an estate tax payable to the
30 United States under the provisions of the federal Internal Revenue
31 Code of 1986 (26 U.S.C. s.1 et seq.) in effect on December 31,
32 2001, the amount of which tax shall be, at the election of the person
33 or corporation liable for the payment of the tax under this chapter,
34 either

35 (i) the maximum credit that would have been allowable under
36 the provisions of that federal Internal Revenue Code in effect on
37 that date against the federal estate tax that would have been payable
38 under the provisions of that federal Internal Revenue Code in effect
39 on that date on account of taxes paid to any state or territory of the
40 United States or the District of Columbia, or

41 (ii) determined pursuant to the simplified tax system as may be
42 prescribed by the Director of the Division of Taxation in the
43 Department of the Treasury to produce a liability similar to the
44 liability determined pursuant to clause (i) of this paragraph reduced
45 pursuant to paragraph (b) of this subsection.

46 (b) The amount of tax liability determined pursuant to
47 subparagraph (a) of this paragraph shall be reduced by the
48 aggregate amount of all estate, inheritance, succession or legacy

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

10 (3) (a) Upon the transfer of the estate of each resident decedent
 11 dying on or after January 1, 2017, whether or not subject to an
 12 estate tax payable to the United States under the provisions of the
 13 federal Internal Revenue Code (26 U.S.C. s.1 et seq.), the amount of
 14 the taxable estate, determined pursuant to section 2051 of the
 15 federal Internal Revenue Code (26 U.S.C. s.2051), shall be subject
 16 to tax pursuant to the following schedule:

17

<u>On any amount up to \$100,000</u>	<u>0.0%</u>
<u>On any amount in excess of \$100,000,</u> <u>up to \$150,000</u>	<u>0.8% of the excess over</u> <u>\$100,000</u>
<u>On any amount in excess of \$150,000,</u> <u>up to \$200,000.</u>	<u>\$400 plus 1.6% of the excess</u> <u>over \$150,000</u>
<u>On any amount in excess of \$200,000,</u> <u>up to \$300,000.</u>	<u>\$1,200 plus 2.4% of the</u> <u>excess over \$200,000</u>
<u>On any amount in excess of \$300,000,</u> <u>up to \$500,000.</u>	<u>\$3,600 plus 3.2% of the</u> <u>excess over \$300,000</u>
<u>On any amount in excess of \$500,000,</u> <u>up to \$700,000.</u>	<u>\$10,000 plus 4.0% of the</u> <u>excess over \$500,000</u>
<u>On any amount in excess of \$700,000,</u> <u>up to \$900,000.</u>	<u>\$18,000 plus 4.8% of the</u> <u>excess over \$700,000</u>
<u>On any amount in excess of \$900,000,</u> <u>up to \$1,100,000.</u>	<u>\$27,600 plus 5.6% of the</u> <u>excess over \$900,000</u>
<u>On any amount in excess of</u> <u>\$1,100,000, up to \$1,600,000.</u>	<u>\$38,800 plus 6.4% of the</u>

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	<u>excess over \$1,100,000</u>
<u>On any amount in excess of \$1,600,000, up to \$2,100,000.</u>	<u>\$70,800 plus 7.2% of the excess over \$1,600,000</u>
<u>On any amount in excess of \$2,100,000, up to \$2,600,000.</u>	<u>\$106,800 plus 8.0% of the excess over \$2,100,000</u>
<u>On any amount in excess of \$2,600,000, up to \$3,100,000.</u>	<u>\$146,800 plus 8.8% of the excess over \$2,600,000</u>
<u>On any amount in excess of \$3,100,000, up to \$3,600,000.</u>	<u>\$190,800 plus 9.6% of the excess over \$3,100,000</u>
<u>On any amount in excess of \$3,600,000, up to \$4,100,000.</u>	<u>\$238,800 plus 10.4% of the excess over \$3,600,000</u>
<u>On any amount in excess of \$4,100,000, up to \$5,100,000.</u>	<u>\$290,800 plus 11.2% of the excess over \$4,100,000</u>
<u>On any amount in excess of \$5,100,000, up to \$6,100,000.</u>	<u>\$402,800 plus 12.0% of the excess over \$5,100,000</u>
<u>On any amount in excess of \$6,100,000, up to \$7,100,000.</u>	<u>\$522,800 plus 12.8% of the excess over \$6,100,000</u>
<u>On any amount in excess of \$7,100,000, up to \$8,100,000.</u>	<u>\$650,800 plus 13.6% of the excess over \$7,100,000</u>
<u>On any amount in excess of \$8,100,000, up to \$9,100,000.</u>	<u>\$786,800 plus 14.4% of the excess over \$8,100,000</u>
<u>On any amount in excess of \$9,100,000, up to \$10,100,000.</u>	<u>\$930,800 plus 15.2% of the excess over \$9,100,000</u>
<u>On any amount in excess of \$10,100,000.</u>	<u>\$1,082,800 plus 16.0% of the excess over \$10,100,000</u>

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

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

8 ²[For the transfer of the estate of each resident decedent dying
9 on or after January 1, 2018, but before January 1, 2020, the tax
10 imposed by this section shall be based upon the applicable
11 exclusion amount determined pursuant to subsection (c) of section
12 2010 of the federal Internal Revenue Code (26 U.S.C. s.2010), as
13 amended or adjusted by federal law, rule or regulation.]²

14 (c) The amount of tax liability of a resident decedent determined
15 pursuant to subparagraphs (a) and (b) of this paragraph shall be
16 reduced by the aggregate amount of all estate, inheritance,
17 succession or legacy taxes actually paid to any state of the United
18 States, including inheritance taxes actually paid this State, in
19 respect to any property owned by that decedent or subject to those
20 taxes as a part of or in connection with the estate; provided
21 however, that the amount of the reduction shall not exceed the
22 proportion of the tax otherwise due under this subsection that the
23 amount of the estate's property subject to tax by other jurisdictions
24 bears to the entire estate taxable under this chapter.

