

ASSEMBLY, No. 457

STATE OF NEW JERSEY

INTRODUCED APRIL 10, 1958

By Assemblyman KURTZ

Referred to Committee on Highways, Transportation and Public Utilities

AN ACT relating to the taxation of motor fuels, amending sections 54:39-65 and 54:39-66 of the Revised Statutes.

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

1 1. Section 54:39-65 of the Revised Statutes is amended to read as  
2 follows:

3 54:39-65. The provisions of this chapter requiring the payment of taxes  
4 shall not be construed to apply to fuel sold to the government of the United  
5 States or any department thereof for official use of such government, but  
6 every distributor shall report such sales to the commissioner at such times  
7 and in such detail as the commissioner may require. Any claim for exemp-  
8 tion under this section may be made by the distributor at any time within  
9 **[6 months]** 2 years after the date of sale, but no claim made after the expira-  
10 tion of said **[6 months]** 2 years will be recognized for any purpose by the  
11 State or any agency thereof. Any person who shall purchase or otherwise  
12 acquire fuel as herein defined upon which the tax has not been paid, from the  
13 United States Government, or any of its agents or officers, for use not specifi-  
14 cally associated with any governmental function or operation shall pay to the  
15 State of New Jersey the tax herein provided upon the fuel so acquired. It  
16 shall be unlawful for any person to use or to conspire with any governmental  
17 official, agent or employee for the use of any requisition, purchase order, or

18 any card or any authority to which he is not specifically entitled by government  
19 regulations, for the purpose of obtaining any such fuel, upon which the tax has  
20 not been paid.

1 2. Section 54:39-66 of the Revised Statutes is amended to read as  
2 follows:

3 54:39-66. Any person who shall use any fuels as herein defined for any  
4 of the following purposes:

5 (a) operating or propelling motor vehicles, motor boats or other imple-  
6 ments owned or leased by the State and all the political subdivisions thereof,

7 (b) autobusses while being operated over the highways of this State in  
8 those municipalities to which the operator has paid a monthly franchise tax  
9 for the use of the streets therein under the provisions of sections 48:4-14,  
10 48:4-15 and 48:4-16 or 48:16-25 of the Title Public Utilities,

11 (c) agricultural tractors not operated on a public highway,

12 (d) farm machinery,

13 (e) aircraft,

14 (f) ambulances,

15 (g) rural free delivery carriers in the dispatch of their official business,

16 (h) such vehicles as run only on rails or tracks, and such vehicles as run  
17 in substitution thereof,

18 (i) such highway motor vehicles as are operated exclusively on private  
19 property,

20 (j) motor boats or motor vessels used exclusively for or in the propaga-  
21 tion, planting, preservation and gathering of oysters and clams in the tidal  
22 waters of this State,

23 (k) motor boats or motor vessels used exclusively for commercial fishing,

24 (l) motor boats or motor vessels while being used for hire for fishing  
25 parties or being used for sightseeing or excursion parties,

26 (m) cleaning,

27 (n) fire engines and fire-fighting apparatus,

28 (o) stationary machinery and vehicles or implements not designed for the  
29 use of transporting persons or property on the public highway,

30 (p) heating and lighting devices,  
 31 (q) fuels previously taxed under this chapter and later exported or sold  
 32 for exportation from the State of New Jersey to any other State or country  
 33 provided, proof satisfactory to the commissioner of such exportations is  
 34 submitted.

35 (r) motor boats or motor vessels used exclusively for Sea Scout training  
 36 by a duly chartered unit of the Boy Scouts of America, and who shall have  
 37 paid the tax for such fuels hereby required to be paid, shall be reimbursed  
 38 and repaid the amount of tax so paid upon presenting to the commissioner  
 39 an application for such reimbursement or repayment, in form prescribed by  
 40 the commissioner, which application shall be verified by a declaration of the  
 41 applicant that the statements contained therein are true. Such application  
 42 for reimbursement or repayment shall be supported by an invoice, or invoices,  
 43 showing the name and address of the person from whom purchased, the name  
 44 of the purchaser, the date of purchase, the number of gallons purchased, the  
 45 price paid per gallon, and an acknowledgment by the seller that payment of  
 46 the cost of the fuel, including the tax thereon, has been made. Such invoice,  
 47 or invoices, shall be legibly written and shall be void if any corrections or  
 48 erasures shall appear on the face thereof.

49 *The commissioner may, in his discretion, permit a distributor entitled to a*  
 50 *refund under the provisions of this section to take credit therefor, in lieu of*  
 51 *such refund, in such manner as the commissioner may require, on a report*  
 52 *filed pursuant to section 54:39-27 of the Revised Statutes.*

1 3. This act shall take effect immediately.

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#### STATEMENT

The purposes of this bill are:

(a) to extend from 6 months to 2 years the period of time within which motor fuel distributors may submit claims for exemption from the motor fuels tax on sales of motor fuels to the United States Government for the official use of such government. In view of the actual mechanics involved in the preparation of such

should provide a more reasonable and realistic period.

(b) to simplify the procedure under which a licensed motor fuels distributor is relieved from tax on motor fuels used by him for purposes enumerated in R. S. 54:39-66. The present procedure requires the distributor to first pay the tax on such fuels and to apply for a refund thereof. This bill would give the Director of the Division of Taxation the discretionary authority to permit a distributor, under appropriate rules and regulations, to take credit under R. S. 54:39-27 for the amount of tax which would otherwise be refundable, in lieu of making a refund claim therefor.