

LEGISLATIVE HISTORY CHECKLIST

NJSA: 54:32B-8.13

(Sales tax--cogeneration
equipment machinery--
exempt)

LAWS OF: 1985

CHAPTER: 266

Bill No: S2529

Sponsor(s): Dalton

Date Introduced: December 13, 1984

Committee: Assembly: Revenue, Finance and Appropriations

Senate: Energy and Environment; Revenue, Finance and
Appropriations

Amended during passage: Yes Substituted for A2410 (not attached
since identical to S2529)

Date of Passage: Assembly: June 27, 1985

Senate: June 17, 1985

Date of Approval: August 2, 1985

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly Yes

Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

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8-2-85
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SENATE, No. 2529

STATE OF NEW JERSEY

INTRODUCED DECEMBER 13, 1984

By Senator DALTON

Referred to Committee on Revenue, Finance and Appropriations

AN ACT providing an exemption from the sales and use tax for machinery, apparatus or equipment used for cogeneration, and amending P. L. 1980, c. 105.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. Section 25 of P. L. 1980, c. 105 (C. 54:32B-8.13) is amended
2 to read as follows:

3 25. Receipts from the following are exempt from the tax imposed
4 under the Sales and Use Tax Act:

5 a. Sales of machinery, apparatus or equipment for use or con-
6 sumption directly and primarily in the production of tangible
7 personal property by manufacturing, processing, assembling or
8 refining:

9 b. Sales of machinery, apparatus or equipment for use or con-
10 sumption directly and primarily in the production, generation,
11 transmission or distribution of gas, electricity, refrigeration, steam
12 or water for sale or in the operation of sewerage systems;

13 c. Sales of telephone lines, cables, central office equipment or
14 station apparatus, or other machinery, equipment or apparatus, or
15 comparable telegraph equipment, for use directly and primarily in
16 receiving at destination or initiating, transmitting and switching
17 telephone or telegraph communication;

18 *d. Sales of machinery, apparatus, **[or]** equipment*, building*
19 *materials, or structures or portions thereof,* used directly and*
19A *primarily for cogeneration *in a cogeneration facility*. As used in*
20 *this subsection, "cogeneration *facility*" means *a facility the*

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter printed in italics thus is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

***—Senate committee amendments adopted February 28, 1985.**

21 *primary purpose of which is*the sequential production of elec-*
21A *tricity and steam or other forms of useful energy which are used*
22 *for industrial or commercial heating or cooling purposes *and*
23 *which is designated by the federal Energy Regulatory Commission,*
24 *or its successor, as a "qualifying facility" pursuant to the provi-*
25 *sions of the "Public Utility Regulatory Policies Act of 1978," Pub.L.*
26 *95-617*. The Commissioner of the Department of Energy, in con-*
26A *sultation with the Director of the Division of Taxation, shall adopt*,*
26B *pursuant to the "Administrative Procedure Act," P. L. 1968, c. 410*
26C *(C. 52:14B-1 et seq.),* rules and regulations establishing technical*
26D *specifications for eligibility for the exemption provided in this*
26E *subsection.*

27 The exemptions granted under this section shall not be construed
28 to apply to sales, otherwise taxable, of machinery, equipment or
29 apparatus whose use is incidental to the activities described in
30 **[paragraphs]** subsections a., b. **[and]**, c., and d. of this section.

31 The exemptions granted in this section shall not apply to motor
32 vehicles or to parts with a useful life of one year or less or tools or
33 supplies used in connection with the machinery, equipment or
34 apparatus described in this section.

1 2. This act shall take effect immediately.

23 *the Department of Energy, in consultation with the Director of the*
 24 *Division of Taxation, shall adopt rules and regulations establishing*
 25 *technical specifications for eligibility for the exemption provided*
 26 *in this subsection.*

27 The exemptions granted under this section shall not be construed
 28 to apply to sales, otherwise taxable, of machinery, equipment or
 29 apparatus whose use is incidental to the activities described in
 30 **[paragraphs]** subsections a., b. **[and]**, c., and d. of this section.

31 The exemptions granted in this section shall not apply to motor
 32 vehicles or to parts with a useful life of one year or less or tools or
 33 supplies used in connection with the machinery, equipment or
 34 apparatus described in this section.

1 2. This act shall take effect immediately.

Sponsors' STATEMENT

This bill would exempt machinery, apparatus, and equipment used for cogeneration from the sales and use tax. Cogeneration systems and facilities produce electricity and thermal energy in a single process, and, through an efficient use of fuel achieve significant energy savings. The exemption from taxation provided in this bill will encourage the development and use of cogeneration technology.

52529(1985)

ASSEMBLY REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO
SENATE, No. 2529

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STATE OF NEW JERSEY

DATED: JUNE 24, 1985

PROVISIONS:

Senate Bill No. 2529 (OCR) exempts machinery, equipment, building materials, and structures used directly and primarily for cogeneration in a cogeneration facility from the sales and use tax.

OTHER LEGISLATION:

This bill is identical to the Assembly Committee Substitute for Assembly Bill No. 2410, as amended by this Committee, and reported favorably.

The committee favorably reports this bill.

SENATE ENERGY AND ENVIRONMENT COMMITTEE

STATEMENT TO

SENATE, No. 2529

STATE OF NEW JERSEY

DATED: FEBRUARY 25, 1985

Senate Bill No. 2529 would exempt machinery, equipment building materials and structures used for cogeneration from the sales tax. Cogeneration systems and facilities produce electricity and thermal energy in a single process, and, through an efficient use of fuel, achieve significant energy savings. The committee amended Senate Bill No. 2529 to expand the sales tax exemption to building materials and structures associated with a cogeneration facility, and to define "cogeneration facility" as opposed to "cogeneration."

Bills Signed
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August 5, 1985

Other bills signed by Kean include:

A-2102, sponsored by Assemblyman Alan Karcher, D-Middlesex, to revise the law concerning the resubmission of a Sunday closing law referendum in Hudson County. The bill changes the number of signatures required on a petition from 10 percent of the registered voters of the county to 2,500 and reduces from three years to two years the time period to resubmit the question.

S-2529, sponsored by Senator Daniel Dalton, D-Camden, to exempt from the State sales tax the sale of machinery, apparatus, equipment, building materials or structures used directly and primarily for cogeneration.

AJR-76, sponsored by Assemblyman Robert Hollenbeck, D-Bergen, to designate the new beneficial insect laboratory in Trenton as the Phillip Alampi Laboratory.

A-3375, sponsored by Assemblyman John Doyle, D-Ocean, to replace the 1,000-hour requirement for licensing as a cosmetologist-hairstylist if the person completes a vocational school program in cosmetology which has been approved by the State Board of Education.

A-1642, sponsored by Assemblyman Michael Adubato, D-Essex, to increase from \$200 to \$500 the amount of a bail bond certificate that may be issued by an automobile club or association.

S-2893, sponsored by Senator Francis McManimon, D-Mercer, to permit a corporation to act as a transfer agent of mutual funds for its own affiliates.

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