25 (4) For the transfer of the estate of each resident decedent dying
26 on or after January 1, ²[2020] 2018², there shall be no tax imposed.

27 ²[(5) Upon the transfer of the real or tangible personal property
28 within New Jersey of each nonresident decedent dying on or after
29 January 1, 2017, but before January 1, 2020, which tax shall bear
30 the same ratio to the entire tax which that estate would have been
31 subject to pursuant to subparagraphs (a) and (b) of paragraph (3)
32 and paragraph (4) of this subsection if that nonresident decedent
33 had been a resident of this State, and all of the decedent's property,
34 real and personal, had been located within this State, as the taxable
35 property within this State bears to the entire estate, wherever
36 situated.]²

37 b. (1) In the case of the estate of a decedent dying before
38 January 1, 2002 where no inheritance, succession or legacy tax is
39 due this State under the provisions of chapters 33 to 36 of this title
40 or under authority of any subsequent enactment imposing taxes of a
41 similar nature, but an estate tax is due the United States under the
42 provisions of any federal revenue act in effect as of the date of
43 death, wherein provision is made for a credit on account of taxes
44 paid the several states or territories of the United States, or the
45 District of Columbia, the tax imposed by this chapter shall be the
46 maximum amount of such credit less the aggregate amount of such
47 estate, inheritance, succession or legacy taxes actually paid to any
48 state or territory of the United States or the District of Columbia.

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

8 (3) In the case of the estate of a decedent dying on or after
 9 January 1, 2017 the tax imposed by this chapter shall be determined
 10 pursuant to paragraphs (3) ²[.] and² (4) ²[and (5)]² of subsection a.
 11 of this section.

12 c. For the purposes of this section, a "simplified tax system" to
 13 produce a liability similar to the liability determined pursuant to
 14 clause (i) of subparagraph (a) of paragraph (2) of subsection a. of
 15 this section is a tax system that is based upon the \$675,000 unified
 16 estate and gift tax applicable exclusion amount in effect under the
 17 provisions of the federal Internal Revenue Code of 1986 (26 U.S.C.
 18 s.1 et seq.) in effect on December 31, 2001, and results in general in
 19 the determination of a similar amount of tax but which will enable
 20 the person or corporation liable for the payment of the tax to
 21 calculate an amount of tax notwithstanding the lack or paucity of
 22 information for compliance due to such factors as the absence of an
 23 estate valuation made for federal estate tax purposes, the absence of
 24 a measure of the impact of gifts made during the lifetime of the
 25 decedent in the absence of federal gift tax information, and any
 26 other information compliance problems as the director determines
 27 are the result of the phased repeal of the federal estate tax.¹
 28 (cf: P.L.2002, c.31, s.1)

29
 30 ²[¹2.] ²8.² N.J.S.54A:3-1 is amended to read as follows:

31 54A:3-1. Personal exemptions and deductions. Each taxpayer
 32 shall be allowed personal exemptions and deductions against his
 33 gross income as follows:

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

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

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

43 2. For each dependent who qualifies as a dependent of the
 44 taxpayer during the taxable year for federal income tax purposes -
 45 \$1,500.00.

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

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

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

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

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

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

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

15 (e) Nonresidents. For taxable years to which a certification
16 pursuant to section 3 of P.L.1993, c.320 (C.54A:2-1.2) applies, a
17 nonresident taxpayer shall be allowed the same deduction for
18 personal exemptions as a resident taxpayer. However, if (1) the
19 nonresident taxpayer's gross income which is subject to tax under
20 this act is exceeded by (2) the gross income which the nonresident
21 taxpayer would be required to report under this act if the taxpayer
22 were a resident by more than \$100.00, the taxpayer's deduction for
23 personal exemptions shall be limited by the percentage which (1) is
24 to (2).¹

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

26

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

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

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

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

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

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

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

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

8 c. The deduction allowed under this section shall not exceed
9 the amount of \$250 for the taxpayer's taxable year beginning on or
10 after January 1, 2016 but before January 1, 2017, and shall not
11 exceed the amount of \$500 for the taxpayer's taxable years
12 beginning on or after January 1, 2017.

13 d. For the purposes of this section "State taxes paid on
14 purchases of motor fuel" means the taxes imposed by the
15 "Petroleum Products Gross Receipts Tax Act," P.L.1990, c.42
16 (C.54:15B-1 et seq.) and the "Motor Fuel Tax Act," P.L.2010, c.22
17 (C.54:39-101 et seq.).¹²

18

19 ¹~~[7.]~~ ²~~[4.]~~ ^{9.} N.J.S.54A:6-10 is amended to read as follows:

20 54A:6-10. Pensions and annuities.

21 a. Gross income shall not include that part of any amount
22 received as an annuity under an annuity, endowment, or life
23 insurance contract which bears the same ratio to such amount as the
24 investment in the contract as of the annuity starting date bears to the
25 expected return under the contract as of such date. Where (1) part
26 of the consideration for an annuity, endowment, or life insurance
27 contract is contributed by the employer, and (2) during the three-
28 year period beginning on the date on which an amount is first
29 received under the contract as an annuity, the aggregate amount
30 receivable by the employee under the terms of the contract is equal
31 to or greater than the consideration for the contract contributed by
32 the employee, then all amounts received as an annuity under the
33 contract shall be excluded from gross income until there has been so
34 excluded an amount equal to the consideration for the contract
35 contributed by the employee.

