



**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** Yes

**VETO MESSAGE:** No

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P.L.2017, CHAPTER 27, *approved February 10, 2017*  
Assembly, No. 3696 (*First Reprint*)

1 AN ACT concerning limousine service, amending <sup>1</sup>**[R.S.48:16-14,]**<sup>1</sup>  
2 P.L.1966, c.30<sup>1</sup>**[,]**<sup>1</sup> and P.L.1980, c.105.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 <sup>1</sup>**[**1. R.S.48:16-14 is amended to read as follows:

8 48:16-14. Except as provided in section 14 of P.L.1999,  
9 c.356 (C.48:16-22.4), **[no]** a limousine shall not be operated wholly  
10 or partly along any street in any municipality until the owner of the  
11 limousine shall have filed with the clerk of the municipality in  
12 which the owner has his principal place of business, an insurance  
13 policy of a company duly licensed to transact business under the  
14 insurance laws of this State: (1) in the sum of \$1,500,000 against  
15 loss by reason of the liability imposed by law upon every limousine  
16 owner for damages on account of bodily injury or death suffered by  
17 any person as the result of an accident occurring by reason of the  
18 ownership, maintenance, or use of the limousine upon any public  
19 street while transporting a passenger; and (2) in the sum of at least  
20 \$50,000 for death or bodily injury per person, \$100,000 for death or  
21 bodily injury per incident, and \$25,000 for property damage at all  
22 other times. The insurance company shall supply to the **[**Director  
23 of the Division of Motor Vehicles**]** Chief Administrator of the New  
24 Jersey Motor Vehicle Commission notice concerning all motor  
25 vehicle liability insurance policies canceled for non-payment and  
26 new policies issued after the effective date of P.L.2001,  
27 c.416 (C.48:16-18.1 et al.). The notice shall be supplied monthly.  
28 After receipt of the notice of cancellation, the **[**division**]**  
29 commission shall notify the owner of the date the policy was  
30 canceled. If the **[**director**]** chief administrator has not received  
31 proof of liability insurance within 30 days of the date the  
32 notification was sent to the owner, the **[**director**]** chief  
33 administrator shall suspend the registration of the limousine until  
34 new proof is supplied that motor vehicle liability insurance has been  
35 secured for the limousine. If the owner fails to provide proof of  
36 insurance or surrender the license plates within 60 days of the date  
37 the notification was sent to **[**him**]** the owner by the **[**division**]**  
38 commission, the **[**division**]** commission shall suspend the owner's  
39 corporation code registration privilege.

**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 underlined thus is new matter

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate floor amendments adopted December 19, 2016.

1       **【Such operation】** Limousine operation shall be permitted only so  
2 long as the insurance policy shall remain in force to the full and  
3 collectible amount of \$1,500,000 while transporting a passenger;  
4 and \$50,000 for death or bodily injury per person, \$100,000 for  
5 death or bodily injury per incident, and \$25,000 for property  
6 damage at all other times.

7       The insurance policy shall provide for the payment of any final  
8 judgment recovered by any person on account of the ownership,  
9 maintenance, and use of **【such】** a limousine or any fault in respect  
10 thereto, and shall be for the benefit of every person suffering loss,  
11 damage, or injury as aforesaid.

12 (cf: P.L.2001, c.416, s.8)**】**<sup>1</sup>

13  
14       <sup>1</sup>**【2. Section 3 of P.L.1966, c.30 (C.54:32B-3) is amended to read**  
15 **as follows:**

16       3. There is imposed and there shall be paid a tax of 7% upon:

17       (a) The receipts from every retail sale of tangible personal  
18 property or a specified digital product for permanent use or less  
19 than permanent use, and regardless of whether continued payment is  
20 required, except as otherwise provided in **【this act】** P.L.1966,  
21 c.30 (C.54:32B-1 et seq.).

22       (b) The receipts from every sale, except for resale, of the  
23 following services:

24       (1) Producing, fabricating, processing, printing, or imprinting  
25 tangible personal property or a specified digital product, performed  
26 for a person who directly or indirectly furnishes the tangible  
27 personal property or specified digital product, not purchased by  
28 **【him】** the person for resale, upon which **【such】** these services are  
29 performed.

30       (2) Installing tangible personal property or a specified digital  
31 product, or maintaining, servicing, repairing tangible personal  
32 property or a specified digital product not held for sale in the  
33 regular course of business, whether or not the services are  
34 performed directly or by means of coin-operated equipment or by  
35 any other means, and whether or not any tangible personal property  
36 or specified digital product is transferred in conjunction therewith,  
37 except (i) such services rendered by an individual who is engaged  
38 directly by a private homeowner or lessee in or about his residence  
39 and who is not in a regular trade or business offering his services to  
40 the public, (ii) such services rendered with respect to personal  
41 property exempt from taxation hereunder pursuant to section 13 of  
42 P.L.1980, c.105 (C.54:32B-8.1), (iii) (Deleted by amendment,  
43 P.L.1990, c.40), (iv) any receipts from laundering, dry cleaning,  
44 tailoring, weaving, or pressing clothing, and shoe repairing and  
45 shoeshining, and (v) services rendered in installing property which,  
46 when installed, will constitute an addition or capital improvement to  
47 real property, property or land, other than landscaping services and  
48 other than installing carpeting and other flooring.

- 1 (3) Storing all tangible personal property not held for sale in the  
2 regular course of business; the rental of safe deposit boxes or  
3 similar space; and the furnishing of space for storage of tangible  
4 personal property by a person engaged in the business of furnishing  
5 space for such storage.
- 6 "Space for storage" means secure areas, such as rooms, units,  
7 compartments, or containers, whether accessible from outside or  
8 from within a building, that are designated for the use of a customer  
9 and wherein the customer has free access within reasonable  
10 business hours, or upon reasonable notice to the furnisher of space  
11 for storage, to store and retrieve property. Space for storage shall  
12 not include the lease or rental of an entire building, such as a  
13 warehouse or airplane hangar.
- 14 (4) Maintaining, servicing, or repairing real property, other than  
15 a residential heating system unit serving not more than three  
16 families living independently of each other and doing their cooking  
17 on the premises, whether the services are performed in or outside of  
18 a building, as distinguished from adding to or improving **【such】** the  
19 real property by a capital improvement, but excluding services  
20 rendered by an individual who is not in a regular trade or business  
21 offering his services to the public, and excluding garbage removal  
22 and sewer services performed on a regular contractual basis for a  
23 term not less than 30 days.
- 24 (5) Mail processing services for printed advertising material,  
25 except for mail processing services in connection with distribution  
26 of printed advertising material to out-of-State recipients.
- 27 (6) (Deleted by amendment, P.L.1995, c.184)**【.】**
- 28 (7) Utility service provided to persons in this State, any right or  
29 power over which is exercised in this State.
- 30 (8) Tanning services, including the application of a temporary  
31 tan provided by any means.
- 32 (9) Massage, bodywork, or somatic services, except such  
33 services provided pursuant to a doctor's prescription.
- 34 (10) Tattooing, including all permanent body art and permanent  
35 cosmetic make-up applications, except such services provided  
36 pursuant to a doctor's prescription in conjunction with  
37 reconstructive breast surgery.
- 38 (11) Investigation and security services.
- 39 (12) Information services.
- 40 (13) **【**Transportation services originating in this State and  
41 provided by a limousine operator, as permitted by law, except such  
42 services provided in connection with funeral services.**】** (Deleted by  
43 amendment, P.L. , c. ) (pending before the Legislature as this  
44 bill)
- 45 (14) Telephone answering services.
- 46 (15) Radio subscription services.
- 47 Wages, salaries, and other compensation paid by an employer to  
48 an employee for performing as an employee the services described

1 in this subsection are not receipts subject to the taxes imposed  
2 under **[this]** subsection (b) of this section.

3 Services otherwise taxable under paragraph (1) or (2) of **[this]**  
4 subsection (b) of this section are not subject to the taxes imposed  
5 under this subsection, where the tangible personal property or  
6 specified digital product upon which the services were performed is  
7 delivered to the purchaser outside this State for use outside this  
8 State.

9 (c) (1) Receipts from the sale of prepared food in or by  
10 restaurants, taverns, or other establishments in this State, or by  
11 caterers, including in the amount of such receipts any cover,  
12 minimum, entertainment, or other charge made to patrons or  
13 customers, except for meals especially prepared for and delivered to  
14 homebound elderly, age 60 or older, and to **[disabled persons]**  
15 persons with disabilities, or meals prepared and served at a group-  
16 sitting at a location outside of the home to otherwise homebound  
17 elderly persons, age 60 or older, and otherwise homebound  
18 **[disabled persons]** persons with disabilities, as all or part of any  
19 food service project funded in whole or in part by government or as  
20 part of a private, nonprofit food service project available to all such  
21 elderly or **[disabled persons]** persons with disabilities residing  
22 within an area of service designated by the private nonprofit  
23 organization; and

24 (2) Receipts from sales of food and beverages sold through  
25 vending machines, at the wholesale price of such sale, which shall  
26 be defined as 70% of the retail vending machine selling price,  
27 except sales of milk, which shall not be taxed. Nothing herein  
28 contained shall affect other sales through coin-operated vending  
29 machines taxable pursuant to subsection (a) above or the exemption  
30 thereto provided by section 21 of P.L.1980, c.105 (C.54:32B-8.9).

31 The tax imposed by **[this]** subsection (c) of this section shall not  
32 apply to food or drink which is sold to an airline for consumption  
33 while in flight.

34 (3) For the purposes of this subsection:

35 "Food and beverages sold through vending machines" means  
36 food and beverages dispensed from a machine or other mechanical  
37 device that accepts payment; and

38 "Prepared food" means:

39 (i) A. food sold in a heated state or heated by the seller; or

40 B. two or more food ingredients mixed or combined by the  
41 seller for sale as a single item, but not including food that is only  
42 cut, repackaged, or pasteurized by the seller, and eggs, fish, meat,  
43 poultry, and foods containing these raw animal foods requiring  
44 cooking by the consumer as recommended by the Food and Drug  
45 Administration in Chapter 3, part 401.11 of its Food Code so as to  
46 prevent food borne illnesses; or

47 C. food sold with eating utensils provided by the seller,  
48 including plates, knives, forks, spoons, glasses, cups, napkins, or

1 straws. A plate does not include a container or packaging used to  
2 transport the food;

3 provided however, that

4 (ii) "prepared food" does not include the following sold without  
5 eating utensils:

6 A. food sold by a seller whose proper primary NAICS  
7 classification is manufacturing in section 311, except subsector  
8 3118 (bakeries);

9 B. food sold in an unheated state by weight or volume as a  
10 single item; or

11 C. bakery items, including bread, rolls, buns, biscuits, bagels,  
12 croissants, pastries, donuts, danish, cakes, tortes, pies, tarts,  
13 muffins, bars, cookies, and tortillas.

14 (d) The rent for every occupancy of a room or rooms in a hotel  
15 in this State, except that the tax shall not be imposed upon a  
16 permanent resident.

17 (e) (1) Any admission charge to or for the use of any place of  
18 amusement in the State, including charges for admission to race  
19 tracks, baseball, football, basketball or exhibitions, dramatic or  
20 musical arts performances, motion picture theaters, except charges  
21 for admission to boxing, wrestling, kick boxing, or combative  
22 sports exhibitions, events, performances, or contests which charges  
23 are taxed under any other law of this State or under section 20 of  
24 P.L.1985, c.83 (C.5:2A-20), and, except charges to a patron for  
25 admission to, or use of, facilities for sporting activities in which  
26 **[such]** the patron is to be a participant, such as bowling alleys and  
27 swimming pools. For any person having the permanent use or  
28 possession of a box or seat or lease or a license, other than a season  
29 ticket, for the use of a box or seat at a place of amusement, the tax  
30 shall be upon the amount for which a similar box or seat is sold for  
31 each performance or exhibition at which the box or seat is used or  
32 reserved by the holder, licensee, or lessee, and shall be paid by the  
33 holder, licensee, or lessee.

34 (2) The amount paid as charge of a roof garden, cabaret, or other  
35 similar place in this State, to the extent that a tax upon **[such]** these  
36 charges has not been paid pursuant to subsection (c) hereof.

37 (f) (1) The receipts from every sale, except for resale, of  
38 intrastate, interstate, or international telecommunications services  
39 and ancillary services sourced to this State in accordance with  
40 section 29 of P.L.2005, c.126 (C.54:32B-3.4).

