

SENATE, No. 1980

STATE OF NEW JERSEY

INTRODUCED APRIL 17, 1997

By Senators INVERSO and CARDINALE

1 AN ACT to eliminate the sales and use tax on international
2 telecommunications and to phase out the sales and use tax on
3 interstate telecommunications, amending P.L.1966, c.30.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. Section 2 of P.L.1966, c.30 (C.54:32B-2) is amended to read as
9 follows:

10 2. Unless the context in which they occur requires otherwise, the
11 following terms when used in this act shall mean:

12 (a) Person. Person includes an individual, partnership, society,
13 association, joint stock company, corporation, public corporation or
14 public authority, estate, receiver, trustee, assignee, referee, and any
15 other person acting in a fiduciary or representative capacity, whether
16 appointed by a court or otherwise, and any combination of the
17 foregoing.

18 (b) Purchase at retail. A purchase by any person at a retail sale.

19 (c) Purchaser. A person who purchases property or who receives
20 services.

21 (d) Receipt. The amount of the sales price of any property and the
22 charge for any service taxable under this act, valued in money, whether
23 received in money or otherwise, including any amount for which credit
24 is allowed by the vendor to the purchaser, without any deduction for
25 expenses or early payment discounts, but excluding any credit for
26 property of the same kind that is not tangible personal property
27 purchased for lease accepted in part payment and intended for resale,
28 excluding the cost of transportation where such cost is separately
29 stated in the written contract, if any, and on the bill rendered to the
30 purchaser, and excluding the amount of the sales price for which food
31 stamps have been properly tendered in full or part payment pursuant
32 to the federal Food Stamp Act of 1977, Pub.L.95-113 (7 U.S.C. 2011
33 et seq.).

34 (e) Retail sale. (1) A sale of tangible personal property to any

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 person for any purpose, other than (A) for resale either as such or as
2 converted into or as a component part of a product produced for sale
3 by the purchaser, or (B) for use by that person in performing the
4 services subject to tax under subsection (b) of section 3 where the
5 property so sold becomes a physical component part of the property
6 upon which the services are performed or where the property so sold
7 is later actually transferred to the purchaser of the service in
8 conjunction with the performance of the service subject to tax.

9 (2) For the purposes of this act, the term retail sales includes:

10 Sales of tangible personal property to all contractors,
11 subcontractors or repairmen of materials and supplies for use by them
12 in erecting structures for others, or building on, or otherwise
13 improving, altering, or repairing real property of others.

14 (3) For the purposes of this act, the term retail sale includes the
15 purchase of tangible personal property for lease.

16 (4) The term retail sales does not include:

17 (A) Professional, insurance, or personal service transactions which
18 involve the transfer of tangible personal property as an inconsequential
19 element, for which no separate charges are made.

20 (B) The transfer of tangible personal property to a corporation,
21 solely in consideration for the issuance of its stock, pursuant to a
22 merger or consolidation effected under the laws of New Jersey or any
23 other jurisdiction.

24 (C) The distribution of property by a corporation to its
25 stockholders as a liquidating dividend.

26 (D) The distribution of property by a partnership to its partners in
27 whole or partial liquidation.

28 (E) The transfer of property to a corporation upon its organization
29 in consideration for the issuance of its stock.

30 (F) The contribution of property to a partnership in consideration
31 for a partnership interest therein.

32 (G) The sale of tangible personal property where the purpose of
33 the vendee is to hold the thing transferred as security for the
34 performance of an obligation of the vendor.

35 (f) Sale, selling or purchase. Any transfer of title or possession or
36 both, exchange or barter, rental, lease or license to use or consume,
37 conditional or otherwise, in any manner or by any means whatsoever
38 for a consideration, or any agreement therefor, including the rendering
39 of any service, taxable under this act, for a consideration or any
40 agreement therefor.

41 (g) Tangible personal property. Corporeal personal property of
42 any nature.

43 (h) Use. The exercise of any right or power over tangible personal
44 property by the purchaser thereof and includes, but is not limited to,
45 the receiving, storage or any keeping or retention for any length of
46 time, withdrawal from storage, any installation, any affixation to real

1 or personal property, or any consumption of such property. Use also
2 includes the exercise of any right or power over intrastate [or],
3 interstate or international telecommunications.

