

40:48E-5

LEGISLATIVE HISTORY CHECKLIST
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NJSA: 40:48E-5

("Hotel
Occupancy Tax"--
property tax
credits--cancel
accrual of
credits)

LAWS OF: 1991

CHAPTER: 23

Bill No: S2135

Sponsor(s): Lipman

Date Introduced: Pre-filed

Committee: Assembly: Municipal Government

Senate: County & Municipal Government

Amended during passage: Yes Amendments during passage
denoted by asterisks.

Date of Passage: Assembly: December 17, 1990

Senate: April 5, 1990

Date of Approval: February 19, 1991

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: Yes

Senate: Yes

Fiscal Note: No

Veto Message: No

Message on signing: No

Following were printed:

Reports: No

Hearings: No

KBG/SLJ

P.L.1991, CHAPTER 23, approved February 19, 1991

1990 Senate No. 2135 (Third Reprint)

1 AN ACT concerning a tax on hotel occupancy ²[in cities of the
2 first class]² ¹[,] and amending and¹ supplementing P.L.1981,
3 c.77 (C.40:48E-1 et seq.) ¹[and repealing section 5 of P.L.1981,
4 c.77]¹.

5
6 BE IT ENACTED by the Senate and General Assembly of the
7 State of New Jersey:

8 1. Section 5 of P.L.1981, c.77 (C.40:48E-5) is amended to
9 read as follows:

10 5. [The owner of any hotel subject to real property taxation
11 shall be permitted to deduct from the real property tax
12 installments, or the payments in lieu of taxes or the service
13 charges due on the hotel for any year the amount of the use or
14 occupancy tax paid on account of the property since the
15 preceding installment. If the deduction is greater than the real
16 property tax due, the surplus shall be credited to the next
17 installment.] a. For any calendar year, the owner of a hotel shall
18 be required to pay ³[an amount equal to the real property tax due
19 or the hotel use or occupancy tax due, whichever is greater] the
20 greater of the real property tax (defined to be the payment of ad
21 valorem taxes or payment in lieu of taxes or payment of annual
22 service charges) or the hotel use or occupancy tax³, to be
23 calculated as follows:

24 (1) If the quarterly installment of the real property tax is less
25 than the quarterly installment of the hotel use or occupancy tax,
26 the owner shall be required to pay only the hotel use or
27 occupancy tax.

28 (2) If the quarterly installment of the real property tax is
29 greater than the quarterly installment of the hotel use or
30 occupancy tax, the owner shall be required to pay the hotel use or
31 occupancy tax, and, in addition, the owner shall be required to
32 make a supplemental payment. For the purposes of this section,
33 "supplemental payment" means an amount equal to the excess of
34 the real property tax installment over the hotel use or occupancy
35 tax installment.

36 b. At the end of the calendar year, the total hotel use or
37 occupancy tax payments made during the year shall be adjusted
38 as follows:

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:

¹ Senate SCM committee amendments adopted March 19, 1990.

² Senate floor amendments adopted March 29, 1990.

³ Assembly AMG committee amendments adopted May 17, 1990.

1 (1) If the total of the hotel use or occupancy tax payments,
2 excluding any supplemental payments, made during the year
3 exceeds the total real property tax for that year, the city shall
4 refund to the owner the total amount of the supplemental
5 payments, if any, made during the year; or

6 (2) If the total of the hotel use or occupancy tax payments,
7 excluding any supplemental payments, made during the year does
8 not exceed the total real property tax for the year, and if the
9 total of the hotel use or occupancy tax payments and
10 supplemental payments made during the year does exceed the
11 total real property tax for the year, the city shall refund to the
12 owner the difference between: (a) the total property tax paid and
13 (b) the sum of the hotel or occupancy tax paid plus the
14 supplemental payments paid.

15 c. The refunds shall be paid to the owner without interest by
16 July 1 of the succeeding year or 15 days after the adoption of the
17 annual budget by the municipal council, whichever is later.