41 (2) (Deleted by amendment, P.L.2008, c.123)

42 (g) (Deleted by amendment, P.L.2008, c.123)

43 (h) Charges in the nature of initiation fees, membership fees or  
44 dues for access to or use of the property or facilities of a health and  
45 fitness, athletic, sporting, or shopping club or organization in this  
46 State, except for: (1) membership in a club or organization whose  
47 members are predominantly age 18 or under; and (2) charges in the  
48 nature of membership fees or dues for access to or use of the

1 property or facilities of a health and fitness, athletic, sporting, or  
2 shopping club or organization that is exempt from taxation pursuant  
3 to paragraph (1) of subsection (a) of section 9 of P.L.1966,  
4 c.30 (C.54:32B-9), or that is exempt from taxation pursuant to  
5 paragraph (1) or (2) of subsection (b) of section 9 of P.L.1966,  
6 c.30 (C.54:32B-9) and that has complied with subsection (d) of  
7 section 9 of P.L.1966, c.30 (C.54:32B-9).

8 (i) The receipts from parking, storing, or garaging a motor  
9 vehicle, excluding charges for the following: residential parking;  
10 employee parking, when provided by an employer or at a facility  
11 owned or operated by the employer; municipal parking, storing, or  
12 garaging; receipts from charges or fees imposed pursuant to section  
13 3 of P.L.1993, c.159 (C.5:12-173.3) or pursuant to an agreement  
14 between the Casino Reinvestment Development Authority and a  
15 casino operator in effect on the date of enactment of P.L.2007,  
16 c.105; and receipts from parking, storing, or garaging a motor  
17 vehicle subject to tax pursuant to any other law or ordinance.

18 For the purposes of this subsection, "municipal parking, storing,  
19 or garaging" means any motor vehicle parking, storing, or garaging  
20 provided by a municipality or county, or a parking authority  
21 thereof.

22 (cf: P.L.2013, c.193, s.1)】<sup>1</sup>

23

24 <sup>1</sup>1. Section 3 of P.L.1966, c.30 (C.54:32B-3) is amended to read  
25 as follows:

26 3. There is imposed and there shall be paid a tax of 7% on or  
27 before December 31, 2016, 6.875% on and after January 1, 2017 but  
28 before January 1, 2018, and 6.625% on and after January 1, 2018  
29 upon:

30 (a) The receipts from every retail sale of tangible personal  
31 property or a specified digital product for permanent use or less  
32 than permanent use, and regardless of whether continued payment is  
33 required, except as otherwise provided in **【this act】** P.L.1966,  
34 c.30 (C.54:32B-1 et seq.).

35 (b) The receipts from every sale, except for resale, of the  
36 following services:

37 (1) Producing, fabricating, processing, printing, or imprinting  
38 tangible personal property or a specified digital product, performed  
39 for a person who directly or indirectly furnishes the tangible  
40 personal property or specified digital product, not purchased by  
41 **【him】** the person for resale, upon which **【such】** these services are  
42 performed.

43 (2) Installing tangible personal property or a specified digital  
44 product, or maintaining, servicing, repairing tangible personal  
45 property or a specified digital product not held for sale in the  
46 regular course of business, whether or not the services are  
47 performed directly or by means of coin-operated equipment or by  
48 any other means, and whether or not any tangible personal property



1 or specified digital product is transferred in conjunction therewith,  
2 except (i) such services rendered by an individual who is engaged  
3 directly by a private homeowner or lessee in or about his residence  
4 and who is not in a regular trade or business offering his services to  
5 the public, (ii) such services rendered with respect to personal  
6 property exempt from taxation hereunder pursuant to section 13 of  
7 P.L.1980, c.105 (C.54:32B-8.1), (iii) (Deleted by amendment,  
8 P.L.1990, c.40), (iv) any receipts from laundering, dry cleaning,  
9 tailoring, weaving, or pressing clothing, and shoe repairing and  
10 shoeshining, and (v) services rendered in installing property which,  
11 when installed, will constitute an addition or capital improvement to  
12 real property, property or land, other than landscaping services and  
13 other than installing carpeting and other flooring.

14 (3) Storing all tangible personal property not held for sale in the  
15 regular course of business; the rental of safe deposit boxes or  
16 similar space; and the furnishing of space for storage of tangible  
17 personal property by a person engaged in the business of furnishing  
18 space for such storage.

19 "Space for storage" means secure areas, such as rooms, units,  
20 compartments, or containers, whether accessible from outside or  
21 from within a building, that are designated for the use of a customer  
22 and wherein the customer has free access within reasonable  
23 business hours, or upon reasonable notice to the furnisher of space  
24 for storage, to store and retrieve property. Space for storage shall  
25 not include the lease or rental of an entire building, such as a  
26 warehouse or airplane hangar.

27 (4) Maintaining, servicing, or repairing real property, other than  
28 a residential heating system unit serving not more than three  
29 families living independently of each other and doing their cooking  
30 on the premises, whether the services are performed in or outside of  
31 a building, as distinguished from adding to or improving **[such]** the  
32 real property by a capital improvement, but excluding services  
33 rendered by an individual who is not in a regular trade or business  
34 offering his services to the public, and excluding garbage removal  
35 and sewer services performed on a regular contractual basis for a  
36 term not less than 30 days.

37 (5) Mail processing services for printed advertising material,  
38 except for mail processing services in connection with distribution  
39 of printed advertising material to out-of-State recipients.

40 (6) (Deleted by amendment, P.L.1995, c.184)**[.]**

41 (7) Utility service provided to persons in this State, any right or  
42 power over which is exercised in this State.

43 (8) Tanning services, including the application of a temporary  
44 tan provided by any means.

45 (9) Massage, bodywork, or somatic services, except such  
46 services provided pursuant to a doctor's prescription.

47 (10) Tattooing, including all permanent body art and permanent  
48 cosmetic make-up applications, except such services provided

1 pursuant to a doctor's prescription in conjunction with  
2 reconstructive breast surgery.

3 (11) Investigation and security services.

4 (12) Information services.

5 (13) **【**Transportation services originating in this State and  
6 provided by a limousine operator, as permitted by law, except such  
7 services provided in connection with funeral services.**】** (Deleted by  
8 amendment, P.L. , c. ) (pending before the Legislature as this  
9 bill)

10 (14) Telephone answering services.

11 (15) Radio subscription services.

12 Wages, salaries, and other compensation paid by an employer to  
13 an employee for performing as an employee the services described  
14 in this subsection are not receipts subject to the taxes imposed  
15 under **【this】** subsection (b) of this section.

16 Services otherwise taxable under paragraph (1) or (2) of **【this】**  
17 subsection (b) of this section are not subject to the taxes imposed  
18 under this subsection, where the tangible personal property or  
19 specified digital product upon which the services were performed is  
20 delivered to the purchaser outside this State for use outside this  
21 State.

22 (c) (1) Receipts from the sale of prepared food in or by  
23 restaurants, taverns, or other establishments in this State, or by  
24 caterers, including in the amount of such receipts any cover,  
25 minimum, entertainment, or other charge made to patrons or  
26 customers, except for meals especially prepared for and delivered to  
27 homebound elderly, age 60 or older, and to **【disabled persons】**  
28 persons with disabilities, or meals prepared and served at a group-  
29 sitting at a location outside of the home to otherwise homebound  
30 elderly persons, age 60 or older, and otherwise homebound  
31 **【disabled persons】** persons with disabilities, as all or part of any  
32 food service project funded in whole or in part by government or as  
33 part of a private, nonprofit food service project available to all such  
34 elderly or **【disabled persons】** persons with disabilities residing  
35 within an area of service designated by the private nonprofit  
36 organization; and

37 (2) Receipts from sales of food and beverages sold through  
38 vending machines, at the wholesale price of such sale, which shall  
39 be defined as 70% of the retail vending machine selling price,  
40 except sales of milk, which shall not be taxed. Nothing herein  
41 contained shall affect other sales through coin-operated vending  
42 machines taxable pursuant to subsection (a) above or the exemption  
43 thereto provided by section 21 of P.L.1980, c.105 (C.54:32B-8.9).

44 The tax imposed by **【this】** subsection (c) of this section shall not  
45 apply to food or drink which is sold to an airline for consumption  
46 while in flight.

47 (3) For the purposes of this subsection:

- 1 "Food and beverages sold through vending machines" means  
2 food and beverages dispensed from a machine or other mechanical  
3 device that accepts payment; and
- 4 "Prepared food" means:
- 5 (i) A. food sold in a heated state or heated by the seller; or  
6 B. two or more food ingredients mixed or combined by the  
7 seller for sale as a single item, but not including food that is only  
8 cut, repackaged, or pasteurized by the seller, and eggs, fish, meat,  
9 poultry, and foods containing these raw animal foods requiring  
10 cooking by the consumer as recommended by the Food and Drug  
11 Administration in Chapter 3, part 401.11 of its Food Code so as to  
12 prevent food borne illnesses; or
- 13 C. food sold with eating utensils provided by the seller,  
14 including plates, knives, forks, spoons, glasses, cups, napkins, or  
15 straws. A plate does not include a container or packaging used to  
16 transport the food;  
17 provided however, that
- 18 (ii) "prepared food" does not include the following sold without  
19 eating utensils:
- 20 A. food sold by a seller whose proper primary NAICS  
21 classification is manufacturing in section 311, except subsector  
22 3118 (bakeries);
- 23 B. food sold in an unheated state by weight or volume as a  
24 single item; or
- 25 C. bakery items, including bread, rolls, buns, biscuits, bagels,  
26 croissants, pastries, donuts, danish, cakes, tortes, pies, tarts,  
27 muffins, bars, cookies, and tortillas.
- 28 (d) The rent for every occupancy of a room or rooms in a hotel  
29 in this State, except that the tax shall not be imposed upon a  
30 permanent resident.
- 31 (e) (1) Any admission charge to or for the use of any place of  
32 amusement in the State, including charges for admission to race  
33 tracks, baseball, football, basketball or exhibitions, dramatic or  
34 musical arts performances, motion picture theaters, except charges  
35 for admission to boxing, wrestling, kick boxing, or combative  
36 sports exhibitions, events, performances, or contests which charges  
37 are taxed under any other law of this State or under section 20 of  
38 P.L.1985, c.83 (C.5:2A-20), and, except charges to a patron for  
39 admission to, or use of, facilities for sporting activities in which  
40 **[such]** the patron is to be a participant, such as bowling alleys and  
41 swimming pools. For any person having the permanent use or  
42 possession of a box or seat or lease or a license, other than a season  
43 ticket, for the use of a box or seat at a place of amusement, the tax  
44 shall be upon the amount for which a similar box or seat is sold for  
45 each performance or exhibition at which the box or seat is used or  
46 reserved by the holder, licensee, or lessee, and shall be paid by the  
47 holder, licensee, or lessee.

1 (2) The amount paid as charge of a roof garden, cabaret, or other  
2 similar place in this State, to the extent that a tax upon **[such]** these  
3 charges has not been paid pursuant to subsection (c) hereof.

4 (f) (1) The receipts from every sale, except for resale, of  
5 intrastate, interstate, or international telecommunications services  
6 and ancillary services sourced to this State in accordance with  
7 section 29 of P.L.2005, c.126 (C.54:32B-3.4).

8 (2) (Deleted by amendment, P.L.2008, c.123)

9 (g) (Deleted by amendment, P.L.2008, c.123)

10 (h) Charges in the nature of initiation fees, membership fees or  
11 dues for access to or use of the property or facilities of a health and  
12 fitness, athletic, sporting, or shopping club or organization in this  
13 State, except for: (1) membership in a club or organization whose  
14 members are predominantly age 18 or under; and (2) charges in the  
15 nature of membership fees or dues for access to or use of the  
16 property or facilities of a health and fitness, athletic, sporting, or  
17 shopping club or organization that is exempt from taxation pursuant  
18 to paragraph (1) of subsection (a) of section 9 of P.L.1966,  
19 c.30 (C.54:32B-9), or that is exempt from taxation pursuant to  
20 paragraph (1) or (2) of subsection (b) of section 9 of P.L.1966,  
21 c.30 (C.54:32B-9) and that has complied with subsection (d) of  
22 section 9 of P.L.1966, c.30 (C.54:32B-9).

23 (i) The receipts from parking, storing, or garaging a motor  
24 vehicle, excluding charges for the following: residential parking;  
25 employee parking, when provided by an employer or at a facility  
26 owned or operated by the employer; municipal parking, storing, or  
27 garaging; receipts from charges or fees imposed pursuant to section  
28 3 of P.L.1993, c.159 (C.5:12-173.3) or pursuant to an agreement  
29 between the Casino Reinvestment Development Authority and a  
30 casino operator in effect on the date of enactment of P.L.2007,  
31 c.105; and receipts from parking, storing, or garaging a motor  
32 vehicle subject to tax pursuant to any other law or ordinance.

