

ASSEMBLY CONSUMER AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 850

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 6, 2021

The Assembly Consumer Affairs Committee reports favorably Senate Bill No. 850 with committee amendments.

As amended and reported by the committee, Senate Bill No. 850 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 or after February 1, 2022. The bill is based on a 2010 New York statute.

As amended by the committee, Senate Bill No. 850 is identical to Assembly Bill No. 1168, which also was amended and reported by the committee on this same date.

COMMITTEE AMENDMENTS:

The committee amended the bill to make technical changes and to change the effective date to February 1, 2022.