4 (i) Vendor. (1) The term "vendor" includes:

5 (A) A person making sales of tangible personal property or
6 services, the receipts from which are taxed by this act;

7 (B) A person maintaining a place of business in the State and
8 making sales, whether at such place of business or elsewhere, to
9 persons within the State of tangible personal property or services, the
10 use of which is taxed by this act;

11 (C) A person who solicits business either by employees,
12 independent contractors, agents or other representatives or by
13 distribution of catalogs or other advertising matter and by reason
14 thereof makes sales to persons within the State of tangible personal
15 property or services, the use of which is taxed by this act;

16 (D) Any other person making sales to persons within the State of
17 tangible personal property or services, the use of which is taxed by this
18 act, who may be authorized by the director to collect the tax imposed
19 by this act;

20 (E) The State of New Jersey, any of its agencies, instrumentalities,
21 public authorities, public corporations (including a public corporation
22 created pursuant to agreement or compact with another state) or
23 political subdivisions when such entity sells services or property of a
24 kind ordinarily sold by private persons; and

25 (F) A person who purchases tangible personal property for lease,
26 whether in this State or elsewhere. For the purposes of Title 54 of the
27 Revised Statutes, the presence of leased tangible personal property in
28 this State is deemed to be a place of business in this State.

29 (2) In addition, when in the opinion of the director it is necessary
30 for the efficient administration of this act to treat any salesman,
31 representative, peddler or canvasser as the agent of the vendor,
32 distributor, supervisor or employer under whom he operates or from
33 whom he obtains tangible personal property sold by him or for whom
34 he solicits business, the director may, in his discretion, treat such agent
35 as the vendor jointly responsible with his principal, distributor,
36 supervisor or employer for the collection and payment over of the tax.

37 (j) Hotel. A building or portion of it which is regularly used and
38 kept open as such for the lodging of guests. The term "hotel" includes
39 an apartment hotel, a motel, boarding house or club, whether or not
40 meals are served.

41 (k) Occupancy. The use or possession or the right to the use or
42 possession, of any room in a hotel.

43 (l) Occupant. A person who, for a consideration, uses, possesses,
44 or has the right to use or possess, any room in a hotel under any lease,
45 concession, permit, right of access, license to use or other agreement,
46 or otherwise.

- 1 (m) Permanent resident. Any occupant of any room or rooms in
2 a hotel for at least 90 consecutive days shall be considered a
3 permanent resident with regard to the period of such occupancy.
- 4 (n) Room. Any room or rooms of any kind in any part or portion
5 of a hotel, which is available for or let out for any purpose other than
6 a place of assembly.
- 7 (o) Admission charge. The amount paid for admission, including
8 any service charge and any charge for entertainment or amusement or
9 for the use of facilities therefor.
- 10 (p) Amusement charge. Any admission charge, dues or charge of
11 roof garden, cabaret or other similar place.
- 12 (q) Charge of a roof garden, cabaret or other similar place. Any
13 charge made for admission, refreshment, service, or merchandise at a
14 roof garden, cabaret or other similar place.
- 15 (r) Dramatic or musical arts admission charge. Any admission
16 charge paid for admission to a theater, opera house, concert hall or
17 other hall or place of assembly for a live, dramatic, choreographic or
18 musical performance.
- 19 (s) Lessor. Any person who is the owner, licensee, or lessee of any
20 premises or tangible personal property which he leases, subleases, or
21 grants a license to use to other persons.
- 22 (t) Place of amusement. Any place where any facilities for
23 entertainment, amusement, or sports are provided.
- 24 (u) Casual sale. Casual sale means an isolated or occasional sale
25 of an item of tangible personal property by a person who is not
26 regularly engaged in the business of making sales at retail where such
27 property was obtained by the person making the sale, through
28 purchase or otherwise, for his own use in this State.
- 29 (v) Motor vehicle. Motor vehicle shall include all vehicles
30 propelled otherwise than by muscular power (excepting such vehicles
31 as run only upon rails or tracks), trailers, semitrailers, housetrailers, or
32 any other type of vehicle drawn by a motor-driven vehicle, and
33 motorcycles, designed for operation on the public highways.
- 34 (w) "Persons required to collect tax" or "persons required to
35 collect any tax imposed by this act" shall include: every vendor of
36 tangible personal property or services; every recipient of amusement
37 charges; every operator of a hotel; every lessor; and every vendor of
38 telecommunications. Said terms shall also include any officer or
39 employee of a corporation or of a dissolved corporation who as such
40 officer or employee is under a duty to act for such corporation in
41 complying with any requirement of this act and any member of a
42 partnership. Provided, however, the vendor of tangible personal
43 property to all contractors, subcontractors or repairmen, consisting of
44 materials and supplies for use by them in erecting structures for others,
45 or building on, or otherwise improving, altering or repairing real
46 property of others, shall not be deemed a person required to collect

1 tax, and the tax imposed by any section of this act shall be paid
2 directly to the director by such contractors, subcontractors or
3 repairmen.