18 d. No refund shall be made in any year in which the owner has
19 failed to be current in its hotel use or occupancy tax, including
20 any supplemental payments required under this section. For the
21 purposes of this section, "current" means that quarterly
22 installments of tax have been paid in accordance with
23 R.S.54:4-66.¹

24 (cf: P.L.1981, c.77, s.5)

25 2. Any amounts which have accrued as a surplus prior to the
26 effective date of this act and which have been credited pursuant
27 to section 5 of P.L.1981, c.77 (C.40:48E-5) are hereby cancelled.

28 23. Section 3 of P.L.1981, c.77 (C.40:48E-3) is amended to
29 read as follows:

30 3. The governing body of any city of the first class or the
31 governing body of any city of the second class in which there is
32 located a terminal of an international airport may make, amend,
33 repeal and enforce an ordinance imposing in the city a tax, not to
34 exceed 6%, on charges for the use or occupation of rooms in
35 hotels which tax shall be in addition to any other tax imposed by
36 law.²

37 (cf: P.L.1981, c.77, s.3)

38 ²[3.] 4.² This act shall take effect immediately.

41 LOCAL TAXATION

42
43 Revises calculation of hotel use or occupancy tax.

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Senator LIPMAN

1 AN ACT concerning a tax on hotel occupancy in cities of the first
2 class, supplementing P.L.1981, c.77 (C.40:48E-1 et seq.) and
3 repealing section 5 of P.L.1981, c.77.

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

- 7 1. Section 5 of P.L.1981, c.77 (C.40:48E-5) is repealed.
8 2. Any amounts which have accrued as a surplus prior to the
9 effective date of this act and which have been credited pursuant
10 to section 5 of P.L.1981, c.77 (C.40:48E-5) are hereby cancelled.
11 3. This act shall take effect immediately.

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14 STATEMENT

15
16 This bill repeals section 5 of the "Hotel Occupancy Tax Act,"
17 P.L.1981, c.77 (C.40:48E-1 et seq.) and cancels any credit
18 balance which has accrued pursuant thereto. That act allows
19 cities of the first class to impose a 6% occupancy tax on the
20 amount a hotel charges a guest for room rental.

21 The two cities of the first class are Newark and Jersey City,
22 but only Newark has adopted an ordinance to impose the hotel tax.

23 The section of law being repealed allows a hotel to deduct the
24 amount of the tax which is paid by a person who rents a room
25 from its real estate taxes. Additionally, section 5 of the "Hotel
26 Occupancy Tax Act" allows a hotel owner whose hotel tax
27 receipts exceed the amount of property tax owed in any quarter
28 to carry forward the surplus to the next installment of property
29 taxes owing. Hotel owners in the City of Newark have
30 interpreted this language to allow for a continual carry forward
31 of the surplus. According to the Legal Counsel for the city, the
32 amount of the outstanding carry forward by the hotels is now
33 between \$1.1 and \$1.4 million.

34 By repealing section 5 of the "Hotel Occupancy Tax Act," this
35 bill requires hotel owners to turn over to the City of Newark the
36 proceeds of the 6% hotel tax after the effective date of the act,
37 in addition to paying their real property tax.

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40 LOCAL TAXATION

41
42 Cancels credits accrued under property tax credit section of
43 "Hotel Occupancy Tax Act" and repeals that section of law.

**SENATE COUNTY AND MUNICIPAL
GOVERNMENT COMMITTEE**

STATEMENT TO

SENATE, No. 2135

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 19, 1990

The Senate County and Municipal Government Committee favorably reports Senate Bill No. 2135 with committee amendments.

As amended, this bill cancels any credit balance which has accrued pursuant to the "Hotel Occupancy Tax Act," P.L.1981, c.77 (C.40:48E-1 et seq.). That act allows cities of the first class to impose a 6% occupancy tax on the amount a hotel charges a guest for room rental. The two cities of the first class are Newark and Jersey City, but only Newark has adopted an ordinance to impose the hotel tax.

The amended bill also revises the way in which the amount of hotel use or occupancy tax will be calculated. As amended, the bill requires a hotel owner to pay quarterly either the real property tax due or the hotel use or occupancy tax due, whichever is greater. At the end of the calendar year, the total hotel use or occupancy tax will be adjusted so that, on an annual basis, hotel owners will pay at least their property tax due and payable. Any refunds will be paid to the hotel owner without interest by July 1 of the succeeding year or 15 days after the adoption of the annual budget, whichever is later.

