

ASSEMBLY, No. 342

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblymen PASCRELL and BAGGER

1 AN ACT concerning reductions or discounts in the rate of taxation of
2 the units of electricity and natural gas sold in the business of a gas
3 or electric light, heat and power corporation and amending
4 P.L.1991, c.184.

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6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

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9 1. Section 11 of P.L.1991, c.184 (C.54:30A-54.7) is amended to
10 read as follows:

11 11. Gas and electric light, heat and power corporations subject to
12 tax pursuant to section 10 of P.L.1991, c.184 (C.54:30A-54.6) shall
13 file with the Board of Public Utilities amendments to their existing
14 tariffs, contracts or schedules of service designating the appropriate
15 class in the residential class category or in the non-residential class
16 category for each tariff, contract or schedule of service. The initial
17 designations shall maintain as closely as possible the relative share of
18 gross receipts and franchise taxes paid through each tariff, contract or
19 schedule of service in 1991. Whenever a gas or electric light, heat and
20 power corporation shall file with the Board of Public Utilities a new
21 tariff, contract or schedule of service, such corporation shall include
22 with the filing a designation of the appropriate residential class
23 category or non-residential class category.

24 The Board of Public Utilities may permit corporations to establish
25 new tariffs, contracts or schedules, or to amend existing tariffs,
26 contracts or schedules, as necessary to comply with the provisions of
27 this amendatory and supplementary act, P.L.1991, c.184
28 (C.54:30A-18.6 et al.). The Board of Public Utilities may authorize
29 corporations to engage in such deferred accounting of costs resulting
30 from actions on the part of taxpayers as may be necessary to comply
31 with the provisions of this amendatory and supplementary act.
32 Whenever a corporation shall establish in its tariffs, contracts or

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 schedules a new class, the Board of Public Utilities shall designate it
2 in the residential class category or non-residential class category for
3 the purposes of this amendatory and supplementary act. The Board
4 shall, in consultation with the director, establish a rate of taxation as
5 is appropriate for sales of corresponding therms of gas and
6 corresponding kilowatthours of electricity in that class in such manner
7 as not to alter the amount of the taxpayer's total tax liability for the
8 year in which the new class is implemented, and on the same basis, as
9 nearly as practicable, as established for previously existing classes in
10 the residential class category or non-residential class category, as
11 appropriate. There shall be no discount or reduction in the rate of
12 taxation in the establishment of any new tariffs, contracts or schedules,
13 or amendments to existing tariffs, contracts or schedules, or for any
14 new or previously existing classes. The Board shall assure that that
15 portion of a taxpayer's tax liability attributed within its classes in the
16 residential class category or non-residential class category, as the case
17 may be, shall be distributed in an equitable manner so as to maintain,
18 as nearly as practicable, the distributions made among those classes in
19 the initial attributions of tax liability under this amendatory and
20 supplementary act, subject to any later adjustments made by the board,
21 any changes from the initial attributions necessary to reflect
22 proportional changes in unit sales made among the classes, and any
23 modifications necessary to establish the tax liability to be attributed to,
24 and the unit sales made in, the new class.

25 (cf: P.L.1991, c.184, s.11)

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27 2. This act shall take effect immediately.

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STATEMENT

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32 This bill would prohibit the Board of Public Utilities from reducing
33 or discounting the rate of taxation of the units of gas and electricity
34 sold in the business of a gas or electric light, heat and power
35 corporation.

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40 Prohibiting reductions or discounts in rate of taxation of units of
41 electricity and gas sold by gas or electric light, heat and power
42 corporations.