4 (x) "Customer" shall include: every purchaser of tangible personal
5 property or services; every patron paying or liable for the payment of
6 any amusement charge; and every occupant of a room or rooms in a
7 hotel.

8 (y) "Property and services the use of which is subject to tax" shall
9 include: (1) all property sold to a person within the State, whether or
10 not the sale is made within the State, the use of which property is
11 subject to tax under section 6 or will become subject to tax when such
12 property is received by or comes into the possession or control of such
13 person within the State; (2) all services rendered to a person within the
14 State, whether or not such services are performed within the State,
15 upon tangible personal property the use of which is subject to tax
16 under section 6 or will become subject to tax when such property is
17 received by or comes into possession or control of such person within
18 the State; (3) intrastate [or], interstate or international
19 telecommunications charged to a service address in this State; and (4)
20 (Deleted by amendment, P.L.1995, c.184).

21 (z) Director. Director means the Director of the Division of
22 Taxation of the State Department of the Treasury, or any officer,
23 employee or agency of the Division of Taxation in the Department of
24 the Treasury duly authorized by the director (directly, or indirectly by
25 one or more redelegations of authority) to perform the functions
26 mentioned or described in this act.

27 (aa) "Lease" means the possession or control of tangible personal
28 property by an agreement, not transferring sole title, as may be
29 evidenced by a contract, contracts, or by implication from other
30 circumstances including course of dealing or usage of trade or course
31 of performance, for a period of more than 28 days.

32 (bb) "The amount of the sales price" of tangible personal property
33 purchased for lease means, at the election of the lessor, either (1) the
34 amount of the lessor's purchase price or (2) the amount of the total of
35 the lease payments attributable to the lease of such property. Tangible
36 personal property purchased for lease is subject to the provisions of
37 subsection (a) of section 3 of P.L.1966, c.30 (C.54:32B-3).

38 (cc) "Telecommunications" means the act or privilege of
39 originating or receiving messages or information through the use of
40 any kind of one-way or two-way communication; including but not
41 limited to voice, video, facsimile, teletypewriter, computer, cellular
42 mobile or portable telephone, specialized mobile or portable pager or
43 paging service, or any other type of communication; using electronic
44 or electromagnetic methods, and all services and equipment provided
45 in connection therewith or by means thereof. "Telecommunications"
46 shall not include:

1 (1) one-way radio or television broadcasting transmissions
2 available universally to the general public without a fee;

3 (2) purchases of telecommunications by a telecommunications
4 provider for use as a component part of telecommunications provided
5 to an ultimate retail consumer who (A) originates or terminates the
6 taxable end-to-end communications or (B) pays charges exempt from
7 taxation pursuant to paragraph (5) of this subsection;

8 (3) services provided by a person, or by that person's wholly
9 owned subsidiary, not engaged in the business of rendering or offering
10 telecommunications services to the public, for private and exclusive
11 use within its organization, provided however, that
12 "telecommunications" shall include the sale of telecommunications
13 services attributable to the excess unused telecommunications capacity
14 of that person to another;

15 (4) charges in the nature of subscription fees paid by subscribers
16 for cable television service; and

17 (5) charges subject to the local calling rate paid by inserting coins
18 into a coin operated telecommunications device available to the public.

19 (dd) "Interstate telecommunication" means any telecommunication
20 that originates or terminates inside this State, [~~including~~] excluding
21 international telecommunication.

22 (ee) "Intrastate telecommunication" means any telecommunication
23 that originates and terminates within this State.

24 (ff) "International telecommunication" means any
25 telecommunication that originates within this State and terminates
26 within a foreign nation or originates within a foreign nation and
27 terminates within this State.

