

ASSEMBLY AGRICULTURE AND NATURAL RESOURCES COMMITTEE

STATEMENT TO ASSEMBLY, No. 1045

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 10, 2018

The Assembly Agriculture and Natural Resources Committee reports favorably, and with committee amendments, Assembly Bill No. 1045.

This bill, as amended, clarifies the sales tax collection responsibilities of horse-boarding businesses in New Jersey by providing an exemption from tax for the lease or rental of certain stable stalls and charges for horse boarding and certain other related services.

Under the bill, as amended, the taxable service of “furnishing space for storage” is redefined to exclude from tax charges for the lease or rental of certain stable stalls. The bill, as amended, provides that the service of “furnishing space for storage” does not include, and the taxable service therefor does not apply to, charges for the lease or rental of a stall in a barn, stable, or other similar structure or facility for the boarding or stabling or for the keeping or holding of a horse, pony, mule, donkey, or hinny.

The bill, as amended, exempts from tax certain charges for boarding a horse. The bill, as amended, provides that charges for storing a horse, pony, mule, donkey, or hinny in a barn, stable, or other similar structure or facility by a person engaged in the business of boarding or stabling or otherwise keeping or holding horses, ponies, mules, donkeys, or hinnies are exempt from the sales tax.

The bill, as amended, also exempts from tax certain services provided for the care of horses boarded by persons engaged in the business of boarding horses. The bill, as amended, provides that charges for maintaining or servicing a horse, pony, mule, donkey, or hinny that is boarded or stabled or that is kept or held in a barn, stable, or other similar structure or facility by a person engaged in the business of boarding or stabling or otherwise keeping or holding horses, ponies, mules, donkeys, or hinnies are exempt from the sales tax.

This bill, as amended, provides that the tax exemptions established by the bill would apply to taxable years beginning on or after January 1 next following the bill’s date of enactment.

This bill was pre-filed for introduction in the 2018-2019 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amendments:

1) remove the provisions making the tax exemptions retroactive to October 1, 2006; and

2) provide that the tax exemptions would apply to taxable years beginning on or after January 1 next following the bill's date of enactment.