

ASSEMBLY, No. 825

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman ARNONE

1 AN ACT exempting certain motor vehicles from the New Jersey sales
2 and use tax, and 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. Receipts from sales of alternative fuel vehicles are exempt from
8 the tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30
9 (C.54:32B-1 et seq.):

10 For the purposes of this section:

11 "Alternative fuel" means methanol, ethanol, or other alcohols,
12 natural gas, compressed natural gas, propane, liquefied petroleum gas,
13 hydrogen, coal-derived liquid fuels, electricity, or any other fuel
14 substantially composed of nonpetroleum substances that is used in a
15 clean-fuel vehicle that complies with the standards and requirements
16 applicable to such vehicles under the federal "Clean Air Act," 42
17 U.S.C. §7401 et seq.

18 "Alternative fuel vehicle" means a motor vehicle that is a dedicated
19 alternative fuel vehicle or a flexi-fuel vehicle.

20 "Conversion" or "converted" means the alteration, change,
21 reconstruction, transmutation, transconfiguration, or
22 transmogrification of a motor vehicle propelled solely by means of a
23 fuel that is not an alternative fuel into an alternative fuel vehicle.

24 "Dedicated alternative fuel vehicle" means a motor vehicle
25 constructed or converted to operate solely on alternative fuel.

26 "Flexi-fuel vehicle" means a motor vehicle that can operate on
27 alternative fuel and on a fuel that is not an alternative fuel.

28 "Motor vehicle" means all vehicles propelled otherwise than by
29 muscular power, except those vehicles that run only upon rails or
30 tracks and motorized bicycles .

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32 2. This act shall take effect January 1 next following enactment,
33 and shall expire December 31 of the fourth calendar year following the
34 calendar year in which the act takes effect; provided, however, that
35 such expiration shall not affect the duty of any person required to

1 collect the tax during the effective period of this act, and shall not
2 adversely affect any actions taken by the director, pursuant to law,
3 after the expiration date to ensure that taxes due and owing during the
4 effective period of this act are collected and transmitted to the
5 director.

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STATEMENT

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10 This bill provides for a five-year sales and use tax exemption for the
11 sale or resale of alternative fuel vehicles, i.e., motor vehicles that are
12 powered by certain "alternative" fuels other than traditional motor
13 fuels such as gasoline or diesel.

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18 Provides five-year sales and use tax exemption for alternative-fuel
19 motor vehicles.