

SENATE RESOLUTION No. 33

STATE OF NEW JERSEY

INTRODUCED MARCH 21, 1996

By Senator ZANE

A **SENATE RESOLUTION** urging the Senate Legislative Oversight Committee to examine State regulations concerning the application of the "Sales and Use Tax Act" to the sale, rental or leasing of tangible personal property used directly and exclusively on farms in the production for sale of tangible personal property.

**WHEREAS**, Agriculture constitutes a key industry for the State, contributing to income, employment, and diversity; and

**WHEREAS**, Agriculture contributes greatly to New Jersey's quality of life, accounting for at least 55 percent of the privately owned open space; and

**WHEREAS**, The State's regulatory and tax policies are not sufficiently sensitive to the needs of agriculture; and

**WHEREAS**, New Jersey agriculture increasingly encounters deleterious effects from taxes levied on its farming operations, and some of these taxes are having a negative impact upon the viability and competitiveness of the State's farmers; and

**WHEREAS**, State law, specifically C.54:32B-8.16, provides that receipts from sales of tangible personal property for use and consumption directly and exclusively in the production for sale of tangible personal property on farms are exempt from the tax imposed under the "Sales and Use Tax Act;" and

**WHEREAS**, The regulations of the Division of Taxation at N.J.A.C.18:24-19.1 et seq., entitled "Sales of Tangible Personal Property Used Directly and Exclusively in the Production for Sale of Tangible Personal Property on Farms," adopted to clarify the application of the statute, do not reflect the complexity of farm operations and therefore have not benefited farmers to the fullest extent possible; now, therefore,

**BE IT RESOLVED** by the Senate of the State of New Jersey:

1. The Senate Legislative Oversight Committee is urged to undertake a thorough examination of State regulations concerning the application of the "Sales and Use Tax Act" to the sale, rental or leasing of tangible personal property used directly and exclusively in the production for sale of tangible personal property on farms, and the enforcement of these regulations.

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