

[First Reprint]  
ASSEMBLY, No. 2331

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 19, 1996

By Assemblymen LeFEVRE and BLEE

1 AN ACT establishing annual tax review and certification renewal of  
2 qualified urban enterprise zone vendors, amending P.L.1983, c.303.

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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 21 of P.L.1983, c.303 (C.52:27H-80) is amended to  
8 read as follows:

9 21. Receipts of retail sales, except retail sales of motor vehicles, of  
10 alcoholic beverages as defined in the "Alcoholic Beverage Tax Law,"  
11 R.S.54:41-1 et seq., cigarettes as defined in the "Cigarette Tax Act,"  
12 P.L.1948, c.65 (C.54:40A-1 et seq.) <sup>1</sup>and<sup>1</sup> of manufacturing  
13 machinery, equipment or apparatus, made by a certified vendor from  
14 a place of business owned or leased and regularly operated by the  
15 vendor for the purpose of making retail sales, and located in a  
16 designated enterprise zone established pursuant to the "New Jersey  
17 Urban Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 et al.),  
18 are exempt to the extent of 50% of the tax imposed under the "Sales  
19 and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

20 Any vendor, which is a qualified business having a place of business  
21 located in a designated enterprise zone, may apply to the Director of  
22 the Division of Taxation in the Department of the Treasury for  
23 certification pursuant to this section. The director shall certify a  
24 vendor if **[he shall find]** the director finds that the vendor owns or  
25 leases and regularly operates a place of business located in the  
26 designated enterprise zone for the purpose of making retail sales, that  
27 items are regularly exhibited and offered for retail sale at that location,  
28 and that the place of business is not utilized primarily for the purpose  
29 of catalogue <sup>1</sup>or<sup>1</sup> mail order sales. The certification under this section  
30 shall remain in effect **[during the time the business retains its status as**  
31 **a qualified business meeting]** for a period not to exceed one year. 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.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Assembly ACV committee amendments adopted May 12, 1997.

1 director shall renew a certification upon application of the vendor if  
2 the vendor continues to meet the eligibility criteria of section 27 of  
3 P.L.1983, c.303 (C.52:27H-86) and the certification requirements of  
4 this section. However, the director may at any time revoke a  
5 certification granted pursuant to this section if he shall determine that  
6 the vendor no longer complies with the provisions of this section.

7 The director shall review the records of each vendor applying for  
8 or renewing certification as a qualified business in a designated  
9 enterprise zone. If the director determines that the vendor has not  
10 filed all required tax and information returns or has not paid or  
11 remitted all tax, penalties, interest or fees due, the director shall issue  
12 a notice of delinquency listing unfiled returns or balances due. <sup>1</sup>[The]  
13 If the vendor has not appealed the finding of delinquency and the right  
14 of appeal has expired, the<sup>1</sup> director may require a vendor to resolve all  
15 delinquencies and deficiencies before certification is issued or  
16 renewed, or upon review of the total circumstances, the director shall  
17 issue an interim certification if the director determines to the director's  
18 satisfaction that the vendor will resolve such delinquencies and  
19 deficiencies.

20 Notwithstanding the provisions of this act to the contrary, except  
21 as may otherwise be provided by section <sup>1</sup>[8] 7<sup>1</sup> of P.L.1983, c.303  
22 (C.52:27H-66), the authority may, in its discretion, determine whether  
23 or not the provisions of this section shall apply to any enterprise zone  
24 designated after the effective date of P.L.1985, c.142 (C.52:27H-66  
25 et al.); provided, however, that the authority may make such a  
26 determination only where the authority finds that the award of an  
27 exemption of 50 percent of the tax imposed under the "Sales and Use  
28 Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) will not have any  
29 adverse economic impact upon any other urban enterprise zone.

30 Notwithstanding any other provisions of law to the contrary,  
31 <sup>1</sup>except as provided in subsection b. of section 6 of P.L. 1996, c.124  
32 (C.13:1E-116.6),<sup>1</sup> after first depositing 10 percent of the gross amount  
33 of all revenues received from the taxation of retail sales made by  
34 certified vendors from business locations in designated enterprise  
35 zones to which this exemption shall apply into the account created in  
36 the name of the authority in the enterprise zone assistance fund  
37 pursuant to section 29 of P.L.1983, c.303 (C.52:27H-88), the  
38 remaining 90 percent shall be deposited immediately upon collection  
39 by the Department of the Treasury, as follows:

40 a. In the first five year period during which the State shall have  
41 collected reduced rate revenues within an enterprise zone, all such  
42 revenues shall be deposited in the enterprise zone assistance fund  
43 created pursuant to section 29 of P.L.1983, c.303 (C.52:27H-88);

44 b. In the second five year period during which the State shall have  
45 collected reduced rate revenues within an enterprise zone,  $66 \frac{2}{3}\%$  of  
46 all those revenues shall be deposited in the enterprise zone assistance

1 fund, and 33 1/3% shall be deposited in the General Fund;

2 c. In the third five year period during which the State shall have  
3 collected reduced rate revenues within an enterprise zone, 33 1/3% of  
4 all those revenues shall be deposited in the enterprise zone assistance  
5 fund, and 66 2/3% shall be deposited in the General Fund;

6 d. In the final five year period during which the State shall have  
7 collected reduced rate revenues within an enterprise zone, but not to  
8 exceed the life of the enterprise zone, all those revenues shall be  
9 deposited in the General Fund.

10 Commencing on the effective date of P.L.1993, c.144, all revenues  
11 in any enterprise zone to which the provisions of this section have  
12 been extended prior to the enactment of P.L.1993, c.144 shall be  
13 deposited into the enterprise zone assistance fund until there shall have  
14 been deposited all revenues into that fund for a total of five full years,  
15 as set forth in subsection a. of this section. The State Treasurer then  
16 shall proceed to deposit funds into the enterprise zone assistance fund  
17 according to the schedule set forth in subsections b. through d. of this  
18 section, beginning at the point where the enterprise zone was located  
19 on that schedule on the effective date of P.L.1993, c.144. No  
20 enterprise zone shall receive the deposit benefit granted by any one  
21 subsection of this section for more than five cumulative years.

22 The revenues required to be deposited in the enterprise zone  
23 assistance fund under this section shall be used for the purposes of that  
24 fund and for the uses prescribed in section 29 of P.L.1983, c.303  
25 (C.52:27H-88), subject to annual appropriations being made for those  
26 purposes and uses.

27 (cf: P.L.1996, c.124, s.8)

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29 2. This act shall take effect immediately, but remain inoperative  
30 until the first day of the second month following enactment.

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35 Establishes for qualified urban enterprise zone vendors an annual tax  
36 review and certification.