

**SALES AND USE TAX REVIEW COMMISSION  
RECOMMENDATION PURSUANT TO P.L. 1999, C. 416**

**BILL NUMBER:**

A-3153

**DATE OF INTRODUCTION:**

September 22,, 2008

**SPONSOR:**

Assemblyman Rumana

**DATE OF RECOMMENDATION:**

November 12, 2008

**COMMITTEE:**

Assembly Environment and Solid Committee

**DESCRIPTION:**

The Bill provides an exemption on the imposition of sales and use tax for the purchase of certain off-road diesel equipment and certain retrofit devices. The scope of the types of items that would qualify would be certified by the Commissioner of the Department of Environmental Protection (DEP).

**ANALYSIS:**

This Bill proposes to amend the Sales and Use Tax Act (N.J.S.A. 54:32B-1 et. seq.) to provide sales tax exemption on the purchase of certain off-road diesel equipment purchases. As the DEP would be required to certify the types of equipment that would qualify for the exemption, it is difficult at this point to foresee the true scope of the exemption. Enacting a sales tax exemption for these types of purchases could open the door for similar tax exemptions on devices the use of which may also be viewed to have a favorable environmental impact.

Generally, the Commission does not support the use of tax policy as a means of influencing consumers' purchasing decisions and other behavior, even though the behaviors promoted might be beneficial to the State.

**RECOMMENDATION:**

The Commission does not recommends enactment of this Bill.

**COMMISSION MEMBERS FOR PROPOSAL: 0**

**COMMISSION MEMBERS AGAINST PROPOSAL: 5**

**COMMISSION MEMBERS ABSTAINING: 0**