

NEW STATE TAX LEGISLATION

Following are summaries of recently enacted New Jersey tax laws:

L. 2003, c. 285

Designates Gloucester City in Camden County as an additional urban enterprise zone.

L. 2003, c. 266

Provides a sales and use tax exemption for the sale of zero emission motor vehicles.

L. 2003, c. 256

Exempts investment clubs from the \$150 per owner annual partnership filing fee and from the requirement that partnerships remit gross income tax payments based on a share of the partnership's net income allocated to its nonresident noncorporate partners.

L. 2003, c. 296

Provides for a corporation business tax credit for 100% of the costs of remediating certain contaminated sites during a three-year period.

L. 2003, c. 246

Establishes the criteria for a qualified domestic partnership. Provides, for purposes of transfer and inheritance tax, that property held jointly by domestic partners will be treated the same as property held jointly by spouses, that transfers to a domestic partner shall not be subject to tax, and that the value of a pension, annuity or return of pension contribution paid to a domestic partner shall not be subject to tax. For gross income tax purposes, a domestic partner may be claimed as a "dependent," for a \$1,000 personal exemption.

L. 2003, c. 224

Makes changes in the Spill Compensation and Control Act and the Brownfield and Contaminated Site Remediation Act. Provides a method of calculating developers' sales and use tax liability on materials used for remediation or for construction of new residences or other structures at a brownfields site.

L. 2003, c. 197

Extends eligibility for real property tax deduction or exemption to veterans who served in the theaters of operation if "Operation Enduring Freedom" or "Operation Iraqi Freedom."

L. 2003, c. 194

Expands the economic incentives for rehabilitation and economic recovery in certain fiscally distressed municipalities.

L. 2003, c.166

Expands the New Jersey Business Employment Incentive Program, which is designed to promote economic development, and provides for additional funding by authorizing the Economic Development Authority to issue bonds.

L. 2003, c.165

Exempts from sales and use tax the receipts from sales at concession stands at state-owned residential veterans' facilities.

L. 2003, c.136

Provides that the receipts from rental of tangible personal property between "related persons" (including business entities that are 80% or more owned by each other or 80% or more owned by the same third parties) are exempt from sales and use tax.

L. 2003, c.125

Makes various changes in the law governing long-term real property tax exemptions.

L. 2003, c. 124

Imposes a 6% state fee on the gross amounts collected by retail sellers of outdoor billboard advertising space.

L. 2003, c. 117

Raises numerous state fees, including for example, those for engineering and real estate broker licenses, equipment inspection, penalties for operating unlicensed health care facilities, filing divorce proceedings, certificates of need applications, criminal background checks and fingerprinting, brewery licenses, and imposes several new fees, including, for example, for licenses to operate a mental health facility and limousine licenses.

L. 2003, c. 116

Imposes a 4.25% state tax on casino licensees on the value of rooms, food, beverages, or entertainment given away for free or at a reduced price as a "complimentary." Imposes an 8% state tax on multi-casino progressive slot machine revenue. Imposes a new 7.5% state tax on the adjusted net income of casino licensees. Imposes a \$3.00 per day fee on each hotel room occupied by a guest in a casino hotel. Increases the minimum casino hotel parking charge from \$2.00 to \$3.00.

L. 2003, c. 115

Increases the cigarette tax from \$.075 to \$.1025 per cigarette. In effect, this results in a tax of \$.55 per pack.

L. 2003, c. 114

Imposes a new state hotel and motel occupancy fee, at a rate of 7% for occupancies from August 1, 2003 through June 30, 2004, and at a rate of 5% for occupancies on and after July 1, 2004, or at a rate of 1% in cities in which such occupancies are already subject to tax under N.J.S.A. 40:48E-1 et. seq. The revenue generated shall be used for various cultural, historical, and tourism promotion purposes.

L. 2003, c. 113

Imposes a new supplemental fee on the transfer of real property, payable by the grantor to the county in which the deed is recorded.

L. 2003, c. 112

Creates a Hospital Care Commission, to which hospitals may assign their claims for unpaid patient accounts, which will then be paid partly through use of the existing Set Off of Individual Liability (SOIL) program.

L. 2003, c. 105

Imposes a new assessment payable by nursing homes to the Division of Taxation. The revenue generated from this fee shall be dedicated to various nursing home purposes as specified in the act.

L. 2003, c. 59

Makes changes in the Neighborhood Revitalization State Tax Credit Act.

L. 2003 c. 42

Allows vendors, under limited circumstances, to advertise that they will pay the sales tax for their customers on taxable transactions, and to do so, specifying the amount of tax paid on any invoice or receipt given to the customer.

L. 2003, c. 30

Extends the deadline for applications for homestead property tax reimbursement.

L. 2003, c. 25

Imposes requirements on tobacco product manufacturers, and authorizes revocation or suspension of the license or certificate of authority of distributors with contraband cigarettes or tobacco products produced by manufacturers that are not in compliance with these requirements.