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

39 for taxable years beginning before January 1, 2000, of up to
40 \$10,000 for a married couple filing jointly, \$5,000 for a married
41 person filing separately, or \$7,500 for an individual filing as a
42 single taxpayer or an individual determining tax pursuant to
43 subsection a. of N.J.S.54A:2-1;

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

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

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

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

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

21 for taxable years beginning on or after January 1, 2018, but
22 before January 1, 2019, ²[gross income shall not include income]²
23 of up to \$60,000 for a married couple filing jointly, \$30,000 for a
24 married person filing separately, or ²[\$50,000] \$45,000² for an
25 individual filing as a single taxpayer or an individual determining
26 tax pursuant to subsection a. of N.J.S.54A:2-1;

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

32 for taxable years beginning on or after January 1, 2020, of up to
33 \$100,000 for a married couple filing jointly, \$50,000 for a married
34 person filing separately, or \$75,000 for an individual filing as a
35 single taxpayer or an individual determining tax pursuant to
36 subsection a. of N.J.S.54A:2-1,

37 which are received as an annuity, endowment or life insurance
38 contract, or payments of any such amounts which are received as
39 pension, disability, or retirement benefits, under any public or
40 private plan, whether the consideration therefor is contributed by
41 the employee or employer or both, by any person who is 62 years of
42 age or older or who, by virtue of disability, is or would be eligible
43 to receive payments under the federal Social Security Act **[**, but
44 for**]** .

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

1 for taxable years beginning on or after January 1, 2021, if the
 2 taxpayer has gross income for the taxable year of not more than
 3 \$100,000 the exclusion provided by this subsection shall be fully
 4 allowed, if the taxpayer has gross income for the taxable year in
 5 excess of \$100,000 but not more than \$125,000 then the taxpayer
 6 may exclude 50 percent of the amount otherwise allowed, and if the
 7 taxpayer has gross income for the taxable year in excess of
 8 \$125,000 but not more than \$150,000 then the taxpayer may
 9 exclude 25 percent of the amount otherwise allowed】².

10 c. Gross income shall not include any amount received under
 11 any public or private plan by reason of a permanent and total
 12 disability.

13 d. Gross income shall not include distributions from an
 14 employees' trust described in section 401(a) of the Internal Revenue
 15 Code of 1986, as amended (hereinafter referred to as "the Code"),
 16 which is exempt from tax under section 501(a) of the Code if the
 17 distribution, except the portion representing the employees'
 18 contributions, is rolled over in accordance with section 402(a)(5) or
 19 section 403(a)(4) of the Code. The distribution shall be paid in one
 20 or more installments which constitute a lump-sum distribution
 21 within the meaning of section 402(e)(4)(A) (determined without
 22 reference to subsection (e)(4)(B)), or be on account of a termination
 23 of a plan of which the trust is a part or, in the case of a profit-
 24 sharing or stock bonus plan, a complete discontinuance of
 25 contributions under such plan.

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

27
 28 ¹**[8.]** ²**[5.]** ¹**10.**² Section 3 of P.L.1977, c.273 (C.54A:6-15) is
 29 amended to read as follows:

30 3. Other retirement income. a. (1) Gross income shall not
 31 include income:

32 for taxable years beginning before January 1, 2000, of up to
 33 \$10,000 for a married couple filing jointly, \$5,000 for a married
 34 person filing separately, or \$7,500 for an individual filing as a
 35 single taxpayer or an individual determining tax pursuant to
 36 subsection a. of N.J.S.54A:2-1;

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

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

47 for the taxable year beginning on or after January 1, 2002, but
 48 before January 1, 2003, of up to \$17,500 for a married couple filing

1 jointly, \$8,750 for a married person filing separately, or \$13,125 for
2 an individual filing as a single taxpayer or an individual
3 determining tax pursuant to subsection a. of N.J.S.54A:2-1;
4 for taxable years beginning on or after January 1, 2003, but
5 before January 1, 2017, gross income shall not include income of up
6 to \$20,000 for a married couple filing jointly, \$10,000 for a married
7 person filing separately, or \$15,000 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, 2017 but
11 before January 1, 2018, gross income shall not include income of up
12 to \$40,000 for a married couple filing jointly, \$20,000 for a married
13 person filing separately, or \$30,000 for an individual filing as a
14 single taxpayer or an individual determining tax pursuant to
15 subsection a. of N.J.S.54A:2-1;
16 for taxable years beginning on or after January 1, 2018, but
17 before January 1, 2019, gross income shall not include income of up
18 to \$60,000 for a married couple filing jointly, \$30,000 for a married
19 person filing separately, or ²[\$50,000] \$45,000² for an individual
20 filing as a single taxpayer or an individual determining tax pursuant
21 to subsection a. of N.J.S.54A:2-1;
22 for taxable years beginning on or after January 1, 2019, but
23 before January 1, 2020, gross income shall not include income of up
24 to \$80,000 for a married couple filing jointly, \$40,000 for a married
25 person filing separately, or \$60,000 for an individual filing as a
26 single taxpayer or an individual determining tax pursuant to
27 subsection a. of N.J.S.54A:2-1;
28 for taxable years beginning on or after January 1, 2020, gross
29 income shall not include income of up to \$100,000 for a married
30 couple filing jointly, \$50,000 for a married person filing separately,
31 or \$75,000 for an individual filing as a single taxpayer or an
32 individual determining tax pursuant to subsection a. of N.J.S.54A:2-
33 1,
34 when received in any tax year by a person aged 62 years or older
35 who received no income in excess of \$3,000 from one or more of
36 the sources enumerated in subsections a., b., k. and p. of
37 N.J.S.54A:5-1 **[, but for]** .
38 (2) For taxable years beginning on or after January 1, 2005,
39 ²[but before January 1, 2021,]² the exclusion provided by this
40 subsection shall only be allowed if the taxpayer has gross income
41 for the taxable year of not more than \$100,000 **[, provided,**
42 **however, that the]** ²**[;**
43 for taxable years beginning on or after January 1, 2021, if the
44 taxpayer has gross income for the taxable year of not more than
45 \$100,000 the exclusion provided by this subsection shall be fully
46 allowed, if the taxpayer has gross income for the taxable year in
47 excess of \$100,000 but not more than \$125,000 then the taxpayer
48 may exclude 50 percent of the amount otherwise allowed, and if the