33 For the purposes of this subsection, "municipal parking, storing,  
34 or garaging" means any motor vehicle parking, storing, or garaging  
35 provided by a municipality or county, or a parking authority  
36 thereof.<sup>1</sup>

37 (cf: P.L.2016, c.57, s.1)

38  
39 <sup>1</sup>**[3.** Section 6 of P.L.1966, c.30 (C.54:32B-6) is amended to  
40 read as follows:

41 6. Unless property or services have already been or will be  
42 subject to the sales tax under **[this act]** P.L.1966, c.30 (C.54:32B-1  
43 et seq.), there is hereby imposed on and there shall be paid by every  
44 person a use tax for the use within this State of 7%, except as  
45 otherwise exempted under **[this act]** P.L.1966, c.30 (C.54:32B-1  
46 et seq.), (A) of any tangible personal property or specified digital  
47 product purchased at retail, including energy, provided however,  
48 that electricity consumed by the generating facility that produced it

1 shall not be subject to tax, (B) of any tangible personal property or  
2 specified digital product manufactured, processed, or assembled by  
3 the user, if items of the same kind of tangible personal property or  
4 specified digital products are offered for sale by him in the regular  
5 course of business, or if items of the same kind of tangible personal  
6 property are not offered for sale by him in the regular course of  
7 business and are used as such or incorporated into a structure,  
8 building, or real property, (C) of any tangible personal property or  
9 specified digital product, however acquired, where not acquired for  
10 purposes of resale, upon which any taxable services described in  
11 paragraphs (1) and (2) of subsection (b) of section 3 of P.L.1966,  
12 c.30 (C.54:32B-3) have been performed, (D) of intrastate, interstate,  
13 or international telecommunications services described in  
14 subsection (f) of section 3 of P.L.1966, c.30 (C.54:32B-3), (E)  
15 (Deleted by amendment, P.L.1995, c.184), (F) of utility service  
16 provided to persons in this State for use in this State, provided  
17 however, that utility service used by the facility that provides the  
18 service shall not be subject to tax, (G) of mail processing services  
19 described in paragraph (5) of subsection (b) of section 3 of  
20 P.L.1966, c.30 (C.54:32B-3), (H) (Deleted by amendment,  
21 P.L.2008, c.123), (I) of any services subject to tax pursuant to  
22 subsection (11), (12), **[(13),]** (14), or (15) of subsection (b) of  
23 section 3 of P.L.1966, c.30 (C.54:32B-3), and (J) of access to or use  
24 of the property or facilities of a health and fitness, athletic, sporting,  
25 or shopping club or organization in this State. For purposes of  
26 clause (A) of this section, the tax shall be at the applicable rate, as  
27 set forth hereinabove, of the consideration given or contracted to be  
28 given for **[such]** the property or for the use of **[such]** the property  
29 including delivery charges made by the seller, but excluding any  
30 credit for property of the same kind accepted in part payment and  
31 intended for resale. For the purposes of clause (B) of this section,  
32 the tax shall be at the applicable rate, as set forth hereinabove, of  
33 the price at which items of the same kind of tangible personal  
34 property or specified digital products are offered for sale by the  
35 user, or if items of the same kind of tangible personal property are  
36 not offered for sale by the user in the regular course of business and  
37 are used as such or incorporated into a structure, building, or real  
38 property the tax shall be at the applicable rate, as set forth  
39 hereinabove, of the consideration given or contracted to be given  
40 for the tangible personal property manufactured, processed, or  
41 assembled by the user into the tangible personal property the use of  
42 which is subject to use tax pursuant to this section, and the mere  
43 storage, keeping, retention, or withdrawal from storage of tangible  
44 personal property or specified digital products by the person who  
45 manufactured, processed, or assembled **[such]** the property shall  
46 not be deemed a taxable use by him. For purposes of clause (C) of  
47 this section, the tax shall be at the applicable rate, as set forth  
48 hereinabove, of the consideration given or contracted to be given

1 for the service, including the consideration for any tangible personal  
2 property or specified digital product transferred in conjunction with  
3 the performance of the service, including delivery charges made by  
4 the seller. For the purposes of clause (D) of this section, the tax  
5 shall be at the applicable rate on the charge made by the  
6 telecommunications service provider; provided however, that for  
7 prepaid calling services and prepaid wireless calling services the tax  
8 shall be at the applicable rate on the consideration given or  
9 contracted to be given for the prepaid calling service or prepaid  
10 wireless calling service or the recharge of the prepaid calling  
11 service or prepaid wireless calling service. For purposes of clause  
12 (F) of this section, the tax shall be at the applicable rate on the  
13 charge made by the utility service provider. For purposes of clause  
14 (G) of this section, the tax shall be at the applicable rate on that  
15 proportion of the amount of all processing costs charged by a mail  
16 processing service provider that is attributable to the service  
17 distributed in this State. For purposes of clause (I) of this section,  
18 the tax shall be at the applicable rate on the charge made by the  
19 service provider. For purposes of clause (J) of this section, the tax  
20 shall be at the applicable rate on the charges in the nature of  
21 initiation fees, membership fees or dues.

22 (cf: P.L.2011, c.49, s.4)]<sup>1</sup>

23

24 <sup>1</sup>2. Section 6 of P.L.1966, c.30 (C.54:32B-6) is amended to read  
25 as follows:

26 6. Unless property or services have already been or will be  
27 subject to the sales tax under **[this act] P.L.1966, c.30 (C.54:32B-1**  
28 **et seq.)**, there is hereby imposed on and there shall be paid by every  
29 person a use tax for the use within this State of 7% on or before  
30 December 31, 2016, 6.875% on and after January 1, 2017 but before  
31 January 1, 2018, and 6.625% on and after January 1, 2018, except  
32 as otherwise exempted under **[this act] P.L.1966, c.30 (C.54:32B-1**  
33 **et seq.)**, (A) of any tangible personal property or specified digital  
34 product purchased at retail, including energy, provided however,  
35 that electricity consumed by the generating facility that produced it  
36 shall not be subject to tax, (B) of any tangible personal property or  
37 specified digital product manufactured, processed, or assembled by  
38 the user, if items of the same kind of tangible personal property or  
39 specified digital products are offered for sale by him in the regular  
40 course of business, or if items of the same kind of tangible personal  
41 property are not offered for sale by him in the regular course of  
42 business and are used as such or incorporated into a structure,  
43 building, or real property, (C) of any tangible personal property or  
44 specified digital product, however acquired, where not acquired for  
45 purposes of resale, upon which any taxable services described in  
46 paragraphs (1) and (2) of subsection (b) of section 3 of P.L.1966,  
47 c.30 (C.54:32B-3) have been performed, (D) of intrastate, interstate,  
48 or international telecommunications services described in

1 subsection (f) of section 3 of P.L.1966, c.30 (C.54:32B-3), (E)  
2 (Deleted by amendment, P.L.1995, c.184), (F) of utility service  
3 provided to persons in this State for use in this State, provided  
4 however, that utility service used by the facility that provides the  
5 service shall not be subject to tax, (G) of mail processing services  
6 described in paragraph (5) of subsection (b) of section 3 of  
7 P.L.1966, c.30 (C.54:32B-3), (H) (Deleted by amendment,  
8 P.L.2008, c.123), (I) of any services subject to tax pursuant to  
9 subsection (11), (12), ~~[(13),]~~ (14), or (15) of subsection (b) of  
10 section 3 of P.L.1966, c.30 (C.54:32B-3), and (J) of access to or use  
11 of the property or facilities of a health and fitness, athletic, sporting,  
12 or shopping club or organization in this State. For purposes of  
13 clause (A) of this section, the tax shall be at the applicable rate, as  
14 set forth hereinabove, of the consideration given or contracted to be  
15 given for ~~such~~ the property or for the use of ~~such~~ the property  
16 including delivery charges made by the seller, but excluding any  
17 credit for property of the same kind accepted in part payment and  
18 intended for resale. For the purposes of clause (B) of this section,  
19 the tax shall be at the applicable rate, as set forth hereinabove, of  
20 the price at which items of the same kind of tangible personal  
21 property or specified digital products are offered for sale by the  
22 user, or if items of the same kind of tangible personal property are  
23 not offered for sale by the user in the regular course of business and  
24 are used as such or incorporated into a structure, building, or real  
25 property the tax shall be at the applicable rate, as set forth  
26 hereinabove, of the consideration given or contracted to be given  
27 for the tangible personal property manufactured, processed, or  
28 assembled by the user into the tangible personal property the use of  
29 which is subject to use tax pursuant to this section, and the mere  
30 storage, keeping, retention, or withdrawal from storage of tangible  
31 personal property or specified digital products by the person who  
32 manufactured, processed, or assembled ~~such~~ the property shall  
33 not be deemed a taxable use by him. For purposes of clause (C) of  
34 this section, the tax shall be at the applicable rate, as set forth  
35 hereinabove, of the consideration given or contracted to be given  
36 for the service, including the consideration for any tangible personal  
37 property or specified digital product transferred in conjunction with  
38 the performance of the service, including delivery charges made by  
39 the seller. For the purposes of clause (D) of this section, the tax  
40 shall be at the applicable rate on the charge made by the  
41 telecommunications service provider; provided however, that for  
42 prepaid calling services and prepaid wireless calling services the tax  
43 shall be at the applicable rate on the consideration given or  
44 contracted to be given for the prepaid calling service or prepaid  
45 wireless calling service or the recharge of the prepaid calling  
46 service or prepaid wireless calling service. For purposes of clause  
47 (F) of this section, the tax shall be at the applicable rate on the  
48 charge made by the utility service provider. For purposes of clause

1 (G) of this section, the tax shall be at the applicable rate on that  
2 proportion of the amount of all processing costs charged by a mail  
3 processing service provider that is attributable to the service  
4 distributed in this State. For purposes of clause (I) of this section,  
5 the tax shall be at the applicable rate on the charge made by the  
6 service provider. For purposes of clause (J) of this section, the tax  
7 shall be at the applicable rate on the charges in the nature of  
8 initiation fees, membership fees or dues.<sup>1</sup>

9 (cf: P.L.2016, c.57, s.4)

10

11 <sup>1</sup>~~4.~~ 3.<sup>1</sup> Section 23 of P.L.1980, c.105 (C.54:32B-8.11) is  
12 amended to read as follows:

13 23. Receipts from charges for the transportation of persons or  
14 property are exempt from the tax imposed under the "Sales and Use  
15 Tax Act," except for delivery charges; ~~transportation services~~  
16 ~~provided by a limousine operator;~~ and the transportation of energy.  
17 (cf: P.L.2006, c.44, s.8)

18

19 <sup>1</sup>~~5.~~ 4.<sup>1</sup> This act shall take effect <sup>1</sup>immediately and apply to  
20 services rendered<sup>1</sup> on <sup>1</sup>or after<sup>1</sup> the first day of the third month  
21 following <sup>1</sup>the date of<sup>1</sup> enactment.