This bill was pre-filed for introduction in the 1990 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.

SENATE SCM COMMITTEE

AMENDMENTS

to

SENATE, No. 2135

(Sponsored by Senator LIPMAN)

REPLACE THE TITLE TO READ:

AN ACT concerning a tax on hotel occupancy in cities of the first class ¹[.] and amending and¹ supplementing P.L.1981, c.77 (C.40:48E-1 et seq.) ¹[and repealing section 5 of P.L.1981, c.77]¹.

OMIT SECTION 1 IN ITS ENTIRETY

INSERT NEW SECTION 1 TO READ:

1. Section 5 of P.L.1981, c.77 (C.40:48E-5) is amended to read as follows:

5. ¹[The owner of any hotel subject to real property taxation shall be permitted to deduct from the real property tax installments, or the payments in lieu of taxes or the service charges due on the hotel for any year the amount of the use or occupancy tax paid on account of the property since the preceding installment. If the deduction is greater than the real property tax due, the surplus shall be credited to the next installment.] a. For any calendar year, the owner of a hotel shall be required to pay an amount equal to the real property tax due or the hotel use or occupancy tax due, whichever is greater, to be calculated as follows:

(1) If the quarterly installment of the real property tax is less than the quarterly installment of the hotel use or occupancy tax, the owner shall be required to pay only the hotel use or occupancy tax,

(2) If the quarterly installment of the real property tax is greater than the quarterly installment of the hotel use or occupancy tax, the owner shall be required to pay the hotel use or occupancy tax, and, in addition, the owner shall be required to make a supplemental payment. For the purposes of this section, "supplemental payment" means an amount equal to the excess of the real property tax installment over the hotel use or occupancy tax installment.

b. At the end of the calendar year, the total hotel use or occupancy tax payments made during the year shall be adjusted as follows:

(1) If the total of the hotel use or occupancy tax payments, excluding any supplemental payments, made during the year exceeds the total real property tax for that year, the city shall refund to the owner the total amount of the supplemental payments, if any, made during the year; or

(2) If the total of the hotel use or occupancy tax payments, excluding any supplemental payments, made during the year does not exceed the total real property tax for the year, and if the total of the hotel use or occupancy tax payments and supplemental payments made during the year does exceed the total real property tax for the year, the city shall refund to the owner the difference between: (a) the total property tax paid and (b) the sum of the hotel or occupancy tax paid plus the supplemental payments paid.

c. The refunds shall be paid to the owner without interest by July 1 of the succeeding year or 15 days after the adoption of the annual budget by the municipal council, whichever is later.

d. No refund shall be made in any year in which the owner has failed to be current in its hotel use or occupancy tax, including any supplemental payments required under this section. For the purposes of this section, "current" means that quarterly installments of tax have been paid in accordance with R.S.54:4-66.¹

^{DK}
(cf: P.L.1981, c.77, s.5)

REPLACE SYNOPSIS TO READ:

Revises calculation of hotel use or occupancy tax.

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Senator LIPMAN

1 AN ACT concerning a tax on hotel occupancy in cities of the first
2 class ¹[,] and amending and¹ supplementing P.L.1981, c.77
3 (C.40:48E-1 et seq.) ¹[and repealing section 5 of P.L.1981,
4 c.77]¹.

5
6 BE IT ENACTED by the Senate and General Assembly of the
7 State of New Jersey:

8 ¹[1. Section 5 of P.L.1981, c.77 (C.40:48E-5) is repealed.]¹

9 ¹1. Section 5 of P.L.1981, c.77 (C.40:48E-5) is amended to
10 read as follows:

11 5. [The owner of any hotel subject to real property taxation
12 shall be permitted to deduct from the real property tax
13 installments, or the payments in lieu of taxes or the service
14 charges due on the hotel for any year the amount of the use or
15 occupancy tax paid on account of the property since the
16 preceding installment. If the deduction is greater than the real
17 property tax due, the surplus shall be credited to the next
18 installment.] a. For any calendar year, the owner of a hotel shall
19 be required to pay an amount equal to the real property tax due
20 or the hotel use or occupancy tax due, whichever is greater, to be
21 calculated as follows:

22 (1) If the quarterly installment of the real property tax is less
23 than the quarterly installment of the hotel use or occupancy tax,
24 the owner shall be required to pay only the hotel use or
25 occupancy tax.

