

SENATE, No. 675

STATE OF NEW JERSEY

INTRODUCED JANUARY 29, 1996

By Senators LITTELL and DiFRANCESCO

1 AN ACT authorizing the Director of the Division of Taxation to
2 establish a State tax payment system by credit card, debit card or
3 electronic funds transfer, supplementing Title 54 of the Revised
4 Statutes.

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

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9 1. As used in this act:

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

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

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

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

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

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

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

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

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

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13 3. Notwithstanding the provisions of any other law to the contrary
14 and if not legally prohibited by an issuer, the director is authorized to
15 assess and collect service charges related to the payment of obligations
16 owed to or collected by the Division of Taxation when credit cards,
17 debit cards or electronic funds transfer systems are utilized.

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19 4. This act shall take effect immediately.

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22 STATEMENT

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24 This bill authorizes the Director of the Division of Taxation to
25 establish a system for the payment of State taxes by credit card, debit
26 card or electronic funds transfer.

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31 Authorizes establishment of State tax payment system by credit card,
32 debit card or electronic funds transfer.