

[First Reprint]

ASSEMBLY, No. 4958

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED NOVEMBER 12, 2020

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SYNOPSIS

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

CURRENT VERSION OF TEXT

As reported by the Senate Economic Growth Committee on June 15, 2021, with amendments.

(Sponsorship Updated As Of: 1/10/2022)

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

3

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

6

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

13 b. In order to claim the exemption provided pursuant to this
14 section, a small business shall file an exemption application with the
15 Director of the Division of Taxation in the Department of the Treasury
16 within ¹**[30 days of the conclusion of the exemption period]** 60 days
17 after the date of enactment of P.L. , c. (C.) (pending before the
18 legislature as this bill)¹. A small business shall only be allowed to file
19 one exemption application with the director.

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

31 d. If a small business willfully and knowingly falsifies any
32 document, record, receipt, or other information required by the director
33 to claim the exemption provided pursuant to this section, that small
34 business shall be subject to a penalty of \$100 for a first offense and
35 \$200 for each subsequent offense thereafter.

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

42 f. As used in this section:

43 “Exemption period” means the period of time starting on
44 September 1, 2020 and ending on March 31, 2021.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SEG committee amendments adopted June 15, 2021.

1 “Small business” means any business that is independently owned
2 and operated and employs fewer than 20 full-time employees.

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

10

11 2. This act shall take effect immediately.