

SENATE, No. 2298

STATE OF NEW JERSEY

INTRODUCED DECEMBER 1, 1997

By Senator INVERSO

1 AN ACT providing a sales and use tax exemption for coin-operated car
2 washes, supplementing P.L.1966, c.30.

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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. Receipts from sales of coin-operated car washes sold through a
8 facility available to the public are exempt from the tax imposed under
9 the "Sales and Use Tax Act." As used in this section, "coin-operated
10 car wash" means the cleaning of a motor vehicle by the purchaser,
11 without any assistance from the vendor or any agent or employee of
12 the vendor, by means of inserting currency, either as coins or paper
13 money, into the slot of a receptacle in or on a device or machine to
14 activate the flow of water or cleansing agents, or both, through a hose
15 or wand mechanism for a certain period of time so that the purchaser
16 may use the flow to wash or rinse the vehicle.

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18 2. This act shall take effect on the first day of the third month
19 following enactment.

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22 STATEMENT

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24 The bill provides a sales tax exemption for coin-operated car
25 washes, as that term is defined in the bill.

26 In general, the sales tax on the price of a coin-operated car wash is
27 an amount less than \$0.25 and, therefore, very difficult to collect
28 given the way the currency-operated devices in use are designed and
29 calibrated. The result is that the owner or operator of the car wash
30 facility must manipulate the price charged for the car wash to collect
31 the odd amount of sales tax; this results in the owner or operator being
32 forced to either collect less than the true value of the wash or collect
33 more, thereby overcharging the purchasers, in order to arrive at an
34 amount for the charge that can be broken into currency denominations
35 the standard devices will readily accept.

1 It is estimated that this exemption, which will ease the burden for
2 the coin-operated car wash industry, will have only a minimal impact
3 on State sales and use tax collections.

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8 Exempts coin-operated car washes from sales and use tax.