

SENATE, No. 1061

STATE OF NEW JERSEY

INTRODUCED MAY 2, 1996

By Senator PALAIA

1 AN ACT concerning the taxation of certain insurance companies,
2 supplementing P.L.1945, c.132 (C.54:18A-1 et seq.).

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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. Notwithstanding the provisions of R.S.54:49-14 to the contrary,
8 an insurance company that has filed a claim for refund on or before
9 March 1, 1992, for taxes paid pursuant to section 2 of P.L.1945, c.132
10 (C.54:18A-2), for any of the five years prior to the filing of that refund
11 claim, which taxes were paid without calculation by the taxpayer of the
12 maximum amount of taxable premiums pursuant to section 6 of
13 P.L.1945, c.132 (C.54:18A-6), and paid pursuant to returns audited
14 by the Department of Insurance and the Division of Taxation in the
15 Department of the Treasury, shall be permitted to file a claim for
16 refund for an overpayment of such taxes within 90 days after
17 enactment of this act.

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19 2. This act shall take effect immediately and shall apply to claims
20 for refunds for which protests and appeals have been determined
21 before enactment.

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STATEMENT

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26 This bill provides an insurance company, other than a life insurance
27 company, a 90-day period during which to file claims for
28 overpayments of the insurance premiums tax for certain refund claims
29 made that have been barred under the pre-1993 two-year statute of
30 limitations for tax refund claims. The bill grants this limited period
31 only for claims for taxes paid in any of the five years prior to the filing
32 of the late refund claims. The bill extends this claims period only to
33 the payment of taxes which were the subject of an audit by the
34 Department of Insurance and the Division of Taxation, which audit did
35 not reveal to the insurer that it overpaid taxes by failing to use the
36 alternative tax calculation which is intended as an incentive for
37 insurers to insure more New Jersey based risks.

1 Prior to the enactment of the Taxpayers' Bill of Rights applicable
2 to taxes paid on and after July 1, 1993 providing for a four-year
3 statute of limitation on taxpayers' claims for refunds, the State Tax
4 Uniform Procedure Law imposed a two-year statute of limitation on
5 taxpayers' claims for refunds.

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10 Provides temporary tax refund period for certain overpayments of
11 insurance premiums tax by certain insurers.