

ASSEMBLY, No. 1566

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 15, 1996

By Assemblymen BROWN and MATTISON

1 AN ACT extending the expiration date and limiting the enactment of  
2 certain local payroll taxes, and amending P.L.1970, c.326.

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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. Section 19 of P.L.1970, c.326 (C.40:48C-19) is amended to  
8 read as follows:

9 19. No tax shall be imposed under any ordinance adopted pursuant  
10 to this article with respect to services performed prior to January 1,  
11 1971, or in a calendar quarter prior to that in which the ordinance is  
12 adopted, or in a municipality that has not within two years prior to July  
13 1, 1995 collected taxes or enacted an ordinance imposing a tax, or on  
14 or after [January 1, 1996,] December 31, 1999; but any such ordinance  
15 shall remain in effect with respect to the right of the municipality to  
16 receive reports and enforce and collect taxes due thereunder for any  
17 period prior to [January 1, 1996] December 31, 1999.  
18 (cf: P.L.1994, c.28, s.2.)

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20 2. This act shall take effect immediately.

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STATEMENT

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25 This bill extends to December 31, 1999 the expiration date of the  
26 local payroll tax authorized by the "Local Tax Authorization Act,"  
27 P.L. 1970, c.326 (C.40:48C-1 et seq.) and limits its further imposition  
28 to those municipalities which have within two years prior to July 1,  
29 1995, the beginning of the current State fiscal year, collected payroll  
30 taxes or enacted an ordinance imposing a payroll tax. The bill would  
31 preserve Newark's, but remove Jersey City's, power to impose the  
32 payroll tax.

33 The "Local Tax Authorization Act" permits any municipality with  
34 a population in excess of 200,000 to adopt an ordinance imposing a

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

**Matter underlined thus is new matter.**

1 liquor tax, a payroll tax, and a parking tax. The original law  
2 authorizing these taxes in 1970 set forth separate expiration dates for  
3 each tax. The parking tax has been extended to December 31, 1999,  
4 under P.L.1991, c.288, and the payroll tax and liquor tax were  
5 extended to January 1, 1996 under P.L.1994, c.28.

6 Jersey City and Newark are the only municipalities in the State with  
7 populations which exceed 200,000. Jersey City has a parking tax in  
8 effect, but not a liquor tax. Jersey City did adopt an ordinance on  
9 December 7, 1995 imposing a payroll tax. Newark has imposed a  
10 parking and payroll tax.

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15 Extends expiration date and limits enactment of certain payroll taxes  
16 under "Local Tax Authorization Act."