22

23

24

25

26 Eliminates sales and use tax on certain transportation services  
27 provided by a limousine operator.



# ASSEMBLY, No. 3696

## STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED MAY 19, 2016

**Sponsored by:**

**Assemblyman TROY SINGLETON**

**District 7 (Burlington)**

**Assemblyman JOSEPH A. LAGANA**

**District 38 (Bergen and Passaic)**

**Assemblyman JOHN S. WISNIEWSKI**

**District 19 (Middlesex)**

**Assemblywoman VALERIE VAINIERI HUTTLE**

**District 37 (Bergen)**

**Assemblyman PAUL D. MORIARTY**

**District 4 (Camden and Gloucester)**

**Senator PAUL A. SARLO**

**District 36 (Bergen and Passaic)**

**Senator ANTHONY R. BUCCO**

**District 25 (Morris and Somerset)**

**Co-Sponsored by:**

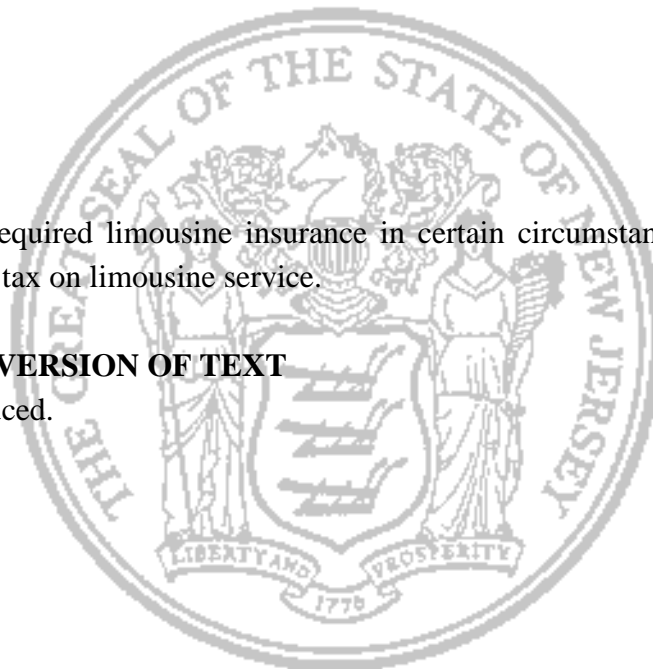
**Assemblywoman Jimenez, Assemblyman DiMaio, Assemblywomen  
Phoebus, Schepisi and Assemblyman Space**

**SYNOPSIS**

Reduces required limousine insurance in certain circumstances; eliminates sales and use tax on limousine service.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 12/20/2016)**

A3696 SINGLETON, LAGANA

2

1 AN ACT concerning limousine service, amending R.S.48:16-14,  
2 P.L.1966, c.30, and P.L.1980, c.105.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. R.S.48:16-14 is amended to read as follows:

8 48:16-14. Except as provided in section 14 of P.L.1999,  
9 c.356 (C.48:16-22.4), **[no]** a limousine shall not be operated wholly  
10 or partly along any street in any municipality until the owner of the  
11 limousine shall have filed with the clerk of the municipality in  
12 which the owner has his principal place of business, an insurance  
13 policy of a company duly licensed to transact business under the  
14 insurance laws of this State: (1) in the sum of \$1,500,000 against  
15 loss by reason of the liability imposed by law upon every limousine  
16 owner for damages on account of bodily injury or death suffered by  
17 any person as the result of an accident occurring by reason of the  
18 ownership, maintenance, or use of the limousine upon any public  
19 street while transporting a passenger; and (2) in the sum of at least  
20 \$50,000 for death or bodily injury per person, \$100,000 for death or  
21 bodily injury per incident, and \$25,000 for property damage at all  
22 other times. The insurance company shall supply to the **[Director**  
23 **of the Division of Motor Vehicles]** Chief Administrator of the New  
24 Jersey Motor Vehicle Commission notice concerning all motor  
25 vehicle liability insurance policies canceled for non-payment and  
26 new policies issued after the effective date of P.L.2001,  
27 c.416 (C.48:16-18.1 et al.). The notice shall be supplied monthly.  
28 After receipt of the notice of cancellation, the **[division]**  
29 commission shall notify the owner of the date the policy was  
30 canceled. If the **[director]** chief administrator has not received  
31 proof of liability insurance within 30 days of the date the  
32 notification was sent to the owner, the **[director]** chief  
33 administrator shall suspend the registration of the limousine until  
34 new proof is supplied that motor vehicle liability insurance has been  
35 secured for the limousine. If the owner fails to provide proof of  
36 insurance or surrender the license plates within 60 days of the date  
37 the notification was sent to **[him]** the owner by the **[division]**  
38 commission, the **[division]** commission shall suspend the owner's  
39 corporation code registration privilege.

40 **[Such operation]** Limousine operation shall be permitted only so  
41 long as the insurance policy shall remain in force to the full and  
42 collectible amount of \$1,500,000 while transporting a passenger;  
43 and \$50,000 for death or bodily injury per person, \$100,000 for  
44 death or bodily injury per incident, and \$25,000 for property  
45 damage at all other times.

**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 underlined thus is new matter.

1 The insurance policy shall provide for the payment of any final  
2 judgment recovered by any person on account of the ownership,  
3 maintenance, and use of [such] a limousine or any fault in respect  
4 thereto, and shall be for the benefit of every person suffering loss,  
5 damage, or injury as aforesaid.

6 (cf: P.L.2001, c.416, s.8)

7

8 2. Section 3 of P.L.1966, c.30 (C.54:32B-3) is amended to read  
9 as follows:

10 3. There is imposed and there shall be paid a tax of 7% upon:

11 (a) The receipts from every retail sale of tangible personal  
12 property or a specified digital product for permanent use or less  
13 than permanent use, and regardless of whether continued payment is  
14 required, except as otherwise provided in [this act] P.L.1966,  
15 c.30 (C.54:32B-1 et seq.).

16 (b) The receipts from every sale, except for resale, of the  
17 following services:

18 (1) Producing, fabricating, processing, printing, or imprinting  
19 tangible personal property or a specified digital product, performed  
20 for a person who directly or indirectly furnishes the tangible  
21 personal property or specified digital product, not purchased by  
22 [him] the person for resale, upon which [such] these services are  
23 performed.

24 (2) Installing tangible personal property or a specified digital  
25 product, or maintaining, servicing, repairing tangible personal  
26 property or a specified digital product not held for sale in the  
27 regular course of business, whether or not the services are  
28 performed directly or by means of coin-operated equipment or by  
29 any other means, and whether or not any tangible personal property  
30 or specified digital product is transferred in conjunction therewith,  
31 except (i) such services rendered by an individual who is engaged  
32 directly by a private homeowner or lessee in or about his residence  
33 and who is not in a regular trade or business offering his services to  
34 the public, (ii) such services rendered with respect to personal  
35 property exempt from taxation hereunder pursuant to section 13 of  
36 P.L.1980, c.105 (C.54:32B-8.1), (iii) (Deleted by amendment,  
37 P.L.1990, c.40), (iv) any receipts from laundering, dry cleaning,  
38 tailoring, weaving, or pressing clothing, and shoe repairing and  
39 shoeshining, and (v) services rendered in installing property which,  
40 when installed, will constitute an addition or capital improvement to  
41 real property, property or land, other than landscaping services and  
42 other than installing carpeting and other flooring.

43 (3) Storing all tangible personal property not held for sale in the  
44 regular course of business; the rental of safe deposit boxes or  
45 similar space; and the furnishing of space for storage of tangible  
46 personal property by a person engaged in the business of furnishing  
47 space for such storage.

1 "Space for storage" means secure areas, such as rooms, units,  
2 compartments, or containers, whether accessible from outside or  
3 from within a building, that are designated for the use of a customer  
4 and wherein the customer has free access within reasonable  
5 business hours, or upon reasonable notice to the furnisher of space  
6 for storage, to store and retrieve property. Space for storage shall  
7 not include the lease or rental of an entire building, such as a  
8 warehouse or airplane hangar.

9 (4) Maintaining, servicing, or repairing real property, other than  
10 a residential heating system unit serving not more than three  
11 families living independently of each other and doing their cooking  
12 on the premises, whether the services are performed in or outside of  
13 a building, as distinguished from adding to or improving **【such】** the  
14 real property by a capital improvement, but excluding services  
15 rendered by an individual who is not in a regular trade or business  
16 offering his services to the public, and excluding garbage removal  
17 and sewer services performed on a regular contractual basis for a  
18 term not less than 30 days.

19 (5) Mail processing services for printed advertising material,  
20 except for mail processing services in connection with distribution  
21 of printed advertising material to out-of-State recipients.

22 (6) (Deleted by amendment, P.L.1995, c.184)**【.】**

23 (7) Utility service provided to persons in this State, any right or  
24 power over which is exercised in this State.

25 (8) Tanning services, including the application of a temporary  
26 tan provided by any means.

27 (9) Massage, bodywork, or somatic services, except such  
28 services provided pursuant to a doctor's prescription.

29 (10) Tattooing, including all permanent body art and permanent  
30 cosmetic make-up applications, except such services provided  
31 pursuant to a doctor's prescription in conjunction with  
32 reconstructive breast surgery.

33 (11) Investigation and security services.

34 (12) Information services.

35 (13) **【**Transportation services originating in this State and  
36 provided by a limousine operator, as permitted by law, except such  
37 services provided in connection with funeral services.**】** (Deleted by  
38 amendment, P.L. , c. ) (pending before the Legislature as this  
39 bill)

40 (14) Telephone answering services.

41 (15) Radio subscription services.

42 Wages, salaries, and other compensation paid by an employer to  
43 an employee for performing as an employee the services described  
44 in this subsection are not receipts subject to the taxes imposed  
45 under **【this】** subsection (b) of this section.

46 Services otherwise taxable under paragraph (1) or (2) of **【this】**  
47 subsection (b) of this section are not subject to the taxes imposed  
48 under this subsection, where the tangible personal property or

1 specified digital product upon which the services were performed is  
2 delivered to the purchaser outside this State for use outside this  
3 State.

4 (c) (1) Receipts from the sale of prepared food in or by  
5 restaurants, taverns, or other establishments in this State, or by  
6 caterers, including in the amount of such receipts any cover,  
7 minimum, entertainment, or other charge made to patrons or  
8 customers, except for meals especially prepared for and delivered to  
9 homebound elderly, age 60 or older, and to **【disabled persons】**  
10 persons with disabilities, or meals prepared and served at a group-  
11 sitting at a location outside of the home to otherwise homebound  
12 elderly persons, age 60 or older, and otherwise homebound  
13 **【disabled persons】** persons with disabilities, as all or part of any  
14 food service project funded in whole or in part by government or as  
15 part of a private, nonprofit food service project available to all such  
16 elderly or **【disabled persons】** persons with disabilities residing  
17 within an area of service designated by the private nonprofit  
18 organization; and

19 (2) Receipts from sales of food and beverages sold through  
20 vending machines, at the wholesale price of such sale, which shall  
21 be defined as 70% of the retail vending machine selling price,  
22 except sales of milk, which shall not be taxed. Nothing herein  
23 contained shall affect other sales through coin-operated vending  
24 machines taxable pursuant to subsection (a) above or the exemption  
25 thereto provided by section 21 of P.L.1980, c.105 (C.54:32B-8.9).

26 The tax imposed by **【this】** subsection (c) of this section shall not  
27 apply to food or drink which is sold to an airline for consumption  
28 while in flight.

29 (3) For the purposes of this subsection:

30 "Food and beverages sold through vending machines" means  
31 food and beverages dispensed from a machine or other mechanical  
32 device that accepts payment; and

33 "Prepared food" means:

34 (i) A. food sold in a heated state or heated by the seller; or

35 B. two or more food ingredients mixed or combined by the  
36 seller for sale as a single item, but not including food that is only  
37 cut, repackaged, or pasteurized by the seller, and eggs, fish, meat,  
38 poultry, and foods containing these raw animal foods requiring  
39 cooking by the consumer as recommended by the Food and Drug  
40 Administration in Chapter 3, part 401.11 of its Food Code so as to  
41 prevent food borne illnesses; or

42 C. food sold with eating utensils provided by the seller,  
43 including plates, knives, forks, spoons, glasses, cups, napkins, or  
44 straws. A plate does not include a container or packaging used to  
45 transport the food;

46 provided however, that

47 (ii) "prepared food" does not include the following sold without  
48 eating utensils:

- 1 A. food sold by a seller whose proper primary NAICS  
2 classification is manufacturing in section 311, except subsector  
3 3118 (bakeries);
- 4 B. food sold in an unheated state by weight or volume as a  
5 single item; or
- 6 C. bakery items, including bread, rolls, buns, biscuits, bagels,  
7 croissants, pastries, donuts, danish, cakes, tortes, pies, tarts,  
8 muffins, bars, cookies, and tortillas.
- 9 (d) The rent for every occupancy of a room or rooms in a hotel  
10 in this State, except that the tax shall not be imposed upon a  
11 permanent resident.
- 12 (e) (1) Any admission charge to or for the use of any place of  
13 amusement in the State, including charges for admission to race  
14 tracks, baseball, football, basketball or exhibitions, dramatic or  
15 musical arts performances, motion picture theaters, except charges  
16 for admission to boxing, wrestling, kick boxing, or combative  
17 sports exhibitions, events, performances, or contests which charges  
18 are taxed under any other law of this State or under section 20 of  
19 P.L.1985, c.83 (C.5:2A-20), and, except charges to a patron for  
20 admission to, or use of, facilities for sporting activities in which  
21 **【such】** the patron is to be a participant, such as bowling alleys and  
22 swimming pools. For any person having the permanent use or  
23 possession of a box or seat or lease or a license, other than a season  
24 ticket, for the use of a box or seat at a place of amusement, the tax  
25 shall be upon the amount for which a similar box or seat is sold for  
26 each performance or exhibition at which the box or seat is used or  
27 reserved by the holder, licensee, or lessee, and shall be paid by the  
28 holder, licensee, or lessee.
- 29 (2) The amount paid as charge of a roof garden, cabaret, or other  
30 similar place in this State, to the extent that a tax upon **【such】** these  
31 charges has not been paid pursuant to subsection (c) hereof.
- 32 (f) (1) The receipts from every sale, except for resale, of  
33 intrastate, interstate, or international telecommunications services  
34 and ancillary services sourced to this State in accordance with  
35 section 29 of P.L.2005, c.126 (C.54:32B-3.4).
- 36 (2) (Deleted by amendment, P.L.2008, c.123)
- 37 (g) (Deleted by amendment, P.L.2008, c.123)
- 38 (h) Charges in the nature of initiation fees, membership fees or  
39 dues for access to or use of the property or facilities of a health and  
40 fitness, athletic, sporting, or shopping club or organization in this  
41 State, except for: (1) membership in a club or organization whose  
42 members are predominantly age 18 or under; and (2) charges in the  
43 nature of membership fees or dues for access to or use of the  
44 property or facilities of a health and fitness, athletic, sporting, or  
45 shopping club or organization that is exempt from taxation pursuant  
46 to paragraph (1) of subsection (a) of section 9 of P.L.1966,  
47 c.30 (C.54:32B-9), or that is exempt from taxation pursuant to  
48 paragraph (1) or (2) of subsection (b) of section 9 of P.L.1966,

1 c.30 (C.54:32B-9) and that has complied with subsection (d) of  
2 section 9 of P.L.1966, c.30 (C.54:32B-9).