1 taxpayer has gross income for the taxable year in excess of
2 \$125,000 but not more than \$150,000 then the taxpayer may
3 exclude 25 percent of the amount otherwise allowed².

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

7 b. In addition to the exclusion provided under N.J.S.54A:6-10
8 and subsection a. of this section, gross income shall not include
9 income of up to \$6,000 for a married couple filing jointly or an
10 individual determining tax pursuant to subsection a. of N.J.S.54A:2-
11 1, or \$3,000 for a single person or a married person filing
12 separately, who is not covered under N.J.S.54A:6-2 or N.J.S.54A:6-
13 3, but who would be eligible in any year to receive payments under
14 either section if he or she were covered thereby.

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

16

17 ²[¹6.] 11.² Section 2 of P.L.2000, c.80 (C.54A:4-7) is amended
18 to read as follows:

19 2. There is established the New Jersey Earned Income Tax
20 Credit program in the Division of Taxation in the Department of the
21 Treasury.

22 a. (1) A resident individual who is eligible for a credit under
23 section 32 of the federal Internal Revenue Code of 1986 (26 U.S.C.
24 s.32) shall be allowed a credit for the taxable year equal to a
25 percentage, as provided in paragraph (2) of this subsection, of the
26 federal earned income tax credit that would be allowed to the
27 individual or the married individuals filing a joint return under
28 section 32 of the federal Internal Revenue Code of 1986 (26 U.S.C.
29 s.32) for the same taxable year for which a credit is claimed
30 pursuant to this section, subject to the restrictions of this subsection
31 and subsections b., c., d. and e. of this section.

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

35 (a) 10% for the taxable year beginning on or after January 1,
36 2000, but before January 1, 2001;

37 (b) 15% for the taxable year beginning on or after January 1,
38 2001, but before January 1, 2002;

39 (c) 17.5% for the taxable year beginning on or after January 1,
40 2002, but before January 1, 2003;

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

43 (e) 22.5% for taxable years beginning on or after January 1,
44 2008 but before January 1, 2009;

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

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

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

3 (i) ²~~40%~~ ²35%² for taxable years beginning on or after
4 January 1, 2016.

5 (3) To qualify for the New Jersey earned income tax credit, if
6 the claimant is married, except for a claimant who files as a head of
7 household or surviving spouse for federal income tax purposes for
8 the taxable year, the claimant shall file a joint return or claim for
9 the credit.

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

15 c. The amount of the credit allowed pursuant to this section
16 shall be applied against the tax otherwise due under N.J.S.54A:1-1
17 et seq., after all other credits and payments. If the credit exceeds the
18 amount of tax otherwise due, that amount of excess shall be an
19 overpayment for the purposes of N.J.S.54A:9-7; provided however,
20 that subsection (f) of N.J.S.54A:9-7 shall not apply. The credit
21 provided under this section as a credit against the tax otherwise due
22 and the amount of the credit treated as an overpayment shall be
23 treated as a credit towards or overpayment of gross income tax,
24 subject to all provisions of N.J.S.54A:1-1 et seq., except as may be
25 otherwise specifically provided in P.L.2000, c.80 (C.54A:4-6 et al.).

26 d. The Director of the Division of Taxation in the Department
27 of the Treasury shall **[have discretion to]** establish a program for
28 the distribution of earned income tax credits pursuant to the
29 provisions of this section.

30 e. Any earned income tax credit pursuant to this section shall
31 not be taken into account as income or receipts for purposes of
32 determining the eligibility of an individual for benefits or assistance
33 or the amount or extent of benefits or assistance under any State
34 program and, to the extent permitted by federal law, under any State
35 program financed in whole or in part with federal funds.¹

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

37

38 ¹~~9.~~ ²~~7.1~~ ²12.² Section 2 of P.L.1990, c. 42 (C.54:15B-2) is
39 amended to read as follows:

40 2. For the purposes of this act:

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

43 "Aviation gasoline" means fuel specifically compounded for use
44 in reciprocating aircraft engines.

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

1 "Blended fuel" means a mixture composed of gasoline, diesel
2 fuel, kerosene or blended fuel and another liquid, including blend
3 stock other than a de minimis amount of a product such as
4 carburetor detergent or oxidation inhibitor, that can be used as a
5 fuel in a highway vehicle. "Blended fuel" includes but is not
6 limited to gasohol, biobased liquid fuel, biodiesel fuel, ethanol,
7 methanol, fuel grade alcohol, diesel fuel enhancers and resulting
8 blends.