26 (2) If the quarterly installment of the real property tax is
27 greater than the quarterly installment of the hotel use or
28 occupancy tax, the owner shall be required to pay the hotel use or
29 occupancy tax, and, in addition, the owner shall be required to
30 make a supplemental payment. For the purposes of this section,
31 "supplemental payment" means an amount equal to the excess of
32 the real property tax installment over the hotel use or occupancy
33 tax installment.

34 b. At the end of the calendar year, the total hotel use or
35 occupancy tax payments made during the year shall be adjusted
36 as follows:

37 (1) If the total of the hotel use or occupancy tax payments,
38 excluding any supplemental payments, made during the year

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:

¹ Senate SCH committee amendments adopted March 19, 1990.

1 exceeds the total real property tax for that year, the city shall
2 refund to the owner the total amount of the supplemental
3 payments, if any, made during the year; or

4 (2) If the total of the hotel use or occupancy tax payments,
5 excluding any supplemental payments, made during the year does
6 not exceed the total real property tax for the year, and if the
7 total of the hotel use or occupancy tax payments and
8 supplemental payments made during the year does exceed the
9 total real property tax for the year, the city shall refund to the
10 owner the difference between: (a) the total property tax paid and
11 (b) the sum of the hotel or occupancy tax paid plus the
12 supplemental payments paid.

13 c. The refunds shall be paid to the owner without interest by
14 July 1 of the succeeding year or 15 days after the adoption of the
15 annual budget by the municipal council, whichever is later.

16 d. No refund shall be made in any year in which the owner has
17 failed to be current in its hotel use or occupancy tax, including
18 any supplemental payments required under this section. For the
19 purposes of this section, "current" means that quarterly
20 installments of tax have been paid in accordance with
21 R.S.54:4-66.¹

22 (cf: P.L.1981, c.77, s.5)

23 2. Any amounts which have accrued as a surplus prior to the
24 effective date of this act and which have been credited pursuant
25 to section 5 of P.L.1981, c.77 (C.40:48E-5) are hereby cancelled.

26 3. This act shall take effect immediately.

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29 LOCAL TAXATION

30
31 Revises calculation of hotel use or occupancy tax.

03/29/90gmd
05/798

Document ID 287

LG 0019
SR 0081
TR 0111

SENATE Amendments
(Proposed by Senator Lesniak)

to

SENATE, No. 2135Sca (1R)

(Sponsored by Senator Lipman)

ADOPTED
MAR 29 1990

REPLACE THE TITLE TO READ:

AN ACT concerning a tax on hotel occupancy ²[in cities of the first class]² ¹[.] and amending and¹ supplementing P.L.1981, c.77 (C.40:48E-1 et seq.) ¹[and repealing section 5 of P.L.1981, c.77]¹.

INSERT NEW SECTION 3 TO READ:

3. Section 3 of P.L.1981, c.77 (C.40:48E-3) is amended to read as follows:

The governing body of any city of the first class ²or the governing body of any city of the second class in which there is located a terminal of an international airport² may make, amend, repeal and enforce an ordinance imposing in the city a tax, not to exceed 6%, on charges for the use or occupation of rooms in hotels which tax shall be in addition to any other tax imposed by law.

(cf: P.L.1981, c.77, s.3)

RENUMBER SECTION 3 AS SECTION 4

STATEMENT

The purpose of this amendment is to permit the city of Elizabeth to impose a hotel occupancy tax. The sponsor believes this is justified because Elizabeth shares an international airport facility with Newark City which currently has a hotel occupancy tax.

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Senator LIPMAN

1 AN ACT concerning a tax on hotel occupancy ²[in cities of the
2 first class]² ¹[,] and amending and¹ supplementing P.L.1981,
3 c.77 (C.40:48E-1 et seq.) ¹[and repealing section 5 of P.L.1981,
4 c.77]¹.