3 (i) The receipts from parking, storing, or garaging a motor  
4 vehicle, excluding charges for the following: residential parking;  
5 employee parking, when provided by an employer or at a facility  
6 owned or operated by the employer; municipal parking, storing, or  
7 garaging; receipts from charges or fees imposed pursuant to section  
8 3 of P.L.1993, c.159 (C.5:12-173.3) or pursuant to an agreement  
9 between the Casino Reinvestment Development Authority and a  
10 casino operator in effect on the date of enactment of P.L.2007,  
11 c.105; and receipts from parking, storing, or garaging a motor  
12 vehicle subject to tax pursuant to any other law or ordinance.

13 For the purposes of this subsection, "municipal parking, storing,  
14 or garaging" means any motor vehicle parking, storing, or garaging  
15 provided by a municipality or county, or a parking authority  
16 thereof.

17 (cf: P.L.2013, c.193, s.1)

18

19 3. Section 6 of P.L.1966, c.30 (C.54:32B-6) is amended to read  
20 as follows:

21 6. Unless property or services have already been or will be  
22 subject to the sales tax under **[this act]** P.L.1966, c.30 (C.54:32B-1  
23 et seq.), there is hereby imposed on and there shall be paid by every  
24 person a use tax for the use within this State of 7%, except as  
25 otherwise exempted under **[this act]** P.L.1966, c.30 (C.54:32B-1 et  
26 seq.), (A) of any tangible personal property or specified digital  
27 product purchased at retail, including energy, provided however,  
28 that electricity consumed by the generating facility that produced it  
29 shall not be subject to tax, (B) of any tangible personal property or  
30 specified digital product manufactured, processed, or assembled by  
31 the user, if items of the same kind of tangible personal property or  
32 specified digital products are offered for sale by him in the regular  
33 course of business, or if items of the same kind of tangible personal  
34 property are not offered for sale by him in the regular course of  
35 business and are used as such or incorporated into a structure,  
36 building, or real property, (C) of any tangible personal property or  
37 specified digital product, however acquired, where not acquired for  
38 purposes of resale, upon which any taxable services described in  
39 paragraphs (1) and (2) of subsection (b) of section 3 of P.L.1966,  
40 c.30 (C.54:32B-3) have been performed, (D) of intrastate, interstate,  
41 or international telecommunications services described in  
42 subsection (f) of section 3 of P.L.1966, c.30 (C.54:32B-3), (E)  
43 (Deleted by amendment, P.L.1995, c.184), (F) of utility service  
44 provided to persons in this State for use in this State, provided  
45 however, that utility service used by the facility that provides the  
46 service shall not be subject to tax, (G) of mail processing services  
47 described in paragraph (5) of subsection (b) of section 3 of  
48 P.L.1966, c.30 (C.54:32B-3), (H) (Deleted by amendment,

1 P.L.2008, c.123), (I) of any services subject to tax pursuant to  
2 subsection (11), (12), ~~[(13),]~~ (14), or (15) of subsection (b) of  
3 section 3 of P.L.1966, c.30 (C.54:32B-3), and (J) of access to or use  
4 of the property or facilities of a health and fitness, athletic, sporting,  
5 or shopping club or organization in this State. For purposes of  
6 clause (A) of this section, the tax shall be at the applicable rate, as  
7 set forth hereinabove, of the consideration given or contracted to be  
8 given for ~~the~~ **[such]** the property or for the use of ~~the~~ **[such]** the property  
9 including delivery charges made by the seller, but excluding any  
10 credit for property of the same kind accepted in part payment and  
11 intended for resale. For the purposes of clause (B) of this section,  
12 the tax shall be at the applicable rate, as set forth hereinabove, of  
13 the price at which items of the same kind of tangible personal  
14 property or specified digital products are offered for sale by the  
15 user, or if items of the same kind of tangible personal property are  
16 not offered for sale by the user in the regular course of business and  
17 are used as such or incorporated into a structure, building, or real  
18 property the tax shall be at the applicable rate, as set forth  
19 hereinabove, of the consideration given or contracted to be given  
20 for the tangible personal property manufactured, processed,  
21 or assembled by the user into the tangible personal property the use of  
22 which is subject to use tax pursuant to this section, and the mere  
23 storage, keeping, retention, or withdrawal from storage of tangible  
24 personal property or specified digital products by the person who  
25 manufactured, processed, or assembled ~~the~~ **[such]** the property shall  
26 not be deemed a taxable use by him. For purposes of clause (C) of  
27 this section, the tax shall be at the applicable rate, as set forth  
28 hereinabove, of the consideration given or contracted to be given  
29 for the service, including the consideration for any tangible personal  
30 property or specified digital product transferred in conjunction with  
31 the performance of the service, including delivery charges made by  
32 the seller. For the purposes of clause (D) of this section, the tax  
33 shall be at the applicable rate on the charge made by the  
34 telecommunications service provider; provided however, that for  
35 prepaid calling services and prepaid wireless calling services the tax  
36 shall be at the applicable rate on the consideration given or  
37 contracted to be given for the prepaid calling service or prepaid  
38 wireless calling service or the recharge of the prepaid calling  
39 service or prepaid wireless calling service. For purposes of clause  
40 (F) of this section, the tax shall be at the applicable rate on the  
41 charge made by the utility service provider. For purposes of clause  
42 (G) of this section, the tax shall be at the applicable rate on that  
43 proportion of the amount of all processing costs charged by a mail  
44 processing service provider that is attributable to the service  
45 distributed in this State. For purposes of clause (I) of this section,  
46 the tax shall be at the applicable rate on the charge made by the  
47 service provider. For purposes of clause (J) of this section, the tax



1 shall be at the applicable rate on the charges in the nature of  
2 initiation fees, membership fees or dues.

3 (cf: P.L.2011, c.49, s.4)

4

5 4. Section 23 of P.L.1980, c.105 (C.54:32B-8.11) is amended  
6 to read as follows:

7 23. Receipts from charges for the transportation of persons or  
8 property are exempt from the tax imposed under the "Sales and Use  
9 Tax Act," except for delivery charges; **【**transportation services  
10 provided by a limousine operator;**】** and the transportation of energy.  
11 (cf: P.L.2006, c.44, s.8)

12

13 5. This act shall take effect on the first day of the third month  
14 following enactment.

15

16

17

#### STATEMENT

18

19 This bill eliminates the seven percent sales and use tax on  
20 transportation services originating in New Jersey and provided by a  
21 limousine operator and reduces liability insurance requirements for  
22 limousine service when a limousine is not transporting a passenger.  
23 Currently the owner of a limousine is required to maintain a  
24 liability insurance policy in the sum of \$1,500,000 for death or  
25 bodily injury. Under the bill, the owner of a limousine is required  
26 to maintain: (1) the \$1,500,000 liability insurance policy while  
27 transporting a passenger; and (2) a motor vehicle liability insurance  
28 policy in the amount of at least \$50,000 for death or bodily injury  
29 per person, \$100,000 for death or bodily injury per incident, and  
30 \$25,000 for property damage, at all other times.

ASSEMBLY TRANSPORTATION AND INDEPENDENT  
AUTHORITIES COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3696**

**STATE OF NEW JERSEY**

DATED: MAY 19, 2016

The Assembly Transportation and Independent Authorities Committee reports favorably Assembly Bill No. 3696.

As reported, this bill eliminates the seven percent sales and use tax on transportation services originating in New Jersey and provided by a limousine operator and reduces liability insurance requirements for limousine service when a limousine is not transporting a passenger. Under the bill, the owner of a limousine is required to maintain: (1) a \$1,500,000 liability insurance policy while transporting a passenger; and (2) a motor vehicle liability insurance policy in the amount of at least \$50,000 for death or bodily injury per person, \$100,000 for death or bodily injury per incident, and \$25,000 for property damage, at all other times.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3696

**STATE OF NEW JERSEY**

DATED: OCTOBER 27, 2016

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3696.

This bill eliminates the seven percent sales and use tax on transportation services originating in New Jersey and provided by a limousine operator and reduces liability insurance requirements for limousine service when a limousine is not transporting a passenger. Under the bill, the owner of a limousine is required to maintain: (1) a \$1,500,000 liability insurance policy while transporting a passenger; and (2) a motor vehicle liability insurance policy in the amount of at least \$50,000 for death or bodily injury per person, \$100,000 for death or bodily injury per incident, and \$25,000 for property damage, at all other times.

FISCAL IMPACT:

The Office of Legislative Services (OLS) lacks sufficient information to determine the net fiscal impact of the bill, but expects the bill's elimination of the sales and use tax imposed on transportation services originating in New Jersey and provided by a limousine operator will result in an annual State revenue loss of an indeterminate magnitude.

In addition, the State and certain local units of government may incur additional one-time administrative costs in connection with the initial implementation of the bill's changes to current limousine insurance requirements, but those costs, if any, are expected to be minimal.

STATEMENT TO  
**ASSEMBLY, No. 3696**

with Senate Floor Amendments  
(Proposed by Senator SARLO)

ADOPTED: DECEMBER 19, 2016

These Senate amendments eliminate provisions of the bill that provided for a reduction in certain liability insurance requirements for limousine services when a limousine is not transporting a passenger.

The amendments update certain sections of the sales and use tax that are being amended by the bill to reflect underlying statutory changes provided by P.L.2016, c.57. P.L.2016, c.57 reduces the sales and use tax rate from 7 percent to 6.875 percent on January 1, 2017, and reduces the rate from 6.875 percent to 6.625 percent on January 1, 2018.

The amendments clarify the effective date of the bill.

**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY, No. 3696**  
**STATE OF NEW JERSEY**  
**217th LEGISLATURE**

DATED: JUNE 9, 2016

**SUMMARY**

**Synopsis:** Reduces required limousine insurance in certain circumstances; eliminates sales and use tax on limousine service.

**Type of Impact:** Annual revenue loss to State General Fund and Property Tax Relief Fund. Potential one-time State and local government cost increases.

**Agencies Affected:** Department of the Treasury; Motor Vehicle Commission; Local Units of Government.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>
<b>Annual State Revenue Loss</b>	Indeterminate – See comments below		
<b>One-Time State Cost Increase</b>	Minimal, If Any	\$0	\$0
<b>One-Time Local Cost Increase</b>	Minimal, If Any	\$0	\$0

- The Office of Legislative Services (OLS) lacks sufficient information to determine the net fiscal impact of the bill, but expects the bill’s elimination of the sales and use tax imposed on transportation services originating in New Jersey and provided by a limousine operator will result in an annual State revenue loss of an indeterminate magnitude.

In addition, the State and certain local units of government may incur additional one-time administrative costs in connection with the initial implementation of the bill’s changes to current limousine insurance requirements, but those costs, if any, are expected to be minimal.

**BILL DESCRIPTION**

Assembly Bill No. 3696 of 2016 eliminates the sales and use tax imposed on transportation services originating in New Jersey and provided by a limousine operator, and reduces certain liability insurance requirements for limousine service when a limousine is not transporting a passenger.

