

**LEGISLATIVE FISCAL ESTIMATE TO
ASSEMBLY, No. 1668**

STATE OF NEW JERSEY

DATED: April 11, 1996

Assembly Bill No.1668 of 1996 would amend the "Spill Compensation and Control Act" (P.L.1976, c.141) to change the way the tax imposed upon the owner or operator of a major facility is calculated. Currently, for most taxpayers, the aggregate tax due for any taxpayer who has paid the tax in the 1986 calender year is capped at 125% of the tax due for the 1986 calender year, plus \$0.0025 per barrel of hazardous substance transferred. This bill would change that calculation. For taxes due after January 1, 1995, in computing 125% of taxes due and payable by the taxpayer during the 1986 tax year, a taxpayer would include 1986 taxes arising out of the operations of major facilities which (1) caused the taxpayer to incur a tax liability in 1986, and (2) continue to cause the corporate taxpayer to incur a tax liability during the current tax year. In addition, the bill would change the tax for any transfer of a hazardous substance that is or contains elemental phosphorus to \$0.015 per barrel. In computing 125% of taxes due and payable by the taxpayer during the 1986 tax year, the 1986 taxes for any transfer that is or contains elemental phosphorous would then be recalculated at a rate of \$0.015 per barrel.

The Office of Legislative Services cannot calculate the fiscal impacts of this bill on corporate taxpayers or on the level of tax revenues collected by the Spill Fund due to the unavailability of tax, facility and hazardous substance records dating back to 1986. It can be assumed, however, that the bill would result in lower tax revenues collected by the Spill Fund which, in turn, would further limit its ability to support various programmatic and claims activities. The Spill Fund collects between \$16.5 million and \$17.0 million annually in taxes, plus an additional \$28.0 million is generated annually in revenues from licenses and other fees. Its expenditures totaled \$76.8 million in FY 1995 and are estimated at \$49.7 million in FY 1996. The Spill Fund's balance at the end of FY 1996 is estimated at \$26.8 million.

The legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.