5
6 BE IT ENACTED by the Senate and General Assembly of the
7 State of New Jersey:

8 ¹[1. Section 5 of P.L.1981, c.77 (C.40:48E-5) is repealed.]¹

9 ¹1. Section 5 of P.L.1981, c.77 (C.40:48E-5) is amended to
10 read as follows:

11 5. [The owner of any hotel subject to real property taxation
12 shall be permitted to deduct from the real property tax
13 installments, or the payments in lieu of taxes or the service
14 charges due on the hotel for any year the amount of the use or
15 occupancy tax paid on account of the property since the
16 preceding installment. If the deduction is greater than the real
17 property tax due, the surplus shall be credited to the next
18 installment.] a. For any calendar year, the owner of a hotel shall
19 be required to pay an amount equal to the real property tax due
20 or the hotel use or occupancy tax due, whichever is greater, to be
21 calculated as follows:

22 (1) If the quarterly installment of the real property tax is less
23 than the quarterly installment of the hotel use or occupancy tax,
24 the owner shall be required to pay only the hotel use or
25 occupancy tax.

26 (2) If the quarterly installment of the real property tax is
27 greater than the quarterly installment of the hotel use or
28 occupancy tax, the owner shall be required to pay the hotel use or
29 occupancy tax, and, in addition, the owner shall be required to
30 make a supplemental payment. For the purposes of this section,
31 "supplemental payment" means an amount equal to the excess of
32 the real property tax installment over the hotel use or occupancy
33 tax installment.

34 b. At the end of the calendar year, the total hotel use or
35 occupancy tax payments made during the year shall be adjusted
36 as follows:

37 (1) If the total of the hotel use or occupancy tax payments,
38 excluding any supplemental payments, made during the year

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:

¹ Senate SCM committee amendments adopted March 19, 1990.

² Senate floor amendments adopted March 29, 1990.

1 exceeds the total real property tax for that year, the city shall
2 refund to the owner the total amount of the supplemental
3 payments, if any, made during the year; or

4 (2) If the total of the hotel use or occupancy tax payments,
5 excluding any supplemental payments, made during the year does
6 not exceed the total real property tax for the year, and if the
7 total of the hotel use or occupancy tax payments and
8 supplemental payments made during the year does exceed the
9 total real property tax for the year, the city shall refund to the
10 owner the difference between: (a) the total property tax paid and
11 (b) the sum of the hotel or occupancy tax paid plus the
12 supplemental payments paid.

13 c. The refunds shall be paid to the owner without interest by
14 July 1 of the succeeding year or 15 days after the adoption of the
15 annual budget by the municipal council, whichever is later.

16 d. No refund shall be made in any year in which the owner has
17 failed to be current in its hotel use or occupancy tax, including
18 any supplemental payments required under this section. For the
19 purposes of this section, "current" means that quarterly
20 installments of tax have been paid in accordance with
21 R.S.54:4-66.¹

22 (cf: P.L.1981, c.77, s.5)

23 2. Any amounts which have accrued as a surplus prior to the
24 effective date of this act and which have been credited pursuant
25 to section 5 of P.L.1981, c.77 (C.40:48E-5) are hereby cancelled.

26 23. Section 3 of P.L.1981, c.77 (C.40:48E-3) is amended to
27 read as follows:

28 3. The governing body of any city of the first class or the
29 governing body of any city of the second class in which there is
30 located a terminal of an international airport may make, amend,
31 repeal and enforce an ordinance imposing in the city a tax, not to
32 exceed 6%, on charges for the use or occupation of rooms in
33 hotels which tax shall be in addition to any other tax imposed by
34 law.²

35 (cf: P.L.1981, c.77, s.3)

36 ²[3.] 4.² This act shall take effect immediately.

37
38
39 LOCAL TAXATION

40
41 Revises calculation of hotel use or occupancy tax.

ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE

STATEMENT TO

[SECOND REPRINT]

SENATE, No. 2135

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MAY 17, 1990

The Assembly Municipal Government committee favorably reports Senate Bill No. 2135(2R) with Assembly committee amendments.