Currently, the owner of a limousine is required to maintain a liability insurance policy in the sum of \$1,500,000 for death or bodily injury. Under the bill, the owner of a limousine is required to maintain: (1) the \$1,500,000 liability insurance policy while transporting a passenger;

and (2) a motor vehicle liability insurance policy in the amount of at least \$50,000 for death or bodily injury per person, \$100,000 for death or bodily injury per incident, and \$25,000 for property damage, at all other times.

The bill is scheduled to take effect on the first day of the third month following enactment.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS lacks sufficient information to determine the net fiscal impact of the bill, but expects the bill's elimination of the sales and use tax imposed on transportation services originating in New Jersey and provided by a limousine operator will result in an annual State revenue loss of an indeterminate magnitude. In addition, the State and certain local units of government may incur additional one-time administrative costs in connection with the initial implementation of the bill's changes to current limousine insurance requirements, but those costs, if any, are expected to be minimal.

#### *Elimination of Sales and Use Tax on Transportation Services*

Since 2006, the State has imposed the sales and use tax on receipts from sales of transportation services originating in New Jersey and provided by a limousine operator. The elimination of tax on these services will reduce the revenues that are currently collected by the State and deposited into the State General Fund and the Property Tax Relief Fund, beginning in fiscal year 2017 and in each fiscal year thereafter.

However, the magnitude of the loss cannot be quantified. The OLS is not aware of any publicly available data published by the Division of Taxation in the Department of the Treasury that indicate how much revenue is currently collected by the State from the tax on transportation services provided by a limousine operator or even the number of limousine operators that are required to collect the tax.

In addition, external sources of data that have been used in the past to estimate the State revenue that may be lost from the elimination of sales and use tax on transportation services provided by a limousine operator do not account for the complexities of current law. A fiscal note prepared by the Executive for a similar bill in a prior legislative session (Senate Bill No. 680 (1R) of 2011) estimated that the State may lose \$27.1 million annually as a result of the elimination of the sales and use tax using Economic Census data made available by the United States Census Bureau, but that estimate failed to consider how an existing exemption and a prior consent order would reduce the amount of revenue that was expected to be lost.

Currently, the State exempts from the sales and use tax transportation services provided by a limousine operator in connection with funeral services, and does not impose tax on inter-State transportation services provided by a limousine operator as a result of a 2007 consent order. Under the terms of the order, the State is limited to imposing tax on transportation services provided by a limousine operator in which the trip begins with the pick up of a passenger in this

State and ends with the discharge of a passenger in this State and takes place wholly within this State.

The Division of Taxation does not include in its annual *Tax Expenditure Report* the amount of revenue the State currently forgoes as a result of the exemption for funeral services, and no previous estimates have quantified the value of inter-State trips that are not subject to tax in accordance with the consent order. Without knowing the extent of these nontaxable receipts, it is not possible to determine the amount by which the previous estimate or other estimates based on similar data should be reduced and, in turn, the amount of revenue the State may lose on an annual basis as a result of the bill.

#### *Changes to Current Limousine Insurance Requirements*

The bill's changes to current limousine insurance requirements may result in additional one-time costs to the State and certain local units of government, as these entities may have to bear an additional administrative burden to effect the initial implementation of the changes provided by the bill. Specifically, the State may incur additional administrative costs to notify limousine operators and insurance companies of the changes to current insurance requirements, and local units in which limousine operators have a principal place of business may incur additional administrative costs to receive and maintain updated or revised insurance policies required to be filed with the local unit in accordance with current law.

The OLS notes, however, that the additional one-time administrative costs that may result from the bill are expected to be minimal. In large part, the bill's changes revise insurance requirements that are mandated by current law, but do not impose new administrative responsibilities on the State or local units of government that did not previously exist prior to enactment of the bill.

*Section: Revenue, Finance, and Appropriations*

*Analyst: Luke E. Wolff  
Senior Research Analyst*

*Approved: Frank W. Haines III  
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

**SENATE, No. 2315**

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**STATE OF NEW JERSEY**  
**217th LEGISLATURE**

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INTRODUCED MAY 26, 2016

**Sponsored by:**

**Senator PAUL A. SARLO**

**District 36 (Bergen and Passaic)**

**Senator ANTHONY R. BUCCO**

**District 25 (Morris and Somerset)**

**SYNOPSIS**

Reduces required limousine insurance in certain circumstances; eliminates sales and use tax on limousine service.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/7/2016)**



1 AN ACT concerning limousine service, amending R.S.48:16-14,  
2 P.L.1966, c.30, and P.L.1980, c.105.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. R.S.48:16-14 is amended to read as follows:

8 48:16-14. Except as provided in section 14 of P.L.1999,  
9 c.356 (C.48:16-22.4), **[no]** a limousine shall not be operated wholly  
10 or partly along any street in any municipality until the owner of the  
11 limousine shall have filed with the clerk of the municipality in  
12 which the owner has his principal place of business, an insurance  
13 policy of a company duly licensed to transact business under the  
14 insurance laws of this State: (1) in the sum of \$1,500,000 against  
15 loss by reason of the liability imposed by law upon every limousine  
16 owner for damages on account of bodily injury or death suffered by  
17 any person as the result of an accident occurring by reason of the  
18 ownership, maintenance, or use of the limousine upon any public  
19 street while transporting a passenger; and (2) in the sum of at least  
20 \$50,000 for death or bodily injury per person, \$100,000 for death or  
21 bodily injury per incident, and \$25,000 for property damage at all  
22 other times. The insurance company shall supply to the **[Director**  
23 **of the Division of Motor Vehicles]** Chief Administrator of the New  
24 Jersey Motor Vehicle Commission notice concerning all motor  
25 vehicle liability insurance policies canceled for non-payment and  
26 new policies issued after the effective date of P.L.2001,  
27 c.416 (C.48:16-18.1 et al.). The notice shall be supplied monthly.  
28 After receipt of the notice of cancellation, the **[division]**  
29 commission shall notify the owner of the date the policy was  
30 canceled. If the **[director]** chief administrator has not received  
31 proof of liability insurance within 30 days of the date the  
32 notification was sent to the owner, the **[director]** chief  
33 administrator shall suspend the registration of the limousine until  
34 new proof is supplied that motor vehicle liability insurance has been  
35 secured for the limousine. If the owner fails to provide proof of  
36 insurance or surrender the license plates within 60 days of the date  
37 the notification was sent to **[him]** the owner by the **[division]**  
38 commission, the **[division]** commission shall suspend the owner's  
39 corporation code registration privilege.

40 **[Such operation]** Limousine operation shall be permitted only so  
41 long as the insurance policy shall remain in force to the full and  
42 collectible amount of \$1,500,000 while transporting a passenger;  
43 and \$50,000 for death or bodily injury per person, \$100,000 for  
44 death or bodily injury per incident, and \$25,000 for property  
45 damage at all other times.

**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 underlined thus is new matter.

1 The insurance policy shall provide for the payment of any final  
2 judgment recovered by any person on account of the ownership,  
3 maintenance, and use of [such] a limousine or any fault in respect  
4 thereto, and shall be for the benefit of every person suffering loss,  
5 damage, or injury as aforesaid.

6 (cf: P.L.2001, c.416, s.8)

7  
8 2. Section 3 of P.L.1966, c.30 (C.54:32B-3) is amended to read  
9 as follows:

10 3. There is imposed and there shall be paid a tax of 7% upon:

11 (a) The receipts from every retail sale of tangible personal  
12 property or a specified digital product for permanent use or less  
13 than permanent use, and regardless of whether continued payment is  
14 required, except as otherwise provided in [this act] P.L.1966,  
15 c.30 (C.54:32B-1 et seq.).

16 (b) The receipts from every sale, except for resale, of the  
17 following services:

18 (1) Producing, fabricating, processing, printing, or imprinting  
19 tangible personal property or a specified digital product, performed  
20 for a person who directly or indirectly furnishes the tangible  
21 personal property or specified digital product, not purchased by  
22 [him] the person for resale, upon which [such] these services are  
23 performed.

24 (2) Installing tangible personal property or a specified digital  
25 product, or maintaining, servicing, repairing tangible personal  
26 property or a specified digital product not held for sale in the  
27 regular course of business, whether or not the services are  
28 performed directly or by means of coin-operated equipment or by  
29 any other means, and whether or not any tangible personal property  
30 or specified digital product is transferred in conjunction therewith,  
31 except (i) such services rendered by an individual who is engaged  
32 directly by a private homeowner or lessee in or about his residence  
33 and who is not in a regular trade or business offering his services to  
34 the public, (ii) such services rendered with respect to personal  
35 property exempt from taxation hereunder pursuant to section 13 of  
36 P.L.1980, c.105 (C.54:32B-8.1), (iii) (Deleted by amendment,  
37 P.L.1990, c.40), (iv) any receipts from laundering, dry cleaning,  
38 tailoring, weaving, or pressing clothing, and shoe repairing and  
39 shoeshining, and (v) services rendered in installing property which,  
40 when installed, will constitute an addition or capital improvement to  
41 real property, property or land, other than landscaping services and  
42 other than installing carpeting and other flooring.

43 (3) Storing all tangible personal property not held for sale in the  
44 regular course of business; the rental of safe deposit boxes or  
45 similar space; and the furnishing of space for storage of tangible  
46 personal property by a person engaged in the business of furnishing  
47 space for such storage.

1 "Space for storage" means secure areas, such as rooms, units,  
2 compartments, or containers, whether accessible from outside or  
3 from within a building, that are designated for the use of a customer  
4 and wherein the customer has free access within reasonable  
5 business hours, or upon reasonable notice to the furnisher of space  
6 for storage, to store and retrieve property. Space for storage shall  
7 not include the lease or rental of an entire building, such as a  
8 warehouse or airplane hangar.

9 (4) Maintaining, servicing, or repairing real property, other than  
10 a residential heating system unit serving not more than three  
11 families living independently of each other and doing their cooking  
12 on the premises, whether the services are performed in or outside of  
13 a building, as distinguished from adding to or improving **【such】** the  
14 real property by a capital improvement, but excluding services  
15 rendered by an individual who is not in a regular trade or business  
16 offering his services to the public, and excluding garbage removal  
17 and sewer services performed on a regular contractual basis for a  
18 term not less than 30 days.

19 (5) Mail processing services for printed advertising material,  
20 except for mail processing services in connection with distribution  
21 of printed advertising material to out-of-State recipients.

22 (6) (Deleted by amendment, P.L.1995, c.184)**【.】**

23 (7) Utility service provided to persons in this State, any right or  
24 power over which is exercised in this State.

25 (8) Tanning services, including the application of a temporary  
26 tan provided by any means.

27 (9) Massage, bodywork, or somatic services, except such  
28 services provided pursuant to a doctor's prescription.

29 (10) Tattooing, including all permanent body art and permanent  
30 cosmetic make-up applications, except such services provided  
31 pursuant to a doctor's prescription in conjunction with  
32 reconstructive breast surgery.

33 (11) Investigation and security services.

34 (12) Information services.

35 (13) **【**Transportation services originating in this State and  
36 provided by a limousine operator, as permitted by law, except such  
37 services provided in connection with funeral services.**】** (Deleted by  
38 amendment, P.L. , c. ) (pending before the Legislature as this  
39 bill)

40 (14) Telephone answering services.

41 (15) Radio subscription services.

42 Wages, salaries, and other compensation paid by an employer to  
43 an employee for performing as an employee the services described  
44 in this subsection are not receipts subject to the taxes imposed  
45 under **【this】** subsection (b) of this section.

46 Services otherwise taxable under paragraph (1) or (2) of **【this】**  
47 subsection (b) of this section are not subject to the taxes imposed  
48 under this subsection, where the tangible personal property or

1 specified digital product upon which the services were performed is  
2 delivered to the purchaser outside this State for use outside this  
3 State.

4 (c) (1) Receipts from the sale of prepared food in or by  
5 restaurants, taverns, or other establishments in this State, or by  
6 caterers, including in the amount of such receipts any cover,  
7 minimum, entertainment, or other charge made to patrons or  
8 customers, except for meals especially prepared for and delivered to  
9 homebound elderly, age 60 or older, and to **【disabled persons】**  
10 persons with disabilities, or meals prepared and served at a group-  
11 sitting at a location outside of the home to otherwise homebound  
12 elderly persons, age 60 or older, and otherwise homebound  
13 **【disabled persons】** persons with disabilities, as all or part of any  
14 food service project funded in whole or in part by government or as  
15 part of a private, nonprofit food service project available to all such  
16 elderly or **【disabled persons】** persons with disabilities residing  
17 within an area of service designated by the private nonprofit  
18 organization; and

19 (2) Receipts from sales of food and beverages sold through  
20 vending machines, at the wholesale price of such sale, which shall  
21 be defined as 70% of the retail vending machine selling price,  
22 except sales of milk, which shall not be taxed. Nothing herein  
23 contained shall affect other sales through coin-operated vending  
24 machines taxable pursuant to subsection (a) above or the exemption  
25 thereto provided by section 21 of P.L.1980, c.105 (C.54:32B-8.9).

