

# SENATE, No. 803

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## STATE OF NEW JERSEY 218th LEGISLATURE

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PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

**Sponsored by:**

**Senator RICHARD J. CODEY**

**District 27 (Essex and Morris)**

**Senator PAUL A. SARLO**

**District 36 (Bergen and Passaic)**

**SYNOPSIS**

Requires suspension of driver's license for gross income tax deficiency under certain circumstances.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



1    **AN ACT** concerning driver's licenses and supplementing Title 39 of  
2       the Revised Statutes.

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

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7       1.   a. The Chief Administrator of the New Jersey Motor Vehicle  
8       Commission, in conjunction with the Director of the Division of  
9       Taxation in the Department of the Treasury, shall implement a  
10      program to improve the collection of gross income tax deficiencies  
11      pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1  
12      et seq. through the suspension of driver's licenses issued pursuant  
13      to R.S.39:3-10. The provisions of this act shall not apply to a  
14      commercial driver's license.

15      b. Under the program, a taxpayer's driver's license shall be  
16      suspended if the taxpayer has \$5,000 or more in gross income tax  
17      deficiency pursuant to the provisions of the "New Jersey Gross  
18      Income Tax Act," N.J.S.54A:1-1 et seq., except that the taxpayer's  
19      driver's license shall not be suspended if there is an equitable  
20      reason for the taxpayer's failure to pay or the license suspension  
21      would result in significant hardship, as determined by the director  
22      pursuant to the provisions of paragraphs (6) or (7) of subsection c.  
23      of section 2 of P.L.   , c.   (C.   ) (pending before the Legislature  
24      as this bill). If a taxpayer fails to comply with the terms of an  
25      installment payment plan, as approved by the director, more than  
26      once in a 12 month period, the taxpayer's driver's license shall be  
27      suspended.

28      If a taxpayer does not have a driver's license, the taxpayer shall  
29      be prohibited from obtaining a driver's license.

30

31      2.   a. The Director of the Division of Taxation shall send a  
32      written notice to the taxpayer by regular and certified mail, at the  
33      taxpayer's last known address, advising the taxpayer that the  
34      taxpayer's driver's license may be suspended unless, within 60 days  
35      of the postmark date of the notice, the taxpayer pays the full amount  
36      of the gross income tax deficiency or enters into an installment  
37      payment plan, as approved by the director. A notice shall not be  
38      sent to a taxpayer whose wages are being garnished by the division  
39      for the payment of a gross income tax deficiency or garnished for  
40      child support arrears or child support and spousal support arrears.

41      b. If the taxpayer fails, within 60 days, to pay the full amount  
42      of the deficiency or enter into an installment payment plan pursuant  
43      to the provisions of subsection a. of this section or to challenge the  
44      driver's license suspension pursuant to the provisions of subsection  
45      c. of this section, the division shall notify the New Jersey Motor  
46      Vehicle Commission that the taxpayer's driver's license shall be  
47      suspended.

1       The taxpayer's driver's license shall continue to be suspended  
2 until the gross income tax deficiency is paid in full or the taxpayer  
3 enters into an installment payment plan, as approved by the  
4 director.

5       c. Notwithstanding any provision of law to the contrary and  
6 except as provided in this section, a taxpayer shall have no right to  
7 commence any legal action or proceeding or to any other legal  
8 recourse against the division or the commission regarding the  
9 issuance of a notice or the suspension of a driver's license under  
10 this act. In addition, a taxpayer shall not have a right to a hearing  
11 or an appeal with the New Jersey Motor Vehicle Commission  
12 regarding the suspension of the taxpayer's driver's license pursuant  
13 to this act.

14       A taxpayer may only challenge a driver's license suspension  
15 imposed under this act on the grounds that:

16       (1) the individual to whom the notice was provided is not the  
17 taxpayer at issue;

18       (2) the gross income tax deficiency was satisfied;

19       (3) the taxpayer's wages are being garnished by the division for  
20 the payment of the gross income tax deficiency at issue or garnished  
21 for child support arrears or child support and spousal support  
22 arrears;

23       (4) the taxpayer's driver's license is a commercial driver's  
24 license;

25       (5) the division incorrectly found that the taxpayer failed to  
26 comply with the terms of an installment payment plan for the gross  
27 income tax deficiency more than once in a 12 month period;

28       (6) there is an equitable reason, such as involuntary  
29 unemployment or disability for the taxpayer's failure to pay, as  
30 determined by the director; or

31       (7) the license suspension would result in a significant hardship  
32 to the taxpayer, as determined by the director.