9 "Company" includes a corporation, partnership, limited
10 partnership, limited liability company, association, individual, or
11 any fiduciary thereof.

12 "Diesel fuel" means a liquid that is commonly or commercially
13 known or sold as a fuel that is suitable for use in a diesel-powered
14 highway vehicle. A liquid meets this requirement if, without
15 further processing or blending, the liquid has practical and
16 commercial fitness for use in the propulsion engine of a diesel-
17 powered highway vehicle. "Diesel fuel" includes biobased liquid
18 fuel, biodiesel fuel, and number 1 and number 2 diesel.

19 "Director" means the Director of the Division of Taxation in the
20 Department of the Treasury.

21 "First sale of petroleum products within this State" means the
22 initial sale of a petroleum product delivered to a location in this
23 State. A "first sale of petroleum products within this State" does
24 not include a book or exchange transfer of petroleum products if
25 such products are intended to be sold in the ordinary course of
26 business.

27 "Gasoline" means all products commonly or commercially
28 known or sold as gasoline that are suitable for use as a motor fuel.
29 "Gasoline" does not include products that have an ASTM octane
30 number of less than 75 as determined by the "motor method,"
31 ASTM D2700-92. The term does not include racing gasoline or
32 aviation gasoline, but for administrative purposes does include fuel
33 grade alcohol.

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

36 a. asphalt;

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

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

46 d. polymer grade propylene used in the manufacture of
47 polypropylene.

1 "Highway fuel" means gasoline, blended fuel that contains
 2 gasoline or is intended for use as gasoline, liquefied petroleum gas,
 3 and diesel fuel, blended fuel that contains diesel fuel or is intended
 4 for use as diesel fuel, and kerosene, other than aviation grade
 5 kerosene.

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

9 "Petroleum products" means refined products made from crude
 10 petroleum and its fractionation products, through straight
 11 distillation of crude oil or through redistillation of unfinished
 12 derivatives, but shall not mean the products commonly known as
 13 number 2 heating oil, number 4 heating oil, number 6 heating oil,
 14 kerosene and propane gas to be used exclusively for residential use.

15 "Quarterly period" means a period of three calendar months
 16 commencing on the first day of January, April, July or October and
 17 ending on the last day of March, June, September or December,
 18 respectively.

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

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

27 "Unleaded regular gasoline" means gasoline of the octane rating
 28 equal to the lowest octane rated gasoline offered for sale at a
 29 majority of the gasoline retailers in the State.

30 ¹"2016 implementation date" means the later of ²【September】
 31 November² 1, 2016 or the 15th day after the date of enactment of
 32 P.L. , c. (pending before the Legislature as this bill).¹
 33 (cf: P.L.1991, c.181, s.1)

34
 35 ¹**【10.】** ²**【8.1】** ^{13.2} Section 7 of P.L.1991, c.181 (C.54:15B-2.1)
 36 is amended to read as follows:

37 7. a. "Gross receipts," as otherwise defined by section 2 of
 38 P.L.1990, c.42 (C.54:15B-2), shall not include receipts from sales
 39 of petroleum products used by marine vessels engaged in interstate
 40 or foreign commerce and ¹receipts from¹ sales of aviation fuels
 41 used by common carriers in interstate or foreign commerce other
 42 than the "burnout" portion which shall be taxable pursuant to rules
 43 promulgated by the director.

44 b. ¹【Motor fuel】 Highway fuel¹ used for the following purposes
 45 is exempt from the tax imposed by section 3 of P.L.1990, c.42
 46 (C.54:15B-3), and a refund of the tax imposed by that section may

1 be claimed by the consumer providing proof the tax has been paid
2 and no refund has been previously issued:

3 (1) autobuses while being operated over the highways of this
4 State in those municipalities to which the operator has paid a
5 monthly franchise tax for the use of the streets therein under the
6 provisions of R.S.48:16-25 and autobuses while being operated over
7 the highways of this State in a regular route bus operation as
8 defined in R.S.48:4-1 and under operating authority conferred
9 pursuant to R.S.48:4-3, or while providing bus service under a
10 contract with the New Jersey Transit Corporation or under a
11 contract with a county for special or rural transportation bus service
12 subject to the jurisdiction of the New Jersey Transit Corporation
13 pursuant to P.L.1979, c.150 (C.27:25-1 et seq.), and autobuses
14 providing commuter bus service which receive or discharge
15 passengers in New Jersey. For the purpose of this paragraph
16 "commuter bus service" means regularly scheduled passenger
17 service provided by motor vehicles whether within or across the
18 geographical boundaries of New Jersey and utilized by passengers
19 using reduced fare, multiple ride, or commutation tickets and shall
20 not include charter bus operations for the transportation of enrolled
21 children and adults referred to in subsection c. of R.S.48:4-1 and
22 "regular route service" does not mean a regular route in the nature
23 of special bus operation or a casino bus operation;

24 (2) agricultural tractors not operated on a public highway;

25 (3) farm machinery;

26 (4) ambulances;

27 (5) rural free delivery carriers in the dispatch of their official
28 business;

29 (6) vehicles that run only on rails or tracks, and such vehicles as
30 run in substitution therefor;

31 (7) highway motor vehicles that are operated exclusively on
32 private property;

33 (8) motor boats or motor vessels used exclusively for or in the
34 propagation, planting, preservation and gathering of oysters and
35 clams in the tidal waters of this State;

36 (9) motor boats or motor vessels used exclusively for
37 commercial fishing;

38 (10) motor boats or motor vessels, while being used for hire for
39 fishing parties or being used for sightseeing or excursion parties;

40 (11) fire engines and fire-fighting apparatus;

41 (12) stationary machinery and vehicles or implements not
42 designed for the use of transporting persons or property on the
43 public highways;

44 (13) heating and lighting devices;

45 (14) motor boats or motor vessels used exclusively for Sea Scout
46 training by a duly chartered unit of the Boy Scouts of America; and

47 (15) emergency vehicles used exclusively by volunteer first-aid
48 or rescue squads.

