

SENATE, No. 1015

STATE OF NEW JERSEY

INTRODUCED MARCH 21, 1996

By Senators KOSCO and MATHEUSSEN

1 AN ACT increasing the penalty on certain State tax liabilities eligible
2 for payment during the State tax amnesty period but unpaid during
3 that period, amending P.L.1996, c.2.

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

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8 1. Section 4 of P.L.1996, c.2 (C.54:53-17) is amended to read as
9 follows:

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

27 b. There shall be imposed a 5% penalty, which shall not be subject
28 to waiver or abatement, in addition to all other penalties, interest, or
29 costs of collection otherwise authorized by law, upon any State tax
30 liabilities eligible to be satisfied during the period established pursuant
31 to subsection a. of this section that are not satisfied during the amnesty
32 period; provided however, that the penalty imposed pursuant to this
33 subsection shall be 10% if the unpaid State tax liability eligible to be
34 satisfied during the period established pursuant to subsection a. of this

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.

1 section is in excess of \$10,000.

2 c. Notwithstanding the provisions of any other law to the contrary,
3 if a taxpayer elects to participate in the program established pursuant
4 to this section, as that election shall be evidenced by full payment
5 pursuant to this section of a State tax liability to which this section
6 applies pursuant to subsection a. of this section, then that election
7 shall constitute an express and absolute relinquishment of all
8 administrative and judicial rights of appeal that have not run or
9 otherwise expired as of the date payment is made. The relinquishment
10 of rights of appeal pursuant to this subsection shall apply with respect
11 to all rights of appeal established pursuant to the State Tax Uniform
12 Procedure Law, R.S.54:48-1 et seq., and the specific statutory
13 provisions of any State tax. No tax payment made pursuant to this
14 section shall be eligible for refund or credit, whether claimed by
15 administrative protest or judicial appeal, except as may be permitted
16 pursuant to R.S.54:49-16.

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

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

27 (cf: P.L.1996, c.2, s.4)

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29 2. This act shall take effect immediately.

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STATEMENT

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33 This bill increases the State tax penalty that is added to certain
34 unpaid State tax liabilities that are eligible to be satisfied during the
35 State tax amnesty period recently established pursuant to P.L.1996,
36 c.2, that are not satisfied during the amnesty period. The post-
37 amnesty additional penalty, in addition to all other penalties, interest,
38 or costs of collection otherwise authorized by law, will be 5% for
39 liabilities of \$10,000 or less and 10% for liabilities in excess of
40 \$10,000.

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45 Increases the post-amnesty additional tax penalty for amnesty eligible
46 State tax liabilities in excess of \$10,000 that are not satisfied during
the State tax amnesty period.