As amended, this bill amends the law to permit the city of Elizabeth to adopt an ordinance to impose a hotel tax. The "Hotel Occupancy Tax Act," P.L.1981, c.77 (C.40:48E-1 et seq.) currently allows cities of the first class to impose up to a six percent occupancy tax on the amount a hotel charges a guest for room rental. The two cities of the first class are Newark and Jersey City, but only Newark has adopted an ordinance to impose the hotel tax. Since Elizabeth shares an international airport facility with Newark it is reasonable to permit Elizabeth to impose a similar hotel occupancy tax.

The amended bill also cancels any credit balance which has accrued pursuant to the "Hotel Occupancy Tax Act" and revises the way in which the amount of hotel use or occupancy tax will be calculated. The amended bill requires a hotel owner to pay quarterly either the real property tax due or the hotel use or occupancy tax due, whichever is greater. At the end of the calendar year, the total hotel use or occupancy tax will be adjusted so that, on an annual basis, hotel owners will pay at least their property tax due and payable. Any refunds will be paid to the hotel owner without interest by July 1 of the succeeding year or 15 days after the adoption of the annual budget, whichever is later.

The committee amended the bill to clarify that the owner of a hotel is only responsible for paying the greater of the hotel use or occupancy tax or the real property tax, but not both taxes. The committee amendment also defines "real property tax" as the payment of ad valorem taxes or payment in lieu of taxes or payment of annual service charges.

As amended, this bill is identical to Assembly Bill No. 3404, with Assembly committee amendments.

ASSEMBLY AMG COMMITTEE

AMENDMENTS

to

ADOPTED

MAY 17 1990

SENATE, No. 2135 (2R)
(Sponsored by Senator Lipman)

REPLACE SECTION 1 TO READ:

~~1. Section 5 of P.L.1981, c.77 (C.40:48E-5) is repealed.~~¹¹

1. Section 5 of P.L.1981, c.77 (C.40:48E-5) is amended to read as follows:

5. [The owner of any hotel subject to real property taxation shall be permitted to deduct from the real property tax installments, or the payments in lieu of taxes or the service charges due on the hotel for any year the amount of the use or occupancy tax paid on account of the property since the preceding installment. If the deduction is greater than the real property tax due, the surplus shall be credited to the next installment.] a. For any calendar year, the owner of a hotel shall be required to pay³ [an amount equal to the real property tax due or the hotel use or occupancy tax due, whichever is greater] the greater of the real property tax (defined to be the payment of ad valorem taxes or payment in lieu of taxes or payment of annual service charges) or the hotel use or occupancy tax³, to be calculated as follows:

(1) If the quarterly installment of the real property tax is less than the quarterly installment of the hotel use or occupancy tax, the owner shall be required to pay only the hotel use or occupancy tax.

(2) If the quarterly installment of the real property tax is greater than the quarterly installment of the hotel use or occupancy tax, the owner shall be required to pay the hotel use or occupancy tax, and, in addition, the owner shall be required to make a supplemental payment. For the purposes of this section, "supplemental payment" means an amount equal to the excess of the real property tax installment over the hotel use or occupancy tax installment.

b. At the end of the calendar year, the total hotel use or occupancy tax payments made during the year shall be adjusted as follows:

(1) If the total of the hotel use or occupancy tax payments, excluding any supplemental payments, made during the year

exceeds the total real property tax for that year, the city shall refund to the owner the total amount of the supplemental payments, if any, made during the year; or

(2) If the total of the hotel use or occupancy tax payments, excluding any supplemental payments, made during the year does not exceed the total real property tax for the year, and if the total of the hotel use or occupancy tax payments and supplemental payments made during the year does exceed the total real property tax for the year, the city shall refund to the owner the difference between: (a) the total property tax paid and (b) the sum of the hotel or occupancy tax paid plus the supplemental payments paid.

c. The refunds shall be paid to the owner without interest by July 1 of the succeeding year or 15 days after the adoption of the annual budget by the municipal council, whichever is later.

d. No refund shall be made in any year in which the owner has failed to be current in its hotel use or occupancy tax, including any supplemental payments required under this section. For the purposes of this section, "current" means that quarterly installments of tax have been paid in accordance with R.S.54:4-66.¹

(cf: P.L.1981, c.77, s.5)

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

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35 tax installment.