28 (cf: P.L.1995, c.184, s.1)

29

30 2. Section 3 of P.L.1966, c.30 (C.54:32B-3) is amended to read as
31 follows:

32 3. There is imposed and there shall be paid a tax of 6% upon:

33 (a) The receipts from every retail sale of tangible personal
34 property, except as otherwise provided in this act. If the lessor of
35 tangible personal property purchased for lease elects to pay tax on the
36 amount of the sales price as provided in paragraph (2) of subsection
37 (bb) of section 2 of P.L.1966, c.30 (C.54:32B-2), any and each
38 subsequent lease or rental is a retail sale, and a subsequent sale of such
39 property is a retail sale.

40 (b) The receipts from every sale, except for resale, of the following
41 services:

42 (1) Producing, fabricating, processing, printing or imprinting
43 tangible personal property, performed for a person who directly or
44 indirectly furnishes the tangible personal property, not purchased by
45 him for resale, upon which such services are performed.

46 (2) Installing tangible personal property, or maintaining, servicing,

1 repairing tangible personal property not held for sale in the regular
2 course of business, whether or not the services are performed directly
3 or by means of coin-operated equipment or by any other means, and
4 whether or not any tangible personal property is transferred in
5 conjunction therewith, except (i) such services rendered by an
6 individual who is engaged directly by a private homeowner or lessee
7 in or about his residence and who is not in a regular trade or business
8 offering his services to the public, (ii) such services rendered with
9 respect to personal property exempt from taxation hereunder pursuant
10 to section 13 of P.L.1980, c.105 (C.54:32B-8.1), (iii) (Deleted by
11 amendment, P.L.1990, c.40), (iv) any receipts from laundering, dry
12 cleaning, tailoring, weaving, pressing, shoe repairing and shoeshining
13 and (v) services rendered in installing property which, when installed,
14 will constitute an addition or capital improvement to real property,
15 property or land.

16 (3) Storing all tangible personal property not held for sale in the
17 regular course of business and the rental of safe deposit boxes or
18 similar space.

19 (4) Maintaining, servicing or repairing real property, other than a
20 residential heating system unit serving not more than three families
21 living independently of each other and doing their cooking on the
22 premises, whether the services are performed in or outside of a
23 building, as distinguished from adding to or improving such real
24 property by a capital improvement, but excluding services rendered by
25 an individual who is not in a regular trade or business offering his
26 services to the public, and excluding garbage removal and sewer
27 services performed on a regular contractual basis for a term not less
28 than 30 days.

29 (5) Advertising services, except advertising services for use
30 directly and primarily for publication in newspapers and magazines and
31 except for direct-mail advertising processing services in connection
32 with distribution to out-of-State recipients.

33 (6) (Deleted by amendment, P.L.1995,c.184).

34 Wages, salaries and other compensation paid by an employer to an
35 employee for performing as an employee the services described in this
36 subsection are not receipts subject to the taxes imposed under this
37 subsection (b).

38 Services otherwise taxable under paragraph (1) or (2) of this
39 subsection (b) are not subject to the taxes imposed under this
40 subsection, where the tangible personal property upon which the
41 services were performed is delivered to the purchaser outside this
42 State for use outside this State.

43 (c) Receipts from the sale of food and drink in or by restaurants,
44 taverns, vending machines or other establishments in this State, or by
45 caterers, including in the amount of such receipts any cover, minimum,
46 entertainment or other charge made to patrons or customers:

1 (1) In all instances where the sale is for consumption on the
2 premises where sold;

3 (2) In those instances where the vendor or any person whose
4 services are arranged for by the vendor, after the delivery of the food
5 or drink by or on behalf of the vendor for consumption off the
6 premises of the vendor, serves or assists in serving, cooks, heats or
7 provides other services with respect to the food or drink, except for
8 meals especially prepared for and delivered to homebound elderly, age
9 60 or older, and to disabled persons, or meals prepared and served at
10 a group-sitting at a location outside of the home to otherwise
11 homebound elderly persons, age 60 or older, and otherwise
12 homebound disabled persons, as all or part of any food service project
13 funded in whole or in part by government or as part of a private,
14 nonprofit food service project available to all such elderly or disabled
15 persons residing within an area of service designated by the private
16 nonprofit organization;

17 (3) In those instances where the sale is for consumption off the
18 premises of the vendor, and consists of a meal, or food prepared and
19 ready to be eaten, of a kind obtainable in restaurants as the main
20 course of a meal, including a sandwich, except where food other than
21 sandwiches is sold in an unheated state and is of a type commonly sold
22 in the same form and condition in food stores other than those which
23 are principally engaged in selling prepared foods; and

24 (4) Sales of food and beverages sold through coin-operated
25 vending machines, at the wholesale price of such sale, which shall be
26 defined as 70% of the retail vending machine selling price, except sales
27 of milk, which shall not be taxed. Nothing herein contained shall
28 affect other sales through coin-operated vending machines taxable
29 pursuant to subsection (a) above or the exemption thereto provided by
30 section 21 of P.L.1980, c.105 (C.54:32B-8.9).

