

40:48-8.21

LEGISLATIVE HISTORY CHECKLIST

(Atlantic City Luxury Tax-new allocation of revenues-delay.)

NJSA 40:48-8.21

LAWS 1982

CHAPTER 10

Bill No. A657

Sponsor(s) Matthews

Date Introduced Feb. 1, 1982

Committee: Assembly _____

Senate _____

Amended during passage Yes No

Date of Passage: Assembly Feb. 8, 1982

Senate Feb 25, 1982

Date of approval March 11, 1982

Following statements are attached if available:

Sponsor statement Yes No

Committee Statement: Assembly No

Senate No

Fiscal Note No

Veto Message No

Message on signing Yes

Following were printed:

Reports No

Hearings No

DEPOSIT ONLY COPY
Do Not Remove from Library

6/22/81

ASSEMBLY, No. 657

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 1, 1982

By Assemblyman MATTHEWS

(Without Reference)

AN ACT to amend "An act authorizing any city of the fourth class by ordinance, subject to referendum, to impose, in the municipality, certain retail sales and services taxes and providing for the collection thereof," approved April 19, 1947 (P. L. 1947, c. 71).

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

1 1. Section 7 of P. L. 1947, c. 71 (C. 40:48-8.21) is amended to
2 read as follows:

3 7. All revenues collected under any such ordinance by the Director
4 of the Division of Taxation pursuant to section 1 of P. L. 1980, c. 60
5 (C. 54:32B-24.1) shall be apportioned according to the following
6 schedule:

7 (a) Through June 30, 1981, all such revenues shall be deposited
8 in the general fund of the municipality and may be used for general
9 municipal purposes, including the reduction and liquidation of
10 bonded indebtedness, the payment of salaries, construction, recon-
11 struction, maintenance and repair of municipal buildings, installa-
12 tions and properties, and for such other purposes as may be
13 provided by existing ordinance or ordinances hereafter enacted for
14 general municipal purposes;

15 (b) For revenues collected during the period from July 1, 1981
16 through **[December 31, 1981]** *February 28, 1982* 66 $\frac{2}{3}$ % of such
17 revenues shall be paid to the municipality and deposited and used
18 as provided in subsection (a) of this section and 33 $\frac{1}{3}$ % of such
19 revenues shall be retained by the State Treasurer for deposit in
20 the fund established pursuant to the provisions of section 5 of
21 P. L. 1979, c. 273 (C. 40:48-8.3), to be used and distributed accord-
22 ing to the terms herein provided;

23 (c) For revenues collected during the period from **[January 1]**
24 *March 1, 1982* through June 30, 1982, 2/7ths of such revenues

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

24A shall be paid to the municipality and deposited and used as pro-
25 vided in subsection (a) of this section, and 5/7ths of such revenues
26 shall be retained by the State Treasurer for deposit in the fund
27 established pursuant to section 5 of P. L. 1979, c. 273 (C. 40:48-8.30)
28 and be distributed according to the terms of this amendatory and
29 supplementary act;

30 (d) On and after July 1, 1982, all such revenues shall be retained
31 by the State Treasurer for deposit in the fund established pur-
32 suant to section 5 of P. L. 1979, c. 273 (C. 40:48-8.30) and dis-
33 tributed according to the terms herein provided.

1 2. This act shall take effect immediately.

STATEMENT

This bill is intended to correct a timing problem with respect to the allocation of the proceeds of the Atlantic City luxury tax. P. L. 1981, c. 461 provided for certain local options with respect to the luxury tax, as well as a phased allocation of the proceeds between Atlantic City and the "Luxury tax fund." Since Chapter 461 was not approved until January 8, 1982 and the local ordinance to implement that statute will not be effective until March 1, 1982, there would be an unintended revenue loss to Atlantic City of more than \$200,000.00. This bill would delay the new allocation formula without any deleterious effect on the "Luxury tax fund."

24A shall be paid to the municipality and deposited and used as pro-
 25 vided in subsection (a) of this section, and 5/7ths of such revenues
 26 shall be retained by the State Treasurer for deposit in the fund
 27 established pursuant to section 5 of P. L. 1979, c. 273 (C. 40:48-8.30)
 28 and be distributed according to the terms of this amendatory and
 29 supplementary act;

30 (d) On and after July 1, 1982, all such revenues shall be retained
 31 by the State Treasurer for deposit in the fund established pur-
 32 suant to section 5 of P. L. 1979, c. 273 (C. 40:48-8.30) and dis-
 33 tributed according to the terms herein provided.

1 2. This act shall take effect immediately.

STATEMENT

This bill is intended to correct a timing problem with respect to the allocation of the proceeds of the Atlantic City luxury tax. P. L. 1981, c. 461 provided for certain local options with respect to the luxury tax, as well as a phased allocation of the proceeds between Atlantic City and the "Luxury tax fund." Since Chapter 461 was not approved until January 8, 1982 and the local ordinance to implement that statute will not be effective until March 1, 1982, there would be an unintended revenue loss to Atlantic City of more than \$200,000.00. This bill would delay the new allocation formula without any deleterious effect on the "Luxury tax fund."

AGS 7(1982)

FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE:

MARCH 11, 1982

FOR FURTHER INFORMATION

CARL GOLDEN - DAVID DE MAIO

Governor Thomas H. Kean today signed A-657, sponsored by Assemblyman Michael J. Matthews (D-Atlantic), which delays the allocation of proceeds from the new Atlantic City luxury tax from January 1, 1982 until March 1, 1982.

The bill amends A-3750, signed into law in early January, which increased from three to seven percent the tax imposed on certain Atlantic City sales and services, exempting the purchase of liquor. Proceeds from the tax are dedicated to housing and development projects of the Atlantic County Improvement Authority.

The allocation of tax proceeds under the bill was originally to have begun on January 1st. The bill was not signed, however, until January 8th, and the corresponding local ordinance to implement the statute was not in effect until March 1st.

Atlantic City could lose over \$200,000 in tax revenue because of the delay in implementing the local ordinance. This bill prevents that loss by making a technical adjustment which pushes the allocation date back to March 1st.

The bill does not affect State tax revenues.

#