L. 2003, c. 9

Exempts from gross income tax the income of individuals who died as a result of injuries caused by the September 11, 2001 terrorist attacks.

L. 2003, c. 6

Makes technical amendments to the Urban Enterprise Zone Act.

L. 2002, c. 128

Revises the Clean Communities Program and makes changes in the litter control fee.

L. 2002, c. 108

Amends the Municipal Rehabilitation and Economic Recovery Act.

L. 2002, c. 87

Expands the brownfields redevelopment program to include developers of residential realty among those eligible for reimbursement of remediation costs. Also allows sales and use tax on construction materials to be considered in estimating the revenue to be generated by a project.

L. 2002, c. 72

Authorizes municipalities in a designated tourism development district to impose a 1.85% tourism assessment on hotel room rentals that are also subject to tax under the Sales and Use Tax Act. This assessment would be administered by the Division of Taxation, and the revenues collected from it would be deposited in a tourism assessment fund.

L. 2002, c. 68

Amends the population criteria for designation as an urban enterprise joint zone.

L. 2002, c. 65

Made changes in several statutes governing casinos, including changes in an Atlantic City revitalization incentive program.

L. 2002, c. 51

Makes changes in the provisions governing membership in county tax boards.

L. 2002, c. 45

Implements the federal Mobile Telecommunications Sourcing Act; specifies how mobile telecommunications services will be treated for sales and use tax purposes.

L. 2002, c. 43

The Municipal Rehabilitation and Economic Recovery Act, which establishes a pilot program to rehabilitate Camden, includes some provisions for incentives in the form of corporation business tax credits.

L. 2002, c. 40

Makes changes in the corporation business tax and establishes filing fees for certain returns.

L. 2002, c. 33

Increases the cigarette tax from \$.04 to \$0.075 per cigarette.

L. 2002, c. 31

Amends provisions regarding the computation of estate tax.

L. 2002, c. 6

Authorizes the Director of the Division of Taxation to establish a state tax amnesty period of up to 60 days, to end no later than June 10, 2002.

L. 2002, c. 3

Extends the time for distribution of payments to municipalities from the Energy Tax Receipts Property Tax Relief Fund.

L. 2001, c. 448

Amends the definitions and tax base in the Tobacco Products Wholesale Sales and Use Tax Act, and reduces the tax rate.

L. 2001, c. 438

Provides that steel outdoor advertising signs and their supporting steel structures do not constitute "real property" for purposes of local property tax.

L. 2001, c. 433

Imposes a three-year freeze, followed by a gradual phasing out of the transitional energy facility assessment unit rate surcharges on certain energy sales.

L. 2001, c. 431

Authorizes the executive and legislative branches of New Jersey's government to participate in multistate discussions and to enter into a multistate agreement to streamline, simplify, standardize and modernize sales and use tax administration among the participating states.

L. 2001, c. 424

Makes various changes in the tax imposed by the Spill Compensation and Control Act.

L. 2001, c. 415

Grants credit against tax imposed on business-related income (other than individual gross income tax) to businesses that contribute to certain state-approved nonprofit corporations for purposes of implementing certain approved neighborhood preservation and revitalization projects.

L. 2001, c. 411

Extends for an additional six months the period of sales and use tax refunds for certain purchases by victims of Hurricane Floyd.

L. 2001, c. 399

Provides a corporation business tax credit for equipment used in generating electric or thermal energy.

L. 2001, c. 396

Prohibits affixing tax stamps to cigarette packages that do not meet certain criteria.

L. 2001, c. 358

Amends the taxpayer information confidentiality provision of the State Tax Uniform Procedure Law by providing that the Attorney General may inspect the reports or files of any licensed tobacco product manufacturer who was not in compliance with the Tobacco Master Settlement Agreement.

L. 2001, c. 354

Allows real property owned by an exempt firemen's association, firemen's relief association or volunteer fire company to retain its tax-exempt status even if it is used for an income-producing purpose that is not the organization's primary purpose, provided that proceeds are used to further the organization's primary purpose or other charitable purposes.

L. 2001, c. 347

Established three additional urban enterprise zones, and also authorized reduced-rate collection of sales tax by qualified businesses in business districts that have been adversely affected by at least two adjacent urban enterprise zones.

L. 2001, c. 323

Increases the portion of the alcoholic beverage tax collected on sales of products of New Jersey wineries that is dedicated to the New Jersey Wine Production Account.

L. 2001, c. 322

Exempts from sales and use tax the sale of certain wastewater effluent treatment equipment that the Department of Environmental Protection has determined to be environmentally beneficial.

L. 2001, c. 321

Provides a corporation business tax credit for purchase of certain equipment used to transport and treat industrial wastewater effluent and transform it for the purpose of environmentally beneficial reuse.