26 The tax imposed by **【this】** subsection (c) of this section shall not  
27 apply to food or drink which is sold to an airline for consumption  
28 while in flight.

29 (3) For the purposes of this subsection:

30 "Food and beverages sold through vending machines" means  
31 food and beverages dispensed from a machine or other mechanical  
32 device that accepts payment; and

33 "Prepared food" means:

34 (i) A. food sold in a heated state or heated by the seller; or

35 B. two or more food ingredients mixed or combined by the  
36 seller for sale as a single item, but not including food that is only  
37 cut, repackaged, or pasteurized by the seller, and eggs, fish, meat,  
38 poultry, and foods containing these raw animal foods requiring  
39 cooking by the consumer as recommended by the Food and Drug  
40 Administration in Chapter 3, part 401.11 of its Food Code so as to  
41 prevent food borne illnesses; or

42 C. food sold with eating utensils provided by the seller,  
43 including plates, knives, forks, spoons, glasses, cups, napkins, or  
44 straws. A plate does not include a container or packaging used to  
45 transport the food;

46 provided however, that

47 (ii) "prepared food" does not include the following sold without  
48 eating utensils:

- 1       A. food sold by a seller whose proper primary NAICS  
2 classification is manufacturing in section 311, except subsector  
3 3118 (bakeries);
- 4       B. food sold in an unheated state by weight or volume as a  
5 single item; or
- 6       C. bakery items, including bread, rolls, buns, biscuits, bagels,  
7 croissants, pastries, donuts, danish, cakes, tortes, pies, tarts,  
8 muffins, bars, cookies, and tortillas.
- 9       (d) The rent for every occupancy of a room or rooms in a hotel  
10 in this State, except that the tax shall not be imposed upon a  
11 permanent resident.
- 12       (e) (1) Any admission charge to or for the use of any place of  
13 amusement in the State, including charges for admission to race  
14 tracks, baseball, football, basketball or exhibitions, dramatic or  
15 musical arts performances, motion picture theaters, except charges  
16 for admission to boxing, wrestling, kick boxing, or combative  
17 sports exhibitions, events, performances, or contests which charges  
18 are taxed under any other law of this State or under section 20 of  
19 P.L.1985, c.83 (C.5:2A-20), and, except charges to a patron for  
20 admission to, or use of, facilities for sporting activities in which  
21 **【such】** the patron is to be a participant, such as bowling alleys and  
22 swimming pools. For any person having the permanent use or  
23 possession of a box or seat or lease or a license, other than a season  
24 ticket, for the use of a box or seat at a place of amusement, the tax  
25 shall be upon the amount for which a similar box or seat is sold for  
26 each performance or exhibition at which the box or seat is used or  
27 reserved by the holder, licensee, or lessee, and shall be paid by the  
28 holder, licensee, or lessee.
- 29       (2) The amount paid as charge of a roof garden, cabaret, or other  
30 similar place in this State, to the extent that a tax upon **【such】** these  
31 charges has not been paid pursuant to subsection (c) hereof.
- 32       (f) (1) The receipts from every sale, except for resale, of  
33 intrastate, interstate, or international telecommunications services  
34 and ancillary services sourced to this State in accordance with  
35 section 29 of P.L.2005, c.126 (C.54:32B-3.4).
- 36       (2) (Deleted by amendment, P.L.2008, c.123)
- 37       (g) (Deleted by amendment, P.L.2008, c.123)
- 38       (h) Charges in the nature of initiation fees, membership fees or  
39 dues for access to or use of the property or facilities of a health and  
40 fitness, athletic, sporting, or shopping club or organization in this  
41 State, except for: (1) membership in a club or organization whose  
42 members are predominantly age 18 or under; and (2) charges in the  
43 nature of membership fees or dues for access to or use of the  
44 property or facilities of a health and fitness, athletic, sporting, or  
45 shopping club or organization that is exempt from taxation pursuant  
46 to paragraph (1) of subsection (a) of section 9 of P.L.1966,  
47 c.30 (C.54:32B-9), or that is exempt from taxation pursuant to  
48 paragraph (1) or (2) of subsection (b) of section 9 of P.L.1966,

1 c.30 (C.54:32B-9) and that has complied with subsection (d) of  
2 section 9 of P.L.1966, c.30 (C.54:32B-9).

3 (i) The receipts from parking, storing, or garaging a motor  
4 vehicle, excluding charges for the following: residential parking;  
5 employee parking, when provided by an employer or at a facility  
6 owned or operated by the employer; municipal parking, storing, or  
7 garaging; receipts from charges or fees imposed pursuant to section  
8 3 of P.L.1993, c.159 (C.5:12-173.3) or pursuant to an agreement  
9 between the Casino Reinvestment Development Authority and a  
10 casino operator in effect on the date of enactment of P.L.2007,  
11 c.105; and receipts from parking, storing, or garaging a motor  
12 vehicle subject to tax pursuant to any other law or ordinance.

13 For the purposes of this subsection, "municipal parking, storing,  
14 or garaging" means any motor vehicle parking, storing, or garaging  
15 provided by a municipality or county, or a parking authority  
16 thereof.

17 (cf: P.L.2013, c.193, s.1)

18

19 3. Section 6 of P.L.1966, c.30 (C.54:32B-6) is amended to read  
20 as follows:

21 6. Unless property or services have already been or will be  
22 subject to the sales tax under **[this act]** P.L.1966, c.30 (C.54:32B-1  
23 et seq.), there is hereby imposed on and there shall be paid by every  
24 person a use tax for the use within this State of 7%, except as  
25 otherwise exempted under **[this act]** P.L.1966, c.30 (C.54:32B-1 et  
26 seq.), (A) of any tangible personal property or specified digital  
27 product purchased at retail, including energy, provided however,  
28 that electricity consumed by the generating facility that produced it  
29 shall not be subject to tax, (B) of any tangible personal property or  
30 specified digital product manufactured, processed, or assembled by  
31 the user, if items of the same kind of tangible personal property or  
32 specified digital products are offered for sale by him in the regular  
33 course of business, or if items of the same kind of tangible personal  
34 property are not offered for sale by him in the regular course of  
35 business and are used as such or incorporated into a structure,  
36 building, or real property, (C) of any tangible personal property or  
37 specified digital product, however acquired, where not acquired for  
38 purposes of resale, upon which any taxable services described in  
39 paragraphs (1) and (2) of subsection (b) of section 3 of P.L.1966,  
40 c.30 (C.54:32B-3) have been performed, (D) of intrastate, interstate,  
41 or international telecommunications services described in  
42 subsection (f) of section 3 of P.L.1966, c.30 (C.54:32B-3), (E)  
43 (Deleted by amendment, P.L.1995, c.184), (F) of utility service  
44 provided to persons in this State for use in this State, provided  
45 however, that utility service used by the facility that provides the  
46 service shall not be subject to tax, (G) of mail processing services  
47 described in paragraph (5) of subsection (b) of section 3 of  
48 P.L.1966, c.30 (C.54:32B-3), (H) (Deleted by amendment,

1 P.L.2008, c.123), (I) of any services subject to tax pursuant to  
2 subsection (11), (12), ~~[(13),]~~ (14), or (15) of subsection (b) of  
3 section 3 of P.L.1966, c.30 (C.54:32B-3), and (J) of access to or use  
4 of the property or facilities of a health and fitness, athletic, sporting,  
5 or shopping club or organization in this State. For purposes of  
6 clause (A) of this section, the tax shall be at the applicable rate, as  
7 set forth hereinabove, of the consideration given or contracted to be  
8 given for ~~the~~ ~~property~~ or for the use of ~~the~~ ~~property~~  
9 including delivery charges made by the seller, but excluding any  
10 credit for property of the same kind accepted in part payment and  
11 intended for resale. For the purposes of clause (B) of this section,  
12 the tax shall be at the applicable rate, as set forth hereinabove, of  
13 the price at which items of the same kind of tangible personal  
14 property or specified digital products are offered for sale by the  
15 user, or if items of the same kind of tangible personal property are  
16 not offered for sale by the user in the regular course of business and  
17 are used as such or incorporated into a structure, building, or real  
18 property the tax shall be at the applicable rate, as set forth  
19 hereinabove, of the consideration given or contracted to be given  
20 for the tangible personal property manufactured, processed,  
21 or assembled by the user into the tangible personal property the use of  
22 which is subject to use tax pursuant to this section, and the mere  
23 storage, keeping, retention, or withdrawal from storage of tangible  
24 personal property or specified digital products by the person who  
25 manufactured, processed, or assembled ~~the~~ ~~property~~ shall  
26 not be deemed a taxable use by him. For purposes of clause (C) of  
27 this section, the tax shall be at the applicable rate, as set forth  
28 hereinabove, of the consideration given or contracted to be given  
29 for the service, including the consideration for any tangible personal  
30 property or specified digital product transferred in conjunction with  
31 the performance of the service, including delivery charges made by  
32 the seller. For the purposes of clause (D) of this section, the tax  
33 shall be at the applicable rate on the charge made by the  
34 telecommunications service provider; provided however, that for  
35 prepaid calling services and prepaid wireless calling services the tax  
36 shall be at the applicable rate on the consideration given or  
37 contracted to be given for the prepaid calling service or prepaid  
38 wireless calling service or the recharge of the prepaid calling  
39 service or prepaid wireless calling service. For purposes of clause  
40 (F) of this section, the tax shall be at the applicable rate on the  
41 charge made by the utility service provider. For purposes of clause  
42 (G) of this section, the tax shall be at the applicable rate on that  
43 proportion of the amount of all processing costs charged by a mail  
44 processing service provider that is attributable to the service  
45 distributed in this State. For purposes of clause (I) of this section,  
46 the tax shall be at the applicable rate on the charge made by the  
47 service provider. For purposes of clause (J) of this section, the tax

1 shall be at the applicable rate on the charges in the nature of  
2 initiation fees, membership fees or dues.

3 (cf: P.L.2011, c.49, s.4)

4

5 4. Section 23 of P.L.1980, c.105 (C.54:32B-8.11) is amended  
6 to read as follows:

7 23. Receipts from charges for the transportation of persons or  
8 property are exempt from the tax imposed under the "Sales and Use  
9 Tax Act," except for delivery charges; **【**transportation services  
10 provided by a limousine operator;**】** and the transportation of energy.

11 (cf: P.L.2006, c.44, s.8)

12

13 5. This act shall take effect on the first day of the third month  
14 following enactment.

15

16

17

#### STATEMENT

18

19 This bill eliminates the seven percent sales and use tax on  
20 transportation services originating in New Jersey and provided by a  
21 limousine operator and reduces liability insurance requirements for  
22 limousine service when a limousine is not transporting a passenger.  
23 Currently the owner of a limousine is required to maintain a  
24 liability insurance policy in the sum of \$1,500,000 for death or  
25 bodily injury. Under the bill, the owner of a limousine is required  
26 to maintain: (1) the \$1,500,000 liability insurance policy while  
27 transporting a passenger; and (2) a motor vehicle liability insurance  
28 policy in the amount of at least \$50,000 for death or bodily injury  
29 per person, \$100,000 for death or bodily injury per incident, and  
30 \$25,000 for property damage, at all other times.



# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 2315

# STATE OF NEW JERSEY

DATED: JUNE 6, 2016

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2315.

This bill eliminates the sales and use tax on transportation services originating in New Jersey and provided by a limousine operator, and reduces certain liability insurance requirements for limousine service when a limousine is not transporting a passenger.

Under current law, the sales and use tax is imposed at a Statewide rate of 7% on the receipts from sales of transportation services originating in this State and provided by a limousine operator. A separate section of law currently requires the owner of a limousine to maintain a liability insurance policy in the sum of \$1.5 million for death or bodily injury.

This bill eliminates the sales and use tax imposed on the receipts from sales of those services, and requires the owner of a limousine to maintain: (1) a \$1.5 million liability insurance policy while transporting a passenger; and (2) a motor vehicle liability insurance policy in the amount of at least \$50,000 for death or bodily injury per person, \$100,000 for death or bodily injury per incident, and \$25,000 for property damage, at all other times.

