

SENATE, No. 261

Sub. for A692

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 12, 1960

By Senators WADDINGTON, HARPER, LANCE, DUMONT,
WEBER, STOUT

Referred to Committee on Business Affairs

AN ACT concerning taxation and amending the "Corporation Business Tax Act
(1945)," approved April 13, 1945 (P. L. 1945, c. 162.)

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

1 1. Section 3 of the act of which this act is amendatory is amended to read
2 as follows:

3 The following corporations shall be exempt from the tax imposed by this
4 act:

5 (a) corporations subject to a tax under the provisions of article 2 of
6 chapter 13 of Title 54 of the Revised Statutes, or to a tax assessed upon the
7 basis of gross receipts, other than the tax levied by the veterans bonus tax
8 law, or insurance premiums collected;

9 (b) railroad, canal or banking corporations, savings banks, production
10 credit associations organized under the Farm Credit Act of 1933, *agricultural*
11 *co-operative associations incorporated or domesticated under or subject to*
11A *chapter 13 of Title 4 of the Revised Statutes and exempt under Subtitle A,*
12 *Chapter 1 F Part III Section 521 of the Federal Internal Revenue Code, or*
13 building and loan or savings and loan associations;

14 (c) cemetery corporations not conducted for pecuniary profit of any pri-
15 vate shareholder or individual;

16 (d) nonprofit corporations, associations or organizations established,
17 organized or chartered, without capital stock, under the provisions of Titles
18 15, 16 or 17 of the Revised Statutes, or under a special charter or under any
19 similar general or special law of this or any other State, and not conducted
20 for pecuniary profit of any private shareholder or individual;

21 (e) corporations subject to a tax under the provisions of chapter 4 of the
22 laws of 1940, or chapter 5 of the laws of 1940, or any statute or law imposing
23 a similar tax or taxes.

1 2. This act shall take effect immediately and no agricultural co-operative
2 association granted an exemption hereby shall be liable for the payment of the
3 tax imposed by the act of which this act is amendatory with respect to any
4 fiscal or calendar year commencing after the effective date of this act.

STATEMENT

In the past, it has not been clear whether Agricultural Cooperative Associations are subject to the Corporation Business Tax Act (1945). This amendment will make it perfectly clear that hereafter such associations are not subject to the tax if they are also exempt from taxation under Subtitle A, Chapter 1 F Part III Section 521 of the Federal Internal Revenue Code.