33       d. Nothing in this act shall limit a taxpayer from establishing  
34 that the enforcement of the underlying gross income tax deficiency  
35 has been stayed by the filing of a petition under the Bankruptcy  
36 Code pursuant to Title 11 of the United States Code.

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38       3. The New Jersey Motor Vehicle Commission and the  
39 Division of Taxation shall be permitted to share necessary  
40 information for the proper identification of a taxpayer for the  
41 purpose of suspending the taxpayer's driver's license.

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43       4. The provisions of this act shall not limit, restrict, or impair  
44 the Division of Taxation from exercising any other authority to  
45 collect or enforce gross income tax deficiencies.

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47       5. The Chief Administrator of the New Jersey Motor Vehicle  
48 Commission in conjunction with the Director of the Division of

1 Taxation, pursuant to the “Administrative Procedure Act,”  
2 P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt rules and  
3 regulations necessary to effectuate the provisions of this act.  
4

5 6. This act shall take effect on the first day of the seventh  
6 month following enactment, but the Chief Administrator of the New  
7 Jersey Motor Vehicle Commission and the Director of the Division  
8 of Taxation may take such administrative action in advance of the  
9 effective date as may be necessary.  
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11  
12 STATEMENT  
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14 This bill requires the suspension of a driver’s license for a gross  
15 income tax deficiency under certain circumstances. Specifically,  
16 under the provisions of this bill the Chief Administrator of the New  
17 Jersey Motor Vehicle Commission (MVC), in conjunction with the  
18 Director of the Division of Taxation, is required to implement a  
19 program to improve the collection of gross income tax deficiencies.  
20 The provisions of the program would not apply to commercial  
21 driver’s licenses.

22 Under the program, a taxpayer’s driver’s license is required to be  
23 suspended if the taxpayer has \$5,000 or more in gross income tax  
24 deficiency, except that the taxpayer’s driver’s license is not to be  
25 suspended if there is an equitable reason, such as involuntary  
26 unemployment or disability for the taxpayer’s failure to pay, or the  
27 license suspension would result in significant hardship to the  
28 taxpayer, as determined by the director. In addition, if a taxpayer  
29 fails to comply with the terms of an installment payment plan that  
30 has been approved by the division more than once in a 12 month  
31 period, the taxpayer’s driver’s license is to be suspended. The bill  
32 provides that if the taxpayer does not have a driver’s license, the  
33 taxpayer is prohibited from obtaining one.

34 In addition, under the bill, the director is required to send a  
35 written notice to the taxpayer advising the taxpayer that his or her  
36 driver’s license may be suspended unless, within 60 days of the date  
37 of the notice, the taxpayer pays the full amount of the gross income  
38 tax deficiency or enters into an installment payment plan. However,  
39 a notice is not to be sent to a taxpayer whose wages are being  
40 garnished by the division for the payment of a gross income tax  
41 deficiency or being garnished for child support arrears or child  
42 support and spousal support arrears.

43 If the taxpayer fails to pay the full amount, enter into an  
44 installment payment plan, or challenge the suspension, as provided  
45 for in the bill, within 60 days, the division is required to provide  
46 notification to the MVC that the taxpayer’s license is to be  
47 suspended. Under the bill, the suspension will continue until the

1 taxpayer pays the full amount of the deficiency or enters into an  
2 installment payment plan.

3 The bill further provides that a taxpayer does not have a right to  
4 commence any legal action against the division or the commission  
5 regarding the issuance of a notice or suspension of a driver's license  
6 under the bill. In addition, under the bill, a taxpayer does not have  
7 a right to a hearing or an appeal with the MVC regarding the license  
8 suspension.

9 The bill further provides that a taxpayer may only challenge a  
10 driver's license suspension imposed under the bill on certain  
11 grounds, including that the individual to whom the notice was  
12 provided is not the taxpayer or that the gross income tax deficiency  
13 was already satisfied. However, a person is not prohibited from  
14 establishing that the enforcement of the underlying gross income  
15 tax deficiency has been stayed by the filing of a bankruptcy  
16 petition.

17 Finally, the MVC and the division are permitted to share  
18 necessary information for the proper identification of a taxpayer for  
19 the purpose of suspending the taxpayer's driver's license.