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

2

3 ¹[11.] ²[9.1] 14.² Section 3 of P.L.1990, c.42 (C.54:15B-3) is
4 amended to read as follows:

5 3. a. (1) (a) There is imposed on each company which is
6 engaged in the refining or distribution, or both, of petroleum
7 products other than highway fuel and aviation fuel and which
8 distributes such products in this State a tax at the rate of ~~two and~~
9 ~~three-quarters percent (2 3/4%)~~ seven percent of its gross receipts
10 derived from the first sale of petroleum products within this State
11 and there is imposed on each company which is engaged in the
12 refining or distribution, or both, of highway fuel a tax at the rate of
13 ¹[12.5] 12.85¹ percent, as adjusted pursuant to subsection c. of this
14 section, of its gross receipts derived from the first sale of those
15 products within this State. ~~;~~ ~~provided however, that the~~

16 (b) The applicable tax rate for fuel oils, aviation fuels and
17 motor fuels subject to tax under R.S.54:39-1 et seq. gasoline,
18 blended fuel that contains gasoline or is intended for use as
19 gasoline, and liquefied petroleum gas, which are taxed as a highway
20 fuel pursuant to subparagraph (a) of this paragraph, shall be
21 converted to a cents-per-gallon rate, rounded to the nearest tenth of
22 a cent, that shall be calculated by the use of and adjusted
23 quarterly by the director, effective on July 1, October 1, January 1,
24 and April 1, based on the average retail price per gallon of unleaded
25 regular gasoline in December 1990, in the State, as determined in
26 [a] the most recent survey of the retail price per gallon of gasoline
27 [prices] that [included] includes a Statewide representative
28 random sample conducted in December 1990 for that month by
29 the Board of Public Utilities, Office of the Economist, ~~and shall be~~
30 effective for the tax due for months ending after that date; and ~~or~~
31 its successor.

32 (c) The cents-per-gallon rate determined pursuant to
33 subparagraph (b) of this paragraph shall not be less than the rate
34 determined for the ¹[quarter beginning] average retail price per
35 gallon of unleaded gasoline in the State on¹ July 1, 2016.

36 (d) The applicable tax rate for diesel fuel, blended fuel that
37 contains diesel fuel or is intended for use as diesel fuel, and
38 kerosene, other than aviation grade kerosene, which are taxed as a
39 highway fuel pursuant to subparagraph (a) of this paragraph, shall
40 be converted to a cents-per-gallon rate, rounded to the nearest tenth
41 of a cent, and adjusted quarterly by the director, effective on July 1,
42 October 1, January 1, and April 1, based on the average retail price
43 per gallon of number 2 diesel in the State, as determined in the most
44 recent survey of retail diesel fuel prices that includes a Statewide
45 representative random sample conducted by the Board of Public
46 Utilities, Office of the Economist, or its successor.

1 Notwithstanding the provisions of subparagraph (a) of this
2 paragraph to the contrary, for the period from ¹July 1, 2016] the
3 2016 implementation date¹ through December 31, 2016, no rate of
4 tax shall be applied to diesel fuel, blended fuel that contains diesel
5 fuel or is intended for use as diesel fuel, or kerosene, other than
6 aviation grade kerosene; for the period from January 1, 2017
7 through June 30, 2017, the applicable rate for those fuels shall be 70
8 percent of the rate otherwise determined pursuant to subparagraph
9 (a) of this paragraph, and for July 1, 2017 and thereafter the
10 applicable rate for those fuels determined pursuant to subparagraph
11 (a) of this paragraph.

12 (e) The cents-per-gallon rate determined pursuant to
13 subparagraph (d) of this paragraph shall not be less than the rate
14 determined for the ¹quarter beginning] average retail price per
15 gallon of number 2 diesel in the State on¹ July 1, 2016.

16 (f) The applicable tax rate for fuel oil determined pursuant to
17 subparagraph (a) of this paragraph shall be converted to a cents-per-
18 gallon rate, rounded to the nearest tenth of a cent, and adjusted
19 quarterly by the director, effective on July 1, October 1, January 1,
20 and April 1, to reflect the average price per gallon, without State or
21 federal tax included, of retail sales of number 2 fuel oil in the State,
22 as determined in the most recent survey of retail diesel fuel prices
23 that included a Statewide representative random sample conducted
24 by the Board of Public Utilities, Office of the Economist, or its
25 successor.

26 (g) The cents-per-gallon rate determined pursuant to
27 subparagraph (f) of this paragraph shall not be less than the rate
28 determined for the ¹quarter beginning] average price per gallon,
29 without State or federal tax included, of retail sales of number 2
30 fuel oil in the State on¹ July 1, 2016.

31 (h) On and after the 10th day following a certification by the
32 review council pursuant to subsection c. of section ¹[16] ²[14¹
33 19² of P.L. , c. (C.) (pending before the Legislature as this
34 bill), no tax shall be imposed pursuant to this paragraph.

