



**SALES AND USE TAX REVIEW COMMISSION**  
**50 BARRACK STREET**  
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The Sales and Use Tax Review Commission met on Wednesday, March 24, 2010 at 10 a.m. in the Fourth Floor Conference Room, Division of Taxation, 50 Barrack Street, Trenton, New Jersey.

Below, please find the Commission's disposition on the bills which came before it.

<b><u>Bill No.</u></b>	<b><u>Description</u></b>	<b><u>Recommendation</u></b>
A-159 /S-1354	Excludes certain stable stall rentals from sales and use tax imposition and provides sales and use tax exemption for sales of equine-related services	Y=Yes N=No *N
A-195	Provides that sales by UEZ retailers of items delivered to location outside of the UEZ shall not qualify for partial exemption from the sales tax.	N
A-204	Authorizes creation of 33rd urban enterprise zone in Belleville Township.	N
A-249	Provides sales and use tax exemption for certain purchases made by certain flood victims.	*Y
A-417	Provides sales tax exemption for certain off-road diesel equipment and certain retrofit devices.	*N
A-433	Authorizes designation of joint urban enterprise zone by Urban Enterprise Zone Authority.	N
A-447	Exempts sales of services by counties and municipalities from sales and use tax.	N

A-496	Provides sales tax exemption for sales of prepared foods.	N
A-597/ S-917	"Monmouth Economic Revitalization Authority Act."	Y
A636/ S-1269	Establishes annual sales tax holiday for certain sales of personal computers and certain sales of school supplies and equipment during first full weekend of August.	*N
A-709	Exempts sales of returnable plastic containers and pallets from sales and use tax	N
A-739	Repeals gross receipts and use taxes on retail sales of fur clothing.	Y
A-786	Provides sales and use tax exemption for new motor vehicles with certain fuel efficiency.	*N
A-827	Establishes sales and use tax rate reduction period from October 1, 2009 December 31, 2009 for sales of certain goods and services greater than or equal to \$10,000; sets reduction period tax rate at 3.5%.	N
A-1160	Eliminates imposition of sales and use tax on charges for initiation fees, membership fees, or dues for access to or use of certain health and fitness clubs and organizations.	*Y
A-1253/ S-1322	Exempts from sales tax all hybrid and certain highly fuel efficient vehicles.	*N
A-1294	Authorizes creation of 33rd urban enterprise zone in Borough of Seaside Heights.	N
A-1546	Provides a sales and use tax exemption for sales of certain high-efficiency home heating equipment.	*N
A-1569	Authorizes creation of urban enterprise zones in Garfield. Harrison, Keansburg. and two joint urban enterprise zones, one in Cliffside Park and Fairview, and one in Buena Vista Township and Buena Borough.	N

A-1723	Reduces sales tax rate on certain sales and admission charges at places of amusement in urban enterprise zone areas and provides that sales tax revenue be for municipal purposes	<b>N</b>
A-1779	Exempts from sales tax certain sales by or to any senior citizens club organized for pleasure, recreation, or other non-profitable purposes.	<b>*N</b>
A-1826	Exempts from sales tax for two years certain hybrid and highly fuel efficient vehicles and energy efficient appliances.	<b>*N</b>
A-1852	Provides for sales tax exemption for advanced technology partial zero emission vehicles, imposes surcharge on certain automobiles.	<b>*N</b>
A-1854	Establishes sales tax holiday for certain energy efficient products during third week of April and October.	<b>*N</b>
A-1961	Exempts certain purchases by school food service providers from the sales and use tax.	<b>*N</b>

**Note:**  
The Commission recommended that comments be added to this recommendation. A Motion to Clarify Legislative Intent was passed which stated: The Commission would support legislation that would clarify the rules for agency under Section 9 of the Sales and Use Tax Act and eliminate the retroactivity clause as proposed. The Commission agrees with the overall intent that there should be no adverse tax consequences to a food service business purchasing supplies solely for use in fulfilling a contract with a primary or secondary school.

