

[First Reprint]

## **ASSEMBLY, No. 3438**

# **STATE OF NEW JERSEY**

## **218th LEGISLATURE**

INTRODUCED MARCH 5, 2018

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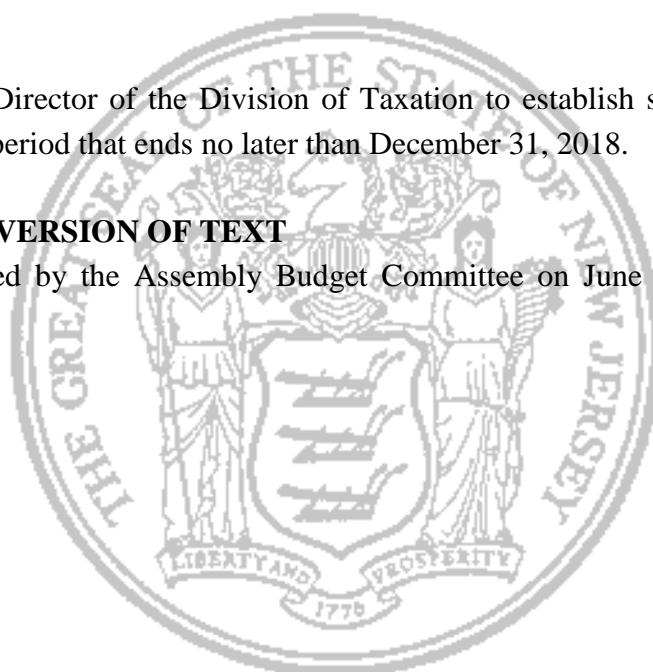
**Senator Lagana**

### **SYNOPSIS**

Requires Director of the Division of Taxation to establish six-month State tax amnesty period that ends no later than December 31, 2018.

### **CURRENT VERSION OF TEXT**

As reported by the Assembly Budget Committee on June 18, 2018, with amendments.



**(Sponsorship Updated As Of: 6/22/2018)**

1 AN ACT providing for a State tax amnesty period, supplementing  
2 Title 54 of the Revised Statutes and making an appropriation.

3  
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5 *of New Jersey:*

6  
7 1. a. In addition to the powers of the Director of the Division  
8 of Taxation prescribed under the State Uniform Tax Procedure Law,  
9 R.S.54:48-1 et seq., and notwithstanding the provision of any other  
10 law to the contrary, the director shall establish a period <sup>1</sup>~~not to~~  
11 ~~exceed 45 days~~ six months<sup>1</sup> in duration, which period shall end no  
12 later than <sup>1</sup>~~June 15~~ December 31<sup>1</sup>, 2018, during which a taxpayer  
13 who has failed to pay any State tax on or before the day on which  
14 the tax is required to be paid may pay to the director on or before  
15 the last day of the period established by the director the amount of  
16 that tax and one-half of the balance of interest that is due as of May  
17 1, 2018, but without the remaining one-half of the balance of  
18 interest that is due as of May 1, 2018, without the recovery fee as  
19 set forth in section 2 of P.L.1992, c.172 (C.54:49-12.3) that may  
20 otherwise be due, and without the imposition of any civil or  
21 criminal penalties arising out of an obligation imposed under any  
22 State tax law. This section shall apply only to State tax liabilities  
23 for tax returns due on or after <sup>1</sup>~~February 1, 2009~~ January 1, 2012<sup>1</sup>  
24 and prior to January 1, 2018 and shall not extend to any taxpayer  
25 who at the time of payment is under criminal investigation or  
26 charge for any State tax matter, as certified by a county prosecutor  
27 or the Attorney General to the director.

28 Notwithstanding the provisions of any other law to the contrary,  
29 no taxpayer shall be entitled to a waiver of one-half of the balance  
30 of interest due as of May 1, 2018, penalty and recovery fee pursuant  
31 to this subsection unless full payment of the tax and one-half of the  
32 balance of interest due as of May 1, 2018 is made in accordance  
33 with the rules and procedures established by the director.

34 b. There shall be imposed a 5% penalty, which shall not be  
35 subject to waiver or abatement, in addition to all other penalties,  
36 interest, or costs of collection otherwise authorized by law, upon  
37 any State tax liabilities eligible to be satisfied during the period  
38 established pursuant to subsection a. of this section that are not  
39 satisfied during the amnesty period.

40 c. Notwithstanding the provisions of any other law to the  
41 contrary, if a taxpayer elects to participate in the program  
42 established pursuant to this section, as that election shall be  
43 evidenced by full payment pursuant to this section of a State tax  
44 liability to which this section applies pursuant to subsection a. of

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is  
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Assembly ABU committee amendments adopted June 18, 2018.

1 this section, then that election shall constitute an express and  
2 absolute relinquishment of all administrative and judicial rights of  
3 appeal that have not run or otherwise expired as of the date payment  
4 is made. The relinquishment of rights of appeal pursuant to this  
5 subsection shall apply with respect to all rights of appeal  
6 established pursuant to the State Uniform Tax Procedure Law,  
7 R.S.54:48-1 et seq., and the specific statutory provisions of any  
8 State tax. No tax payment made pursuant to this section shall be  
9 eligible for refund or credit, whether claimed by administrative  
10 protest or judicial appeal.

11 d. Notwithstanding the provisions of any other law to the  
12 contrary, no amnesty payment shall be accepted without the express  
13 approval of the director with respect to any State tax assessment  
14 which is the subject of any administrative or judicial appeal as of  
15 the effective date of this act.

16 e. Notwithstanding any provision of the "Administrative  
17 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the  
18 contrary, the director may adopt immediately upon filing with the  
19 Office of Administrative Law such regulations as the director  
20 deems necessary to implement the provisions of this section, which  
21 regulations shall be effective for a period not to exceed 180 days  
22 following the date of enactment of P.L. , c. (pending before the  
23 Legislature as this bill) and may thereafter be amended, adopted, or  
24 readopted by the director in accordance with the "Administrative  
25 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

26

27 2. There is appropriated to the Division of Taxation in the  
28 Department of the Treasury an amount not to exceed \$10,000,000  
29 from the proceeds collected pursuant to subsection a. of section 1 of  
30 this act to carry out and administer the tax amnesty program  
31 established pursuant to the provision of that section.

32

33 3. This act shall take effect shall take effect immediately.