

ASSEMBLY, No. 2056

STATE OF NEW JERSEY

INTRODUCED JUNE 3, 1996

By Assemblyman COHEN

1 AN ACT concerning calculation of sales tax on casual sales of  
2 passenger automobiles, amending P.L.1966, c.30.

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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.1966, c.30 (C.54:32B-19) is amended to read  
8 as follows:

9 19. Determination of tax. If a return required by this act is not  
10 filed, or if a return when filed is incorrect or insufficient, the amount  
11 of tax due shall be determined by the director from such information  
12 as may be available; provided however, that notwithstanding any other  
13 information available, the receipt from the casual sale of a passenger  
14 automobile, as defined pursuant to R.S.39:1-1, shall be the amount  
15 shown on the bill of sale. If necessary, the tax may be estimated on the  
16 basis of external indices, such as stock on hand, purchases, rental paid,  
17 number of rooms, location, scale of rents or charges, comparable rents  
18 or charges, type of accommodations and service, number of employees  
19 or other factors. Notice of such determination shall be given to the  
20 person liable for the collection or payment of the tax. Subject to the  
21 provisions of the State Tax Uniform Procedure Law, R.S.54:48-1 et  
22 seq., such determination shall finally and irrevocably fix the tax unless  
23 the person against whom it is assessed, within 90 days after giving of  
24 notice of such determination, shall apply to the director for a hearing,  
25 or unless the director of his own motion shall redetermine the same.  
26 After such hearing the director shall give notice of his determination  
27 to the person against whom the tax is assessed.

28 (cf: P.L.1992, c.175, s.31).

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30 2. This act shall take effect immediately.

**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.**

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STATEMENT

This bill clarifies the calculation of sales tax due on the sale of an automobile by a person who is not an automobile dealer. The legislation specifies that amount of sales tax due is based on the purchase price as shown on the bill of sale, and no other information.



Clarifies that purchase price of passenger automobile for calculation of sales tax due is amount on bill of sale.