31 The tax imposed by this subsection (c) shall not apply to food or
32 drink which is sold to an airline for consumption while in flight.

33 (d) The rent for every occupancy of a room or rooms in a hotel in
34 this State, except that the tax shall not be imposed upon (1) a
35 permanent resident, or (2) where the rent is not more than at the rate
36 of \$2.00 per day.

37 (e) (1) Any admission charge, where such admission charge is in
38 excess of \$0.75 to or for the use of any place of amusement in the
39 State, including charges for admission to race tracks, baseball,
40 football, basketball or exhibitions, dramatic or musical arts
41 performances, motion picture theaters, except charges for admission
42 to boxing, wrestling, kick boxing or combative sports exhibitions,
43 events, performances or contests which charges are taxed under any
44 other law of this State or under section 20 of P.L.1985, c.83
45 (C.5:2A-20), and, except charges to a patron for admission to, or use
46 of, facilities for sporting activities in which such patron is to be a

1 participant, such as bowling alleys and swimming pools. For any
2 person having the permanent use or possession of a box or seat or
3 lease or a license, other than a season ticket, for the use of a box or
4 seat at a place of amusement, the tax shall be upon the amount for
5 which a similar box or seat is sold for each performance or exhibition
6 at which the box or seat is used or reserved by the holder, licensee or
7 lessee, and shall be paid by the holder, licensee or lessee.

8 (2) The amount paid as charge of a roof garden, cabaret or other
9 similar place in this State, to the extent that a tax upon such charges
10 has not been paid pursuant to subsection (c) hereof.

11 (f) [The] A percentage of the receipts from every sale, except for
12 resale, of intrastate [or], interstate or international
13 telecommunications charged to an address in this State, regardless of
14 where the services are billed or paid. The percentage of receipts
15 taxable shall be: 100% for intrastate telecommunications rendered on
16 or after July 1, 1990; 100% for international telecommunications
17 rendered on or after July 1, 1990 but before July 1, 1997; 100% for
18 interstate telecommunications rendered on or after July 1, 1990 but
19 before July 1, 1998; 75% for interstate telecommunications rendered
20 on or after July 1, 1998 but before July 1, 1999; 50% for interstate
21 telecommunications rendered on or after July 1, 1999 but before July
22 1, 2000; and 25% for interstate telecommunications rendered on or
23 after July 1, 2000 but before July 1, 2001. The receipt from the sale
24 of international telecommunications rendered on or after July 1, 1997
25 or from the sale of interstate telecommunications rendered on or after
26 July 1, 2001 shall not be subject to tax.

27 (cf: P.L.1995, c.184, s.2)

28

29 3. Section 6 of P.L.1966, c.30 (C.54:32B-6) is amended to read as
30 follows:

31 6. Imposition of compensating use tax. Unless property or services
32 have already been or will be subject to the sales tax under this act,
33 there is hereby imposed on and there shall be paid by every person a
34 use tax for the use within this State of 6%, except as otherwise
35 exempted under this act, (A) of any tangible personal property
36 purchased at retail, (B) of any tangible personal property
37 manufactured, processed or assembled by the user, if items of the same
38 kind of tangible personal property are offered for sale by him in the
39 regular course of business, or if items of the same kind of tangible
40 personal property are not offered for sale by him in the regular course
41 of business and are used as such or incorporated into a structure,
42 building or real property, (C) of any tangible personal property,
43 however acquired, where not acquired for purposes of resale, upon
44 which any taxable services described in paragraphs (1) and (2) of
45 subsection (b) of section 3 of P.L.1966, c.30 (C.54:32B-3) have been
46 performed, (D) of interstate [or] telecommunications rendered on or

