

ASSEMBLY, No. 1234

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman AZZOLINA

1 AN ACT eliminating interest charges on certain unpaid taxes and
2 assessments owed by persons in military service and their
3 dependents and amending P.L.1979, c.317.

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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 18 of P.L.1979, c.317 (C.38:23C-18) is amended to
9 read as follows:

10 18. a. The provisions of this section shall apply when any taxes or
11 assessments, whether general or special, other than taxes on income,
12 whether falling due prior or during the period of military service in
13 respect of personal property, money or credits or real property owned
14 and occupied for dwelling, agricultural, or business purposes by a
15 person in military service, or his dependents, at the commencement of
16 his period of military service and still so occupied by his dependents
17 or employees, are not paid.

18 b. No sale of such property shall be made to enforce the collection
19 of such tax or assessment, or any proceeding or action for such
20 purpose commenced, except upon leave of court granted upon
21 application made therefor by the collector of taxes or other officer
22 whose duty it is to enforce the collection of taxes or assessments. The
23 court thereupon, unless in its opinion the ability of the person in
24 military service to pay such taxes or assessments is not materially
25 affected by reason of such service, may stay such proceedings or such
26 sale, as provided in this act, for a period extending not more than 6
27 months after the termination of the period of military service of such
28 person.

29 c. When by law such property may be sold or forfeited to enforce
30 the collection of such tax or assessment, such person in military
31 service shall have the right to redeem or commence an action to
32 redeem such property, at any time not later than 6 months after the

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 termination of such service, but in no case later than 6 months after the
2 date when this act ceases to be in force; but this shall not be taken to
3 shorten any period, now or hereafter provided by the laws of the State,
4 or any political subdivision thereof, for such redemption.

5 d. Whenever any tax or assessment shall not be paid when due, no
6 interest shall accrue upon such tax or assessment due and unpaid [shall
7 bear interest until paid at the rate of 6% per annum from the date when
8 such tax first became a lien] until 6 months after the termination of the
9 period of military service, after which time interest shall accrue on the
10 unpaid tax or assessment at the rate of 6% per annum until paid, and
11 no other penalty or interest shall be incurred by reason of such
12 nonpayment, whether such penalty or interest shall have accrued prior
13 or shall accrue subsequent to the commencement of the period of
14 military service of such person. Any lien for such unpaid taxes or
15 assessment shall also not include [such] interest thereon until 6 months
16 after the termination of the period of military service.

17 (cf: P.L.1979, c.317, s.18)

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19 2. This act shall take effect immediately.

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22 STATEMENT

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24 Current law protects persons in military service and their
25 dependents from losing their property due to unpaid taxes and
26 assessments by allowing a court to stay proceedings to enforce
27 payment until six months after the individual leaves military service
28 unless it determines that the person's ability to pay is not materially
29 affected by the military service. The law, however, does provide that
30 delinquent taxes and assessments, other than taxes on income, owed
31 by persons in military service and their dependents shall bear interest
32 at the rate of 6% per annum until paid. This bill amends the existing
33 law to provide that no interest would begin to accrue on these
34 amounts until six months after termination of military service.

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39 Eliminates interest charges payable by persons in military service and
40 their dependents on certain unpaid taxes and assessments.