ASSEMBLY, No. 4958 **STATE OF NEW JERSEY** 219th LEGISLATURE

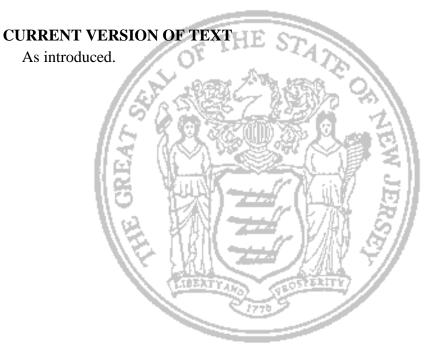
INTRODUCED NOVEMBER 12, 2020

Sponsored by: Assemblyman P. CHRISTOPHER TULLY District 38 (Bergen and Passaic) Assemblyman JOHN ARMATO District 2 (Atlantic) Assemblyman ANDREW ZWICKER District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Co-Sponsored by: Assemblywoman Swain, Assemblyman Johnson, Assemblywomen Lopez, Mosquera, Assemblyman Mukherji, Assemblywoman Vainieri Huttle, Assemblymen Houghtaling and Freiman

SYNOPSIS

Provides temporary exemption under sales and use tax for winterizing certain small business operations.



(Sponsorship Updated As Of: 3/25/2021)

2

AN ACT providing a temporary exemption under the sales and use
 tax for winterizing certain small business operations.

3 4

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

5 6

1. a. Receipts from sales of materials, supplies, or services
made to a small business for exclusive use in winterizing the small
business, including improving, altering, or repairing real property of
the small business, shall be exempt from the tax imposed pursuant
to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B1 et seq.), for the duration of the exemption period.

b. In order to claim the exemption provided pursuant to this
section, a small business shall file an exemption application with
the Director of the Division of Taxation in the Department of the
Treasury within 30 days of the conclusion of the exemption period.
A small business shall only be allowed to file one exemption
application with the director.

19 с. The exemption application shall include a list of purchases 20 made by or services rendered to the small business that qualify for 21 the exemption, the price of each item listed on the application, the 22 date each purchase was made or service was rendered, and a 23 declaration by the small business that the items listed for which an 24 exemption was applied were exclusively used in winterizing the 25 small business for outdoor operations. The director may require a 26 small business to submit such documentation, records, receipts, or 27 other information as deemed necessary to verify that the small 28 business applying for the exemption meets the criteria set forth to 29 claim the exemption and is a small business.

d. If a small business willfully and knowingly falsifies any
document, record, receipt, or other information required by the
director to claim the exemption provided pursuant to this section,
that small business shall be subject to a penalty of \$100 for a first
offense and \$200 for each subsequent offense thereafter.

35 If the director determines that a small business is entitled to e. 36 an exemption after successfully submitting an exemption 37 application, the small business shall be entitled to a refund equal to 38 the amount of sales tax paid for each item purchased or service 39 rendered that qualifies pursuant to this section. The refund shall be 40 paid to the small business within 45 days of the submission of an 41 exemption application.

42 f. As used in this section:

43 "Exemption period" means the period of time starting on44 September 1, 2020 and ending on March 31, 2021.

45 "Small business" means any business that is independently
46 owned and operated and employs fewer than 20 full-time
47 employees.

A4958 TULLY, ARMATO

1 "Winterizing the small business" means any items purchased or 2 services rendered to a small business for the exclusive use or 3 purpose of conducting normal customer-facing operations, which are customarily provided indoors, outdoors during the fall and 4 5 winter seasons due to the COVID-19 pandemic, including, but not 6 limited to, the purchase of products to melt or remove snow and ice, 7 tents, and space heaters.

8

9 10

11

12

13

2. This act shall take effect immediately.

STATEMENT

14 This bill provides a temporary sales and use tax exemption to 15 small businesses that winterize their businesses during a specified 16 exemption period.

17 The bill allows any business that is independently owned and 18 operated and employs fewer than 20 full-time employees to submit an exemption application to the Director of the Division of Taxation 19 20 in the Department of the Treasury for certain purchases made or 21 services rendered to winterize their business. Those purchases or 22 services would have to made or rendered starting on September 1, 23 2020 and ending on March 31, 2021. The exemption only applies 24 to items purchased or services rendered to a small business for the 25 exclusive use or purpose of conducting normal customer-facing 26 operations, which are customarily provided indoors, outdoors 27 during the fall and winter seasons due to the COVID-19 pandemic, including, but not limited to, the purchase of products to melt or 28 29 remove snow and ice, tents, and space heaters.

30 A small business has to submit an exemption application 31 detailing the purchases or services, including when they occurred and the cost of the listed items. If the director determines that the 32 33 small business meets the criteria set forth in the bill for the 34 exemption, the small business is entitled to a refund equal to the 35 amount of sales tax paid for each item purchased or service rendered that qualifies. The sponsor's intent is to provide targeted 36 37 relief to small businesses that will incur costs for having to expand 38 outdoor operations during the fall and winter seasons due to the 39 COVID-19 pandemic.