

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 181

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 22, 1996

The Assembly Appropriations Committee reports favorably Assembly Bill No. 181 with committee amendments.

Assembly Bill No. 181, as amended, changes current law concerning the written verification of gross income tax returns so that such returns may be filed by telephone using a touch-tone telephone keypad.

Current law requires a gross income tax filer to certify the accuracy of the gross income tax return by signing his or her name under penalty of perjury. This signature represents the taxpayer's oath that the information contained in the return is accurate and that no intentional attempt has been made to defraud the State.

The purpose of this bill is to permit the Director of the Division of Taxation to promulgate regulations that will allow the use of voice signatures and other technologies, as they evolve, to satisfy the signature requirements of the gross income tax.

The division has started a pilot program for certain taxpayers to file their 1995 gross income tax returns. A taxpayer using this system may receive a refund more quickly than if a paper return had been filed.

COMMITTEE AMENDMENTS

The committee amended the bill to make it retroactive to January 1, 1996, so that there would be no question as to the legality or accuracy of 1995 gross income tax returns filed by telephone under the pilot program already begun by the Division of Taxation. In addition, the committee amended the bill to emphasize that the signature of a tax filer, whether in writing or by telephonic or electronic means, is needed to certify to the truth of the contents of a tax return.

FISCAL IMPACT:

The fiscal impact of this bill cannot be estimated at this time; however, the Division of Taxation may incur some additional expenses for the conversion from the current method to a telephone filing system. In the long term, the division may experience a reduction in processing costs as more taxpayers are permitted to

change their method of filing from paper returns to telephone or other electronic means.