A-2043	Provides exemption from tax on sales of certain energy saving products and services purchased from businesses located in UEZ.	N
A-2090	Authorizes creation of 33rd urban enterprise zone in Town of Harrison. Hudson.	N
A-2316	Removes charges in the nature of initiation fees, membership fees or dues from sales and use tax.	*N
A-2315/ S-1496	Exempts certain lake association membership fees and dues from imposition of sales and use tax.	*N
S-76	Removes imposition of sales tax on massage, bodywork and somatic services.	*N
S-139	Exempts sale of recreational safety helmets from sales and use tax.	*N
S-302	Eliminates imposition of sales and use tax on charges for initiation fees, membership fees, or dues for access to or use of certain health and fitness clubs and organizations.	*Y
S-354	Provides that sales by UEZ retailers of items delivered to location outside of the UEZ shall not qualify for partial exemption from the sales tax.	N
S-462	Provides exemption from tax on sales of certain energy saving products and services purchased from businesses located in UEZ	N
S-603	Establishes New Jersey Borough Enterprise Zone Program to encourage business development in small, highly developed municipalities.	N
S-605	Allows corporation business tax and gross income tax credits, employer unemployment tax rebates, sales tax exemption, property tax freeze and employee skill training program as incentives for business revitalization in distressed shopping centers.	*N

**NOTE:**

The Commission's recommendation is limited to the bill's proposal for sales tax exemption. The Commission has not been granted authority to make formal recommendations on proposals which affect other tax areas. Based on its limited review,

the Commission does not recommend enactment of the sales tax exemption proposed in this bill.

S-615	Exempts charges for residential storage space and dues for residential health and fitness facilities from the sales and use tax.	*N
S-675	Authorizes creation of urban enterprise zones in Garfield, Harrison and Keansburg as well as a joint urban enterprise zone in Cliffside Park and Fairview	N
S-680	Removes limousine services from sales and use tax imposition.	N
S-705	Provides for reduced sales tax imposition on certain sales in certain Highlands Region Preservation Area municipalities.	N
S-756	Exempts from sales tax for two years certain hybrid and highly fuel efficient vehicles and energy efficient appliances.	*N
S-978	Exempts sales of methane gas fuel conversion machinery and equipment from sales taxes.	*N
S-990	Exempts certain materials and labor used to convert traditional motor vehicles into plug-in hybrid electric motor vehicles from sales and use tax.	*N
S-994	Exempts certain New Jersey teachers' purchase of qualified teaching materials from sales and use tax.	*N
S-1043	Exempts storage facility space furnished to active duty military personnel from sales and use tax.	*N
S-1050	Excludes the value of certain manufacturer's rebates from the sales price of motor vehicles taxable under the sales and use tax.	*N
S-1096	Establishes sales tax holiday in New Jersey from December 10 through December 25.	*N
S-1097	Exempts from sales and use tax sales of carbon monoxide detectors and any device or equipment sold for residential use to detect, warn of, abate, or extinguish fires.	*N

S-1098	Establishes back-to-school sales tax holiday in New Jersey from August 26 through September 1, 2010.	<b>*N</b>
S-1143	Provides a sales and use tax exemption for sales of certain high-efficiency home heating equipment.	<b>*N</b>
S-1147	Removes investigation and security services from imposition of sales and use tax.	<b>*Y</b> The Commission recommended enactment of this bill only with amendment as discussed in the Analysis. <i>(The Commission supported this bill with the following amendment: Remove paragraph (2).security guard and patrol services, including bodyguard and personal protection, guard dog, guard, patrol, and security services, from the definition of investigation and security service under N.J.S.A. 54:32B-2(xx). Thus, the tax would still be imposed on paragraphs 1, 3, and 4.)</i>
S-1178	Allows certification of a qualified UEZ retailer as a business, notwithstanding that it sells items out of stock at time of purchase at a UEZ location and later mails them to purchaser from another location.	<b>N</b>
S-1269	Establishes annual sales tax holiday during first weekend of August for certain retail sales of computers, school computer supplies, school supplies, school art supplies, and school instructional materials.	<b>*N</b>
S-1298	Phases out sales and use tax imposed on charges for certain initiation fees, membership fees and dues.	<b>*N</b>
S-1321	Provides sales and use tax exemption for sales of certain Energy Star labeled residential lighting and appliances.	<b>*N</b>

S-1637/ Consumer Relief Act of 2010; establishes temporary  
A-2362 sales and use tax rate reduction periods for sales of  
certain goods and services.

**\*N**

\*Denotes that the Commission addressed an identical proposal in a previous session and the analysis and recommendation were reaffirmed by the Commission Members on March 24, 2010.