35 (2) (a) In addition to the tax, if any, imposed by paragraph (1)
36 of this subsection, a cents-per-gallon tax is imposed on each
37 company's gross receipts derived from the first sale of petroleum
38 products within this State on gasoline, blended fuel that contains
39 gasoline or that is intended for use as gasoline, liquefied petroleum
40 gas ^{2,2} and aviation fuel at the rate of four cents per gallon; and

41 (b) In addition to the tax, if any, imposed by paragraph (1) of
42 this subsection, a cents-per-gallon tax is imposed on each
43 company's gross receipts derived from the first sale of petroleum
44 products within this State on diesel fuel, blended fuel that contains
45 diesel fuel or is intended for use as diesel fuel, and kerosene ^{2,2}
46 other than aviation grade kerosene ^{2,2} at the rate of four cents per

1 gallon before July 1, 2017 and at the rate of eight cents per gallon
2 on and after July 1, 2017.

3 b. There is imposed on each company that imports or causes to
4 be imported, other than by a company subject to and having paid
5 the tax on those imported petroleum products that have generated
6 gross receipts taxable under subsection a. of this section, petroleum
7 products for use or consumption by it within this State a tax at the
8 rate ~~of two and three-quarters percent (2 3/4%)~~ or rates ²of],
9 determined pursuant to subsection a. of this section, on² the
10 consideration given or contracted to be given and the gallonage ²[,
11 determined pursuant to subsection a. of this section,]² for such
12 petroleum products if the consideration given or contracted to be
13 given for all such deliveries made during a quarterly period exceeds
14 \$5,000 ~~];~~ provided however, that the applicable tax rate for fuel
15 oils, aviation fuels and motor fuels subject to tax under R.S.54:39-1
16 et seq. shall be converted to a cents per gallon rate, rounded to the
17 nearest cent, that shall be calculated by the use of the average retail
18 price per gallon of unleaded regular gasoline in December 1990, as
19 determined in a survey of retail gasoline prices that included a
20 Statewide representative random sample conducted in December
21 1990 for that month by the Board of Public Utilities, Office of the
22 Economist, and shall be effective for the tax due for months ending
23 after that date].

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 and that rate shall take effect on ²[the]² October 1 of that year.

21 (5) If the actual revenue determined pursuant to paragraph (3) of
 22 this subsection exceeds the highway fuel cap amount determined
 23 pursuant to paragraph (2) of this subsection, then the highway fuel
 24 cap amount for the succeeding year shall be decreased by the
 25 amount of the excess in setting the rate pursuant to paragraph (4) of
 26 this subsection. If the actual revenue determined pursuant to
 27 paragraph (3) of this subsection is less than the highway fuel cap
 28 amount determined pursuant to paragraph (2) of this subsection,
 29 then the highway fuel cap amount for the succeeding year shall be
 30 increased by the amount of the shortfall in setting the rate pursuant
 31 to paragraph (4) of this subsection.

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

33
 34 ¹[12.] ²[10.¹] ² 15.² Section 2 of P.L.1991, c.19 (C.54:15B-9) is
 35 amended to read as follows:

36 2. a. A person who shall purchase or otherwise acquire
 37 petroleum products, upon which the petroleum products gross
 38 receipts tax has not been paid and is not due pursuant to subsection
 39 b. of section 5 of P.L.1990, c.42 (C.54:15B-5) or upon which a
 40 reimbursement payment has been paid pursuant to section 3 of **[this**
 41 **act]** P.L.1991, c.19 (C.54:15B-10), from a federal government
 42 department, agency or instrumentality, or any agent or officer
 43 thereof, for use not specifically associated with any federal
 44 government function or operation, shall pay to the State a tax
 45 **[equivalent to two and three-quarters percent (2 3/4%)]** at the rate
 46 or rates of the consideration given or contracted to be given for the
 47 purchase or acquisition of the petroleum products and the
 48 gallage, determined pursuant to subsection a. of section 3 of

1 P.L.1990, c.42 (C.54:15B-3) in accordance with the procedures set
2 forth in the "Petroleum Products Gross Receipts Tax Act,"
3 P.L.1990, c.42 (C.54:15B-1 et seq.).

4 b. A person who knowingly uses, or who conspires with an
5 official, agent or employee of a federal government department,
6 agency or instrumentality, for the use of, a requisition, purchase
7 order, or a card or an authority to which the person is not
8 specifically entitled by government regulations, with the intent to
9 obtain petroleum products from a federal government department,
10 agency or instrumentality for a use not specifically associated with
11 a federal government function or operation, upon which the
12 petroleum products gross receipts tax has not been paid, is guilty of
13 a crime of the fourth degree.

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

15

16 ¹~~13.~~ ²~~11.1~~ ^{16.}² Section 3 of P.L.1991, c.19 (C.54:15B-10)
17 is amended to read as follows:

18 a. A federal government department, agency or instrumentality,
19 that purchases petroleum products other than by the first sale of that
20 product in this State for use in a federal government function or
21 operation, upon which petroleum products the petroleum products
22 gross receipts tax has been paid or is due and payable, shall be
23 reimbursed and paid an amount **【equivalent to two and three-**
24 **quarters percent (2 3/4%)】** at the rate or rates of the consideration
25 given or contracted to be given **【by the federal government**
26 **department, agency or instrumentality for the purchase of the**
27 **petroleum products】** , and the gallonage, determined pursuant to
28 subsection a. of section 3 of P.L.1990, c.42 (C.54:15B-3).