L. 2001, c. 312

Provides that when land assessed for agricultural and horticultural use is acquired by the Palisades Interstate Park Commission for recreation and conservation purposes, it is exempt from roll-back taxes.

L. 2001, c. 311

Allows certain Pinelands municipalities where municipal solid waste landfills are located to be eligible for redevelopment projects and tax benefits under the Municipal Landfill Site Closure, Remediation and Development Act.

L. 2001, c. 310

Authorizes municipalities containing designated "redevelopment areas" to finance redevelopment projects there by issuing bonds secured by payments in lieu of real property taxes or special assessments or both.

L. 2001, c. 305

Establishes a New Jersey Prostate Cancer Research Fund and adds this fund to the list of funds to which gross income tax filers can designate charitable contributions on their returns.

L. 2001, c. 273

Establishes a special Literacy Volunteers of America fund and adds this fund to the list of funds to which gross income tax filers can designate charitable contributions on their returns.

L. 2001, c. 251

Raises the income eligibility threshold for the homestead property tax reimbursement program for elderly and disabled homeowners.

L. 2001, c. 248

Allows the Governor and the governing bodies of municipalities to extend tax payment deadlines, waive interest on delinquent obligations, and relax other requirements for persons who suffered personal or business losses as a result of the September 11, 2001 terrorist attack on the United States.

L. 2001, c. 221

Establishes the Casino Reinvestment Development Authority urban revitalization incentive program. Provides that amounts equal to sales and use tax revenues generated from certain sales of construction materials for revitalization projects and from certain sales in revitalization project areas shall be granted to the Authority for use in projects in the areas to be revitalized.

L. 2001, c. 217

Establishes a NJ-AIDS Services Fund and provides taxpayers with an opportunity to contribute to this fund through their gross income tax returns.

L. 2001, c.162

Makes changes in the scope and procedures for implementing the commuter transportation benefits exclusion from gross income for state government employees.

L. 2001, c.159

Increases maximum benefits payable under the homestead rebate program.

L. 2001, c.155

Revises the definition of an “area in need of redevelopment” for purposes of certain local property tax abatements or exemptions.

L. 2001, c. 140

Permits municipalities to distribute miscellaneous revenue receipts to real property taxpayers.

L. 2001, c. 136

Provides a mechanism for taxing the income of owners of limited liability companies and limited partnerships.

L. 2001, c.134

Requires businesses providing goods, services or construction projects to a state agency to provide proof of registration with the Division of Revenue (for tax purposes) as a

prerequisite for entering into a contract with the State. Also requires applicants for casino service industry licenses to provide proof of such registration, and requires licensed casino service industries to obtain such proof of registration from any subcontractors before entering into a contract for their goods or services.

L. 2001, c.131

Provides that insurance premiums collected by a domestic stock health insurer will be subject to the insurance premiums tax.

L. 2001, c. 127

For purposes of the veteran's deduction from local property tax, amends the definition of "active service in time of war" to include service in Lebanon, or on board a ship patrolling Lebanon's waters, since July 1, 1958.

L. 2001, c.106

Accelerates the phase-in of the NJ SAVER rebate program.

L. 2001, c.101

Requires tax assessors to investigate and re-evaluate all real property in certain taxing districts under certain circumstances.

L. 2001, c.90

Provides a sales and use tax exemption for the sale of limousines and the sale of repairs and of replacement parts for limousines.

L. 2001, c.85

Permits exempt firefighters' organizations and volunteer fire companies to engage in some income-producing activity on their real property without losing its local property tax exemption.

L. 2001, c.84

Excludes United States military pension payments and military survivor's benefit payments from gross income for purposes of gross income tax.

L. 2000, c. 23

Phases out the corporation business tax on the income of S corporations.

L. 2000, c. 18

Provides that religious and charitable organizations may lease a portion of a building to a non-exempt entity without losing their local property tax exemption on the remaining portions of the building. Also permits religious and charitable organizations to retain their local property tax exemption when leasing a portion of a building to an exempt entity for some exempt purposes other than the original exempt purposes of the building.

L. 2000, c. 156

Phases out the applicability of the petroleum products gross receipts tax to certain sales of fuel oil used to generate electricity for sale.

L. 2000, c. 80

Provides for an earned income credit, to be phased in over a four-year period, payable to taxpayers whose gross income does not exceed \$20,000.

L. 2000, c. 48

Sets the per gallon tax rate for the Petroleum Products from Receipts Tax, so that the tax rate will no longer vary according to the price of the product.

L. 2000, c. 12

Allows HMO's to take a credit against their corporation business tax liability in the amount of a certain percentage of the assessments that they are required to pay to the New Jersey Insolvent Health Maintenance Organization Assistance Fund.

L. 2000, c. 9

Phases in the increase in the veterans' property tax deduction from \$50 to \$250 to \$500,000 on a joint return or \$250,000 on a single return.