1 after July 1, 1990 but before July 1, 2001, intrastate
2 telecommunications rendered on or after July 1, 1990, or international
3 telecommunications rendered on or after July 1, 1990 but before July
4 1, 1997, to the extent described in and taxable under subsection (f) of
5 section 3 of P.L.1966, c.30, and (E) (Deleted by amendment,
6 P.L.1995, c.184). For purposes of clause (A) of this section, the tax
7 shall be at the applicable rate, as set forth hereinabove, of the
8 consideration given or contracted to be given for such property or for
9 the use of such property, but excluding any credit for property of the
10 same kind accepted in part payment and intended for resale, plus the
11 cost of transportation, except where such cost is separately stated in
12 the written contract, if any, and on the bill rendered to the purchaser.
13 For the purposes of clause (B) of this section, the tax shall be at the
14 applicable rate, as set forth hereinabove, of the price at which items of
15 the same kind of tangible personal property are offered for sale by the
16 user, or if items of the same kind of tangible personal property are not
17 offered for sale by the user in the regular course of business and are
18 used as such or incorporated into a structure, building or real property
19 the tax shall be at the applicable rate, as set forth hereinabove, of the
20 consideration given or contracted to be given for the tangible personal
21 property manufactured, processed or assembled by the user into the
22 tangible personal property the use of which is subject to use tax
23 pursuant to this section, and the mere storage, keeping, retention or
24 withdrawal from storage of tangible personal property by the person
25 who manufactured, processed or assembled such property shall not be
26 deemed a taxable use by him. For purposes of clause (C) of this
27 section, the tax shall be at the applicable rate, as set forth hereinabove,
28 of the consideration given or contracted to be given for the service,
29 including the consideration for any tangible personal property
30 transferred in conjunction with the performance of the service, plus the
31 cost of transportation, except where such cost is separately stated in
32 the written contract, if any, and on the bill rendered to the purchaser.

33 For the purposes of clause (D) of this section, the tax shall be at the
34 applicable rate on a percentage of the charge made by the
35 telecommunications service provider. The percentage of charge
36 taxable shall be: 100% for intrastate telecommunications rendered on
37 or after July 1, 1990; 100% for international telecommunications
38 rendered on or after July 1, 1990 but before July 1, 1997; 100% for
39 interstate telecommunications rendered on or after July 1, 1990 but
40 before July 1, 1998; 75% for interstate telecommunications rendered
41 on or after July 1, 1998 but before July 1, 1999; 50% for interstate
42 telecommunications rendered on or after July 1, 1999 but before July
43 1, 2000; 25% for interstate telecommunications rendered on or after
44 July 1, 2000 but before July 1, 2001. The charges for international
45 telecommunications rendered on or after July 1, 1997 or for interstate
46 telecommunications rendered on or after July 1, 2001 shall not be

1 subject to tax.
2 (cf: P.L.1995, c.184, c.3)

3

4 4. This act shall take effect immediately.

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7

STATEMENT

8

9 This bill provides for the phased elimination of the sales and use tax
10 on international and interstate telecommunications. Currently, the tax
11 is imposed on all telecommunications services.

12 The bill specifically defines and then eliminates the tax on
13 international telecommunications as of July 1, 1997. The tax on
14 interstate telecommunications will be phased out beginning July 1,
15 1998 until June 30, 2001, and eliminated as of July 1, 2001 .

16 The phasing out of the tax on interstate telecommunications as
17 provided in the bill translates into a tax rate drop from 6% to 4.5% for
18 services rendered on or after July 1, 1998, to 3% for services rendered
19 on or after July 1, 1999, and to 1.5% for services rendered on or after
20 July 1, 2000. The tax on interstate telecommunications will be
21 eliminated effective July 1, 2001.

22 Only 20 states (including New Jersey) tax interstate
23 telecommunications. New York and Delaware are among 30 states
24 that do not impose a tax on interstate and international
25 telecommunications, and New Jersey's ability to attract major facilities
26 of foreign-based and U.S.-based multinational businesses will be
27 bolstered by the elimination of the tax on international
28 telecommunications. The phase down and elimination of the tax on
29 interstate telecommunications will make New Jersey more competitive
30 in attracting business facilities and investments, including
31 telecommunications providers, resulting in the growth of revenue from
32 other taxes and increased employment opportunities.

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37 Eliminates sales and use tax on international telecommunications and
38 phases out tax on interstate telecommunications.