

SENATE, No. 878

STATE OF NEW JERSEY 218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

Sponsored by:

Senator FRED H. MADDEN, JR.

District 4 (Camden and Gloucester)

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

Senator TROY SINGLETON

District 7 (Burlington)

SYNOPSIS

Restricts authority to terminate reciprocal personal income tax agreements with other states.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 2/16/2018)

S878 MADDEN, SWEENEY

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1 AN ACT concerning reciprocal personal income tax agreements and
2 amending N.J.S.54A:9-7.

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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. N.J.S.54A:9-7 is amended to read as follows:
8 54A:9-17. General powers of the director.

9 (a) General. The director shall administer and enforce the tax
10 imposed by this act and is authorized to make such rules and
11 regulations, and to require such facts and information to be reported
12 as he may deem necessary to enforce the provisions of this act. The
13 director may divide the State into districts in each of which a branch
14 office may be maintained by him, but in no case shall a county be
15 divided in forming a district.

16 (b) Delegation of powers. The director may delegate to any
17 officer or employee of his division such of his powers as he may
18 deem necessary to carry out efficiently the provisions of this act,
19 and the person or persons to whom such power has been delegated
20 shall possess and may exercise all of the power and perform all of
21 the duties herein conferred and imposed upon the director.

22 (c) Examination of books and witnesses. The director for the
23 purpose of ascertaining the correctness of any return, or for the
24 purpose of making an estimate of taxable income of any person,
25 shall have power to examine or to cause to have examined, by any
26 agent or representative designated by him for that purpose, any
27 books, papers, records or memoranda bearing upon the matters
28 required to be included in the return, and may require the
29 attendance of the person rendering the return or any officer or
30 employee of such person, or the attendance of any other person
31 having knowledge in the premises, and may take testimony and
32 require proof material for his information, with power to
33 administer oaths to such person or persons.

34 (d) Abatement authority. The director, on his own motion, may
35 abate any small unpaid balance of an assessment of income tax, or
36 any liability in respect thereof, if the director determines under
37 uniform rules prescribed by him that the administration and
38 collection costs involved would not warrant collection of the
39 amount due. He may also abate, on his own motion, the unpaid
40 portion of the assessment of any tax or any liability in respect
41 thereof, which is excessive in amount, or is assessed after the
42 expiration of the period of limitation properly applicable thereto, or
43 is erroneously or illegally assessed. No claim for abatement under
44 this subsection shall be filed by a taxpayer.

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.

1 (e) The Department of the Treasury, Division of Taxation, may
2 enter into an agreement with the taxing authorities of any state
3 which imposes a tax on or is measured by income to provide that
4 compensation paid in such state to residents of this State shall be
5 exempt from such tax; in such case any compensation paid in this
6 State to residents of such state shall be exempt from New Jersey
7 personal income tax. The Division, in such agreements, may
8 provide for reciprocal withholding, employer liability, exchange of
9 information and all other matters relating to cooperation between
10 the states. Notwithstanding the provisions of this section to the
11 contrary, any agreement heretofore or hereinafter entered into,
12 notwithstanding the terms thereof concerning termination of the
13 agreement, shall not be terminated unless the termination thereof is
14 by enactment of a law directing the director to terminate the
15 agreement.

16 (N.J.S.54A:9-7)

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18 2. This act shall take effect immediately and shall be
19 retroactive to October 19, 1977.

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STATEMENT

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24 This bill requires that the authority of the Director of the
25 Division of Taxation in the Department of the Treasury to enter into
26 reciprocal personal income tax agreements with other states is to be
27 limited by restricting the termination of any such agreement to the
28 enactment by the Legislature and the Governor of a law directing
29 the termination of an agreement.

30 This bill is retroactive to October 19, 1977, the effective date of
31 the Reciprocal Personal Income Tax Agreement between the
32 Commonwealth of Pennsylvania and the State of New Jersey.