§§1-3
C.54:48-4.2
To
54:48-4.4
§4
C.54:53-17
§5
Approp.

P.L. 1996, CHAPTER 2, ***approved February 29, 1996***
Senate Committee Substitute for Senate No. 675

AN ACT authorizing the Director of the Division of Taxation to establish a State tax payment system by credit card, debit card or electronic funds transfer, providing for a State tax amnesty period, supplementing Title 54 of the Revised Statutes, and making an appropriation.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. As used in this act:

"Cardholder" means the person or organization named on the face of a credit card or debit card to whom or for whose benefit the credit card or debit card is issued by an issuer.

"Card payment system" means a technical procedure by which tax obligations owed the State may be paid by credit card or debit card.

"Credit card" means any instrument or device linked to an established line of credit, whether known as a credit card, charge card, credit plate, or by any other name, issued with or without fee by an issuer for the use of the cardholder in satisfying outstanding financial obligations, obtaining money, goods, services or anything else of value on credit.

"Debit card" means any instrument or device, whether known as a debit card, automated teller machine card, or by any other name, issued with or without fee by an issuer for the use of the cardholder in obtaining money, goods, services or anything else of value through the electronic authorization of a financial institution to debit the cardholder's account.

"Electronic funds transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephone, or computer or magnetic tape for the purpose of ordering, instructing or authorizing a financial institution to debit or credit an account.

"Electronic funds transfer system" means a technical procedure by which tax obligations owed the State may be paid by an electronic transaction between the financial institution of the person or organization owing the obligation and the financial institution of the State.

"Issuer" means the business organization or financial institution that issues a credit card or debit card, or its duly authorized agent.

"Service charge" means a mandatory fee to be charged by the Division of Taxation in excess of the total obligation under this act owed by a person or organization to offset processing charges or discount fees for the use of a card payment system or an electronic funds transfer system.

2. Subject to the provisions of section 3 of P.L. , c. (C.) (now pending before the Legislature as this bill), the director may establish a card payment system or electronic funds transfer system for payments of State taxes.

3. Notwithstanding the provisions of any other law to the contrary and if not legally prohibited by an issuer or by an organization whose members are issuers, the director shall assess and collect service charges related to the payment of obligations owed to or collected by the Division of Taxation when credit cards, debit cards or electronic funds transfer systems are utilized.

4. a. In addition to the powers of the director prescribed under the State Tax Uniform Procedure Law, R.S.54:48-1 et seq., and notwithstanding the provisions of any other laws to the contrary, the director shall establish a period not to exceed three months in duration, which period shall end no later than one year after the date of enactment of this act, during which a taxpayer who has failed to pay any State tax on or before the day on which the tax is required to be paid may pay to the director on or before the last day of the period established by the director the amount of that tax, without any interest that may otherwise be due, without any costs of collection that may otherwise be due, and without the imposition of any civil or criminal penalties arising out of an obligation imposed under any State tax law. This section shall apply only to State tax liabilities for tax returns due on and after January 1, 1987 and prior to January 1, 1996 and shall not extend to any taxpayer who at the time of the payment is under criminal investigation or charge for any State tax matter, as certified by a county prosecutor or the Attorney General to the director.

b. There shall be imposed a 5% penalty, which shall not be subject to waiver or abatement, in addition to all other penalties, interest, or costs of collection otherwise authorized by law, upon any State tax liabilities eligible to be satisfied during the period established pursuant to subsection a. of this section that are not satisfied during the amnesty period.

c. Notwithstanding the provisions of any other law to the contrary, if a taxpayer elects to participate in the program established

pursuant to this section, as that election shall be evidenced by full payment pursuant to this section of a State tax liability to which this section applies pursuant to subsection a. of this section, then that election shall constitute an express and absolute relinquishment of all administrative and judicial rights of appeal that have not run or otherwise expired as of the date payment is made. The relinquishment of rights of appeal pursuant to this subsection shall apply with respect to all rights of appeal established pursuant to the State Tax Uniform Procedure Law, R.S.54:48-1 et seq., and the specific statutory provisions of any State tax. No tax payment made pursuant to this section shall be eligible for refund or credit, whether claimed by administrative protest or judicial appeal, except as may be permitted pursuant to R.S.54:49-16.

d. Notwithstanding the provisions of any other law to the contrary, no amnesty payment shall be accepted without the express approval of the director with respect to any State tax assessment which is the subject of any administrative or judicial appeal as of the effective date of this act.

e. Notwithstanding the provisions of any other law to the contrary, no taxpayer shall be entitled to the waiver of penalty, interest and cost of collection set forth in subsection a. of this section unless full payment of the tax due is made in accordance with the rules and procedures established by the director.

5. There is appropriated to the Division of Taxation in the Department of the Treasury a sum not to exceed $10,000,000 from the proceeds collected pursuant to subsection a. of section 4 of this act to carry out and administer the tax amnesty program established by that section.

6. This act shall take effect immediately.

Provides for State tax amnesty period; authorizes establishment of credit card, debit card or electronic funds transfer State tax payments; appropriates an amount not to exceed $10,000,000.