The bill takes effect on the first day of the third month following enactment.

#### FISCAL IMPACT:

The Office of Legislative Services (OLS) lacks sufficient information to determine the net fiscal impact of the bill, but expects the bill's elimination of the sales and use tax imposed on transportation services originating in New Jersey and provided by a limousine operator will result in an annual State revenue loss of an indeterminate magnitude. In addition, the State and certain local units of government may incur additional one-time administrative costs in connection with the initial implementation of the bill's changes to current limousine insurance requirements, but those costs, if any, are expected to be minimal.

**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE, No. 2315**  
**STATE OF NEW JERSEY**  
**217th LEGISLATURE**

DATED: JUNE 9, 2016

**SUMMARY**

**Synopsis:** Reduces required limousine insurance in certain circumstances; eliminates sales and use tax on limousine service.

**Type of Impact:** Annual revenue loss to State General Fund and Property Tax Relief Fund. Potential one-time State and local government cost increases.

**Agencies Affected:** Department of the Treasury; Motor Vehicle Commission; Local Units of Government.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>
<b>Annual State Revenue Loss</b>	Indeterminate – See comments below		
<b>One-Time State Cost Increase</b>	Minimal, If Any	\$0	\$0
<b>One-Time Local Cost Increase</b>	Minimal, If Any	\$0	\$0

- The Office of Legislative Services (OLS) lacks sufficient information to determine the net fiscal impact of the bill, but expects the bill’s elimination of the sales and use tax imposed on transportation services originating in New Jersey and provided by a limousine operator will result in an annual State revenue loss of an indeterminate magnitude.
- In addition, the State and certain local units of government may incur additional one-time administrative costs in connection with the initial implementation of the bill’s changes to current limousine insurance requirements, but those costs, if any, are expected to be minimal.

**BILL DESCRIPTION**

Senate Bill No. 2315 of 2016 eliminates the sales and use tax imposed on transportation services originating in New Jersey and provided by a limousine operator, and reduces certain liability insurance requirements for limousine service when a limousine is not transporting a passenger.

Currently, the owner of a limousine is required to maintain a liability insurance policy in the sum of \$1,500,000 for death or bodily injury. Under the bill, the owner of a limousine is required to maintain: (1) the \$1,500,000 liability insurance policy while transporting a passenger;



and (2) a motor vehicle liability insurance policy in the amount of at least \$50,000 for death or bodily injury per person, \$100,000 for death or bodily injury per incident, and \$25,000 for property damage, at all other times.

The bill is scheduled to take effect on the first day of the third month following enactment.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS lacks sufficient information to determine the net fiscal impact of the bill, but expects the bill's elimination of the sales and use tax imposed on transportation services originating in New Jersey and provided by a limousine operator will result in an annual State revenue loss of an indeterminate magnitude. In addition, the State and certain local units of government may incur additional one-time administrative costs in connection with the initial implementation of the bill's changes to current limousine insurance requirements, but those costs, if any, are expected to be minimal.

#### *Elimination of Sales and Use Tax on Transportation Services*

Since 2006, the State has imposed the sales and use tax on receipts from sales of transportation services originating in New Jersey and provided by a limousine operator. The elimination of tax on these services will reduce the revenues that are currently collected by the State and deposited into the State General Fund and the Property Tax Relief Fund, beginning in fiscal year 2017 and in each fiscal year thereafter.

However, the magnitude of the loss cannot be quantified. The OLS is not aware of any publicly available data published by the Division of Taxation in the Department of the Treasury that indicate how much revenue is currently collected by the State from the tax on transportation services provided by a limousine operator or even the number of limousine operators that are required to collect the tax.

In addition, external sources of data that have been used in the past to estimate the State revenue that may be lost from the elimination of sales and use tax on transportation services provided by a limousine operator do not account for the complexities of current law. A fiscal note prepared by the Executive for a similar bill in a prior legislative session (Senate Bill No. 680 (1R) of 2011) estimated that the State may lose \$27.1 million annually as a result of the elimination of the sales and use tax using Economic Census data made available by the United States Census Bureau, but that estimate failed to consider how an existing exemption and a prior consent order would reduce the amount of revenue that was expected to be lost.

Currently, the State exempts from the sales and use tax transportation services provided by a limousine operator in connection with funeral services, and does not impose tax on inter-State transportation services provided by a limousine operator as a result of a 2007 consent order. Under the terms of the order, the State is limited to imposing tax on transportation services provided by a limousine operator in which the trip begins with the pick up of a passenger in this

State and ends with the discharge of a passenger in this State and takes place wholly within this State.

The Division of Taxation does not include in its annual *Tax Expenditure Report* the amount of revenue the State currently forgoes as a result of the exemption for funeral services, and no previous estimates have quantified the value of inter-State trips that are not subject to tax in accordance with the consent order. Without knowing the extent of these nontaxable receipts, it is not possible to determine the amount by which the previous estimate or other estimates based on similar data should be reduced and, in turn, the amount of revenue the State may lose on an annual basis as a result of the bill.

#### *Changes to Current Limousine Insurance Requirements*

The bill's changes to current limousine insurance requirements may result in additional one-time costs to the State and certain local units of government, as these entities may have to bear an additional administrative burden to effect the initial implementation of the changes provided by the bill. Specifically, the State may incur additional administrative costs to notify limousine operators and insurance companies of the changes to current insurance requirements, and local units in which limousine operators have a principal place of business may incur additional administrative costs to receive and maintain updated or revised insurance policies required to be filed with the local unit in accordance with current law.

The OLS notes, however, that the additional one-time administrative costs that may result from the bill are expected to be minimal. In large part, the bill's changes revise insurance requirements that are mandated by current law, but do not impose new administrative responsibilities on the State or local units of government that did not previously exist prior to enactment of the bill.

*Section: Revenue, Finance, and Appropriations*

*Analyst: Luke E. Wolff  
Senior Research Analyst*

*Approved: Frank W. Haines III  
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

## Governor Christie Signs Bipartisan Business Friendly Legislation to Improve Safety in Ride Sharing Industry

Friday, February 10, 2017      Tags: [Bill Action](#)



**Trenton, NJ** – Governor Chris Christie signed today bipartisan legislation to allow for Statewide regulation of New Jersey’s ride sharing industry.

“This legislation makes it easier for this innovative business model to conduct business in our state, creating earning opportunities for our residents and providing transportation services that are already in high demand,” Governor Christie said. “This law ensures app-based ride services abide by safety and service standards, protecting riders, motorists and our roadways through commonsense drug, alcohol, inspection and background screenings, and requiring adequate insurance policies.”

### BILL SIGNINGS:

**AS for A-3695/SS for S-2179 (Lagana, Singleton, Wisniewski, DeCroce/Sarlo, Kyrillos)** - Regulates transportation network companies

**A-3696/S-2315 (Singleton, Lagana, Wisniewski, Vainieri Huttie, Moriarty/Sarlo, A.R. Bucco)** - Eliminates sales and use tax on certain transportation services provided by a limousine operator

###

### Press Contact:

Brian Murray  
609-777-2600

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**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE, No. 2315**  
**STATE OF NEW JERSEY**  
**217th LEGISLATURE**

DATED: JUNE 9, 2016

**SUMMARY**

**Synopsis:** Reduces required limousine insurance in certain circumstances; eliminates sales and use tax on limousine service.

**Type of Impact:** Annual revenue loss to State General Fund and Property Tax Relief Fund. Potential one-time State and local government cost increases.

**Agencies Affected:** Department of the Treasury; Motor Vehicle Commission; Local Units of Government.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>
<b>Annual State Revenue Loss</b>	Indeterminate – See comments below		
<b>One-Time State Cost Increase</b>	Minimal, If Any	\$0	\$0
<b>One-Time Local Cost Increase</b>	Minimal, If Any	\$0	\$0

- The Office of Legislative Services (OLS) lacks sufficient information to determine the net fiscal impact of the bill, but expects the bill’s elimination of the sales and use tax imposed on transportation services originating in New Jersey and provided by a limousine operator will result in an annual State revenue loss of an indeterminate magnitude.
- In addition, the State and certain local units of government may incur additional one-time administrative costs in connection with the initial implementation of the bill’s changes to current limousine insurance requirements, but those costs, if any, are expected to be minimal.

**BILL DESCRIPTION**

Senate Bill No. 2315 of 2016 eliminates the sales and use tax imposed on transportation services originating in New Jersey and provided by a limousine operator, and reduces certain liability insurance requirements for limousine service when a limousine is not transporting a passenger.

Currently, the owner of a limousine is required to maintain a liability insurance policy in the sum of \$1,500,000 for death or bodily injury. Under the bill, the owner of a limousine is required to maintain: (1) the \$1,500,000 liability insurance policy while transporting a passenger;



and (2) a motor vehicle liability insurance policy in the amount of at least \$50,000 for death or bodily injury per person, \$100,000 for death or bodily injury per incident, and \$25,000 for property damage, at all other times.

The bill is scheduled to take effect on the first day of the third month following enactment.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS lacks sufficient information to determine the net fiscal impact of the bill, but expects the bill's elimination of the sales and use tax imposed on transportation services originating in New Jersey and provided by a limousine operator will result in an annual State revenue loss of an indeterminate magnitude. In addition, the State and certain local units of government may incur additional one-time administrative costs in connection with the initial implementation of the bill's changes to current limousine insurance requirements, but those costs, if any, are expected to be minimal.

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Since 2006, the State has imposed the sales and use tax on receipts from sales of transportation services originating in New Jersey and provided by a limousine operator. The elimination of tax on these services will reduce the revenues that are currently collected by the State and deposited into the State General Fund and the Property Tax Relief Fund, beginning in fiscal year 2017 and in each fiscal year thereafter.

However, the magnitude of the loss cannot be quantified. The OLS is not aware of any publicly available data published by the Division of Taxation in the Department of the Treasury that indicate how much revenue is currently collected by the State from the tax on transportation services provided by a limousine operator or even the number of limousine operators that are required to collect the tax.

In addition, external sources of data that have been used in the past to estimate the State revenue that may be lost from the elimination of sales and use tax on transportation services provided by a limousine operator do not account for the complexities of current law. A fiscal note prepared by the Executive for a similar bill in a prior legislative session (Senate Bill No. 680 (1R) of 2011) estimated that the State may lose \$27.1 million annually as a result of the elimination of the sales and use tax using Economic Census data made available by the United States Census Bureau, but that estimate failed to consider how an existing exemption and a prior consent order would reduce the amount of revenue that was expected to be lost.

Currently, the State exempts from the sales and use tax transportation services provided by a limousine operator in connection with funeral services, and does not impose tax on inter-State transportation services provided by a limousine operator as a result of a 2007 consent order. Under the terms of the order, the State is limited to imposing tax on transportation services provided by a limousine operator in which the trip begins with the pick up of a passenger in this

State and ends with the discharge of a passenger in this State and takes place wholly within this State.

The Division of Taxation does not include in its annual *Tax Expenditure Report* the amount of revenue the State currently forgoes as a result of the exemption for funeral services, and no previous estimates have quantified the value of inter-State trips that are not subject to tax in accordance with the consent order. Without knowing the extent of these nontaxable receipts, it is not possible to determine the amount by which the previous estimate or other estimates based on similar data should be reduced and, in turn, the amount of revenue the State may lose on an annual basis as a result of the bill.

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The bill's changes to current limousine insurance requirements may result in additional one-time costs to the State and certain local units of government, as these entities may have to bear an additional administrative burden to effect the initial implementation of the changes provided by the bill. Specifically, the State may incur additional administrative costs to notify limousine operators and insurance companies of the changes to current insurance requirements, and local units in which limousine operators have a principal place of business may incur additional administrative costs to receive and maintain updated or revised insurance policies required to be filed with the local unit in accordance with current law.

The OLS notes, however, that the additional one-time administrative costs that may result from the bill are expected to be minimal. In large part, the bill's changes revise insurance requirements that are mandated by current law, but do not impose new administrative responsibilities on the State or local units of government that did not previously exist prior to enactment of the bill.

*Section: Revenue, Finance, and Appropriations*

*Analyst: Luke E. Wolff  
Senior Research Analyst*

*Approved: Frank W. Haines III  
Legislative Budget and Finance Officer*

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### BILL SIGNINGS:

**AS for A-3695/SS for S-2179 (Lagana, Singleton, Wisniewski, DeCroce/Sarlo, Kyrillos)** - Regulates transportation network companies

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