

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 850

STATE OF NEW JERSEY

DATED: MARCH 11, 2021

The Senate Commerce Committee reports favorably Senate Bill No. 850.

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

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

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

This bill was pre-filed for introduction in the 2020-2021 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.