

# SENATE, No. 850

## STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

**Sponsored by:**

**Senator NELLIE POU**

**District 35 (Bergen and Passaic)**

**Senator JOSEPH P. CRYAN**

**District 20 (Union)**

**SYNOPSIS**

Prohibits tax preparation software companies from charging fee for electronically filing State tax returns.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 2/4/2021)

1 AN ACT prohibiting tax preparation software companies from  
2 charging a fee for electronically filing State tax returns and  
3 supplementing Title 56 of the Revised Statutes.  
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5 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
6 *of New Jersey:*  
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8 1. a. As used in this act:

9 “Director” means the Director of the Division of Taxation in the  
10 Department of Treasury.

11 “Electronic filing” means filing a tax document by the use of  
12 computer technology, including transmission through the internet.

13 “Taxpayer” means any person owing or liable to pay any State  
14 tax or any person deemed by the director to be so owing or liable.

15 “Tax preparation software company” means a developer or  
16 vendor of any computer software program intended for tax return  
17 preparation purposes, including an off-the-shelf software program  
18 loaded onto a taxpayer’s computer or an online tax preparation  
19 application.

20 “Tax return” means a tax document which the director has  
21 authorized to be filed electronically.

22 b. It shall be an unlawful practice for a tax preparation software  
23 company to charge a taxpayer a fee for the electronic filing of a tax  
24 return.

25 c. A violation of subsection b. of this section shall be an  
26 unlawful practice pursuant to P.L.1960, c.39 (C.56:8-1 et seq.)  
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28 2. This act shall take effect immediately and apply to tax  
29 returns due on the first day of the fourth month beginning after the  
30 date of enactment.  
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#### STATEMENT

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36 This bill prohibits tax preparation software companies from  
37 charging a fee for the electronic filing of State tax returns. Tax  
38 preparation software includes any computer program intended for  
39 tax return preparation, such as an off-the-shelf software program  
40 loaded onto a taxpayer’s computer or an online tax preparation  
41 application.

42 A violation of the bill’s provisions is an unlawful practice under  
43 the consumer fraud act, P.L.1960, c.39 (C.56:8-1 et seq.). An  
44 unlawful practice is punishable by a monetary penalty of not more  
45 than \$10,000 for a first offense and not more than \$20,000 for any  
46 subsequent offense. In addition, a violation can result in cease and  
47 desist orders issued by the Attorney General, the assessment of  
48 punitive damages, and the awarding of treble damages and costs to  
the injured.

**S850 POU, CRYAN**

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1       The bill applies to State tax returns due on the first day of the  
2       fourth month after the date of enactment. The bill is based on a  
3       2010 New York statute.