

ASSEMBLY, No. 2442

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 3, 2020

Sponsored by:

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

SYNOPSIS

Provides a sales and use tax exemption for sales of certain high-efficiency home heating equipment.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT providing a sales and use tax exemption for sales of certain
2 high-efficiency home heating equipment, supplementing
3 P.L.1966, c.30 (C.54:32B-1 et seq.).
4

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*
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8 1. a. Receipts from sales of the following products sold for
9 non-commercial residential use are exempt from the tax imposed
10 under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et
11 seq.) if the products bear the Energy Star label:

12 (1) furnaces,

13 (2) boilers, and

14 (3) programmable thermostats.

15 b. For the purposes of this section, "Energy Star label" means
16 the label granted to certain products that meet the energy efficiency
17 criteria of the federal Environmental Protection Agency Energy Star
18 program administered in collaboration with the federal Department
19 of Energy.
20

21 2. This act shall take effect immediately and remain
22 inoperative until the first day of the second month following
23 enactment.
24

25 STATEMENT

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28 This bill provides a sales and use tax exemption for sales of
29 high-efficiency home furnaces and boilers and for programmable
30 thermostats that have the federal Energy Star label.

31 The federal Environmental Protection Agency (EPA) introduced
32 Energy Star in 1992 to identify and promote energy-efficient
33 products. In 1996, the EPA began collaboration with the federal
34 Department of Energy for particular product categories. The Energy
35 Star label is now on many categories of high-efficiency appliances.

36 To promote energy efficiency in a time of increasing fuel and
37 energy costs, this bill provides a sales tax exemption for home
38 furnaces and boilers that bear the Energy Star label. Most homes
39 are heated by gas, electric or oil-fueled furnaces. An Energy Star
40 labeled furnace must have an annual fuel utilization efficiency
41 rating of 85% or greater, making them about 15% more efficient
42 than standard models. Homes with forced hot water or steam heat
43 use boilers to provide the hot water or steam. Energy Star boilers
44 must have an annual fuel utilization efficiency rating of 87% or
45 greater, making them about 12% more efficient than standard
46 models.

47 All heating systems can be made more efficient by use of a
48 programmable thermostat, which allows automatic temperature

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1 lowering at times of lower demand. This bill provides a sales tax
2 exemption for programmable thermostats that bear the Energy Star
3 label. Energy Star programmable thermostats save energy by
4 offering four convenient, pre-programmed temperature settings –
5 settings that try to anticipate when it's convenient to scale back on
6 heating during weekday afternoons and at night.