29 b. The reimbursement shall be claimed by presenting to the
30 Director of the Division of Taxation in the Department of the
31 Treasury an application for the reimbursement, on a form prescribed
32 by the director, which application shall be verified by a declaration
33 of the applicant that the statements contained therein are true. Such
34 application for reimbursement shall be supported by an invoice, or
35 invoices, showing the name and address of the person from whom
36 the petroleum products were purchased, the name of the purchaser,
37 the date of purchase, the quantity of the product purchased, the
38 price paid for the purchase of the product, and an acknowledgment
39 by the seller that payment of the cost of the product to the seller,
40 including the petroleum gross receipts tax due thereon, has been
41 made. Such invoice, or invoices, shall be legibly written and shall
42 be void if any corrections or erasures shall appear on the face
43 thereof.

44 c. If petroleum products are sold to a federal government
45 department, agency or instrumentality that shall be entitled to a
46 reimbursement under this act, the seller of the petroleum products
47 shall supply the purchaser with an invoice that conforms with the
48 requirements of subsection b. of this section.

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

2

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

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

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

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

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

27 c. 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 July 1, 2016.

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

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

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

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

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

3 f. 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 January 1, 2017.

7 g. In determining the amount of tax due under this section, a
8 person may exclude the amount of fuel in dead storage in each
9 storage tank

10 h. As used in this section:

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

13 "Dead storage" means the amount of fuel that cannot be pumped
14 out of a fuel storage tank because the motor fuel is below the mouth
15 of the draw pipe. The amount of motor fuel in dead storage is 200
16 gallons for a tank with a capacity of less than 10,000 gallons and
17 400 gallons for a tank with a capacity of 10,000 gallons or more. **1**¹

18

19 **2[12.] 17.2** (New section) a. There is levied a tax on persons,
20 other than licensed companies pursuant to section 6 of P.L.1991,
21 c.181 (C.54:15B-12), holding the fuels enumerated in subparagraph
22 (a) of paragraph (2) of subsection a. of section 3 of P.L.1990, c.42
23 (C.54:15B-3) in storage for sale as of the close of the last business
24 day before the 2016 implementation date on which tax has
25 previously been paid. The amount of tax shall be the difference
26 between the tax per gallon specified by subsection a. of section 3 of
27 P.L.1990, c.42 (C.54:15B-3) for the type of fuel sold on or after the
28 2016 implementation date and the tax previously paid per gallon,
29 multiplied by the gallons in storage of that type of fuel as of the
30 close of the business day on that day.

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

33 (1) take an inventory at the close of the business day on that
34 day;

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

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

40 c. Fuel not reflected in the inventory taken pursuant to
41 subsection b. 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 the 2016 implementation date.

44 d. 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 December 31,

1 2016 on which tax has previously been paid. The amount of tax
2 shall be the difference between the tax per gallon specified by
3 subsection a. of section 3 of P.L1990, c.42 (C.54:15B-3) for the
4 type of fuel sold on or after January 1, 2017 and the tax previously
5 paid per gallon, multiplied by the gallons in storage of that type of
6 fuel as of the close of the business day on December 31, 2016.

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

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

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

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

16 f. Fuel not reflected in the inventory taken pursuant to
17 subsection e. 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 January 1, 2017.

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

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

33 (1) take an inventory at the close of the business day on June 30,
34 2017;

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

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

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

43 j. In determining the amount of tax due under this section, a
44 person may exclude the amount of fuel in dead storage in each
45 storage tank.

46 k. As used in this section:

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

1 "Dead storage" means the amount of fuel that cannot be pumped
2 out of a fuel storage tank because the motor fuel is below the mouth
3 of the draw pipe. The amount of motor fuel in dead storage is 200
4 gallons for a tank with a capacity of less than 10,000 gallons and
5 400 gallons for a tank with a capacity of 10,000 gallons or more.¹

6
7 ¹[15.] ²[13.1] ^{18.}² (New section) Notwithstanding any
8 provision of the "Administrative Procedure Act," P.L.1968, c.410
9 (C.52:14B-1 et seq.) to the contrary, the director may adopt
10 immediately upon filing with the Office of Administrative Law
11 such regulations as the director deems necessary to implement the
12 provisions of sections ¹[9.] ²[7¹] ¹²² through ¹[14.] ²[12¹] ¹⁷² of
13 P.L. , c. (pending before the Legislature as this bill), which
14 regulations shall be effective for a period not to exceed 360 days
15 following the date of enactment of P.L. , c. (pending before the
16 Legislature as this bill) and may thereafter be amended, adopted, or
17 readopted by the director in accordance with the "Administrative
18 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

19
20 ¹[16.] ²[14.1] ^{19.}² (New section) a. The State Treasurer, and
21 the Legislative Budget and Finance Officer, together with a third
22 public member who shall be jointly selected thereby, shall
23 constitute the review council.

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

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

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

1 ¹~~17.~~ ²~~15.~~¹ 20.² This act shall take effect immediately,
2 ¹~~section~~ ²~~2~~ ⁸² shall apply to taxable years beginning on or after
3 January 1, 2017,¹ and sections ¹~~9.~~ ²~~7~~¹ 12² through ¹~~14.~~
4 ²~~11~~¹ 16² shall apply to first sales of petroleum products within
5 this State and to deliveries of petroleum products for use or
6 consumption within this State made on or after ¹~~July 1, 2016~~ the
7 2016 implementation date¹.

8

9

10

11

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