

SENATE, No. 2902

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED SEPTEMBER 14, 2020

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

SYNOPSIS

Imposes tax on high-quantity processors of financial transactions at \$0.0025 per transaction.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT imposing a tax on high-quantity processors of financial
2 transactions, supplementing Title 54 of 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. As used in P.L. , c. (C.)(pending before the
8 Legislature as this bill):

9 “Director” means the Director of the Division of Taxation in the
10 Department of the Treasury.

11 “Financial transaction” means a transaction involving the
12 purchase or sale of a financial security, including but not limited to,
13 a futures contract, options contract, futures option contract, swap
14 contract, credit default swap contract, derivative, or share of stock
15 in an entity.

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17 2. a. A tax is imposed on a person or entity that processes
18 10,000 or more financial transactions through electronic
19 infrastructure located in this State during the calendar year.

20 b. The tax is \$0.0025 for each financial transaction processed
21 through electronic infrastructure located in this State.

22 c. No financial transaction processed through electronic
23 infrastructure located in this State shall be taxed pursuant to this
24 section more than once. If multiple persons or entities process a
25 single financial transaction through electronic infrastructure located
26 in this State, the first person or entity processing the transaction
27 through electronic infrastructure located in this State shall be
28 subject to the tax imposed pursuant to this section.

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30 3. a. The tax imposed by section 2 of P.L. , c. (C.)
31 (pending before the Legislature as this bill) shall be filed and paid
32 on a monthly basis in a manner prescribed by the director.

33 b. The tax imposed by section 2 of P.L. , c. (C.)
34 (pending before the Legislature as this bill) shall be governed by the
35 provisions of the State Uniform Tax Procedure Law, R.S.54:48-1 et
36 seq.

37 c. The director shall promulgate such rules and regulations as
38 the director determines are necessary to effectuate the provisions of
39 P.L. , c. (C.) (pending before the Legislature as this bill).

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41 4. This act shall take effect 90 days following enactment.

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STATEMENT

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46 This bill imposes a tax on persons or entities that process 10,000
47 or more financial transactions through electronic infrastructure

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1 located in New Jersey during the year. The tax is \$0.0025 (a quarter
2 of a cent) per financial transaction processed in New Jersey.

3 There are reportedly billions of financial transactions processed
4 daily, and many of those are processed through electronic
5 infrastructure located in New Jersey. This tax, which is on the
6 processor but may be passed along to the purchaser or seller, can
7 therefore potentially raise a significant amount of revenue for New
8 Jersey.

9 For purposes of the tax, a financial transaction is a transaction
10 involving the purchase or sale of a financial security. Security
11 includes, but is not limited to, a futures contract, options contract,
12 futures option contract, swap contract, credit default swap contract,
13 derivative, or share of stock in an entity.