

ASSEMBLY, No. 997

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblymen MORAN and CONNORS

1 AN ACT providing exempt organization status under the sales and use
2 tax to certain National Guard and veterans' organizations, amending
3 P.L.1966, c.30.

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

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8 1. Section 9 of P.L.1966, c.30 (C.54:32B-9) is amended to read as
9 follows:

10 9. Exempt organizations. (a) Except as to motor vehicles sold by
11 any of the following, any sale, service or amusement charge by or to
12 any of the following or any use or occupancy by any of the following
13 shall not be subject to the sales and use taxes imposed under this act:

14 (1) The State of New Jersey, or any of its agencies,
15 instrumentalities, public authorities, public corporations (including a
16 public corporation created pursuant to agreement or compact with
17 another state) or political subdivisions where it is the purchaser, user
18 or consumer, or where it is a vendor of services or property of a kind
19 not ordinarily sold by private persons;

20 (2) The United States of America, and any of its agencies and
21 instrumentalities, insofar as it is immune from taxation where it is the
22 purchaser, user or consumer, or where it sells services or property of
23 a kind not ordinarily sold by private persons;

24 (3) The United Nations or any international organization of which
25 the United States of America is a member where it is the purchaser,
26 user or consumer, or where it sells services or property of a kind not
27 ordinarily sold by private persons.

28 (b) Except as otherwise provided in this section any sale or
29 amusement charge by or to any of the following or any use or
30 occupancy by any of the following, where such sale, charge, use or
31 occupancy is directly related to the purposes for which the following
32 have been organized, shall not be subject to the sales and use taxes

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 imposed under this act:

2 ~~[(1)]~~ Any corporation, association, trust, or community chest, fund
3 or foundation, organized and operated exclusively for religious,
4 charitable, scientific, testing for public safety, literary or educational
5 purposes, or for the prevention of cruelty to children or animals, or as
6 a volunteer fire company, rescue, ambulance, first aid or emergency
7 company or squad, or as a National Guard organization, post or
8 association or as a post or organization of war veterans, or auxiliary
9 unit or society of any such posts or organizations, provided that the
10 post, organization, association, auxiliary unit or society is organized
11 in this State and meets the definitions for such entities established
12 pursuant to regulations promulgated by the Director of the Division of
13 Taxation; and an association of parents and teachers of an elementary
14 or secondary public or private school exempt under the provisions of
15 this section [9], no part of the net earnings of which inures to the
16 benefit of any private shareholder or individual, no substantial part of
17 the activities of which is carrying on propaganda, or otherwise
18 attempting to influence legislation, and which does not participate in,
19 or intervene in (including the publishing or distributing of statements),
20 any political campaign on behalf of any candidate for public office.

21 (c) Nothing in this section shall exempt the sale of a motor vehicle
22 by an organization described in subsection (b)~~[(1)]~~ of this section or
23 retail sales of tangible personal property by any shop or store operated
24 by such organization from the taxes imposed hereunder, unless the
25 purchaser is an organization exempt under this section.

26 (d) Any organization enumerated in subsection (b)~~[(1)]~~ hereof shall
27 not be entitled to the exemption herein granted unless it has complied
28 with such requirements for obtaining a tax immunity authorization as
29 may be provided in this act.

30 (e) Where any organization described in subsection (b)~~[(1)]~~ hereof
31 carries on its activities in furtherance of the purposes for which it was
32 organized, in premises in which, as part of said activities, it operates
33 a hotel, occupancy of rooms in the premises and rents therefrom
34 received by such corporation or association shall not be subject to tax
35 hereunder.

36 (f) (1) Except as provided in paragraph (2) of this subsection, any
37 admissions all of the proceeds of which inure exclusively to the benefit
38 of the following organizations shall not be subject to any of the taxes
39 imposed under subsection (e) of section 3:

40 (A) an organization described in subsection (a) (1) or (b) of this
41 section;

42 (B) a society or organization conducted for the sole purpose of
43 maintaining symphony orchestras or operas and receiving substantial
44 support from voluntary contributions; or

45 ~~[(C)]~~ national guard organizations, posts or organizations of war
46 veterans, or auxiliary units or societies of any such posts or

1 organizations, if such posts, organizations, units or societies are
2 organized in this State, and if no part of their net earnings inures to the
3 benefit of any private stockholder or individual; or]

4 ~~[(D)]~~(C) a police or fire department of a political subdivision of the
5 State, or a volunteer fire company, ambulance, first aid, or emergency
6 company or squad, or exclusively to a retirement, pension or disability
7 fund for the sole benefit of members of a police or fire department or
8 to a fund for the heirs of such members.

9 (2) The exemption provided under paragraph (1) of this subsection
10 shall not apply in the case of admissions to:

11 (A) Any athletic game or exhibition unless the proceeds shall inure
12 exclusively to the benefit of elementary or secondary schools or unless
13 in the case of an athletic game between two elementary or secondary
14 schools, the entire gross proceeds from such game shall inure to the
15 benefit of one or more organizations described in subsection (b)~~[(1)]~~of
16 this section;

17 (B) Carnivals, rodeos, or circuses in which any professional
18 performer or operator participates for compensation;

19 (3) Admission charges for admission to the following places or
20 events shall not be subject to any of the taxes imposed under
21 subsection (e) of section 3:

22 (A) Any admission to agricultural fairs if no part of the net
23 earnings thereof inures to the benefit of any stockholders or members
24 of the association conducting the same; provided the proceeds
25 therefrom are used exclusively for the improvement, maintenance and
26 operation of such agricultural fairs.

27 (B) Any admission to a home or garden which is temporarily open
28 to the general public as a part of a program conducted by a society or
29 organization to permit the inspection of historical homes and gardens;
30 provided no part of the net earnings thereof inures to the benefit of
31 any private stockholder or individual.

32 (C) Any admissions to historic sites, houses and shrines, and
33 museums conducted in connection therewith, maintained and operated
34 by a society or organization devoted to the preservation and
35 maintenance of such historic sites, houses, shrines and museums;
36 provided no part of the net earnings thereof inures to the benefit of
37 any private stockholder or individual.

38 (cf: P.L.1967, c.25, s.3)

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40 2. This act shall take effect immediately.

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43 STATEMENT

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45 This bill grants exempt organization status under the "Sales and Use
46 Tax Act" to National Guard and war veterans' posts or associations,

1 and the auxiliary units of these organizations, which meet the
2 definition for such entities established pursuant to regulations to be
3 promulgated by the Director of the Division of Taxation in the
4 Department of the Treasury.

5 Presently, these organizations have limited exempt status under the
6 act.

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11 Grants exempt organizations status under the sales tax to National
12 Guard and war veterans' organizations.