36 b. At the end of the calendar year, the total hotel use or
37 occupancy tax payments made during the year shall be adjusted
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² Senate floor amendments adopted March 29, 1990.

³ Assembly AMG committee amendments adopted May 17, 1990.

1 (1) If the total of the hotel use or occupancy tax payments,
2 excluding any supplemental payments, made during the year
3 exceeds the total real property tax for that year, the city shall
4 refund to the owner the total amount of the supplemental
5 payments, if any, made during the year; or

6 (2) If the total of the hotel use or occupancy tax payments,
7 excluding any supplemental payments, made during the year does
8 not exceed the total real property tax for the year, and if the
9 total of the hotel use or occupancy tax payments and
10 supplemental payments made during the year does exceed the
11 total real property tax for the year, the city shall refund to the
12 owner the difference between: (a) the total property tax paid and
13 (b) the sum of the hotel or occupancy tax paid plus the
14 supplemental payments paid.

15 c. The refunds shall be paid to the owner without interest by
16 July 1 of the succeeding year or 15 days after the adoption of the
17 annual budget by the municipal council, whichever is later.

18 d. No refund shall be made in any year in which the owner has
19 failed to be current in its hotel use or occupancy tax, including
20 any supplemental payments required under this section. For the
21 purposes of this section, "current" means that quarterly
22 installments of tax have been paid in accordance with
23 R.S.54:4-66.¹

24 (cf: P.L.1981, c.77, s.5)

25 2. Any amounts which have accrued as a surplus prior to the
26 effective date of this act and which have been credited pursuant
27 to section 5 of P.L.1981, c.77 (C.40:48E-5) are hereby cancelled.

28 ²3. Section 3 of P.L.1981, c.77 (C.40:48E-3) is amended to
29 read as follows:

30 3. The governing body of any city of the first class or the
31 governing body of any city of the second class in which there is
32 located a terminal of an international airport may make, amend,
33 repeal and enforce an ordinance imposing in the city a tax, not to
34 exceed 6%, on charges for the use or occupation of rooms in
35 hotels which tax shall be in addition to any other tax imposed by
36 law.²

37 (cf: P.L.1981, c.77, s.3)

38 ²[3.] 4.² This act shall take effect immediately.

41 LOCAL TAXATION

42
43 Revises calculation of hotel use or occupancy tax.



OFFICE OF THE GOVERNOR

NEWS RELEASE

CN-001

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Release: WEDNESDAY
FEBRUARY 20, 1991

ADVISORY

Governor Jim Florio signed the following bills:

S-1346: Sponsored by Senator O'Connor

This bill clarifies the provisions of New Jersey law governing the inheritance procedures for children born out of wedlock. There is currently an inconsistency between the law governing estates and the law defining the relationship between a parent and a child born out of wedlock (the "New Jersey Parentage Act"). This bill establishes that inheritance procedures will be governed by the "New Jersey Parentage Act," which grants equal rights to all children and which sets up a procedure to determine parentage in disputed cases. This change was recommended by the New Jersey Law Review Commission.

S-2462/A-305: Sponsored by Senator Lesniak and Assemblymen Shinn and Duch

This bill extends the expiration date of Pinelands development credits and Pinelands development guarantees from December 31, 1990 to December 31, 1992. The Pinelands Development Credit Bank was established to provide a mechanism to transfer development from environmentally sensitive areas to targetted growth areas. The program allows landowners to sell development credits to developers who can use them to build more in growth areas than would normally be permitted. Landowners in sensitive areas are allocated credits that they can either use to develop a residential property or to sell to a developer. This bill simply provides more time for the program to work.

S-2135/A-3404: Sponsored by Senators Lipman and Assemblymen Mattison and Beverin

This bill revises the method of calculation for the hotel use and occupancy tax. It provides that the hotel owner will pay the greater of either the real property tax on the value of the property or the hotel use and occupancy tax.

The bill applies to cities of the first class or to a city of the second class with an international air terminal. A city must pass an ordinance to impose the hotel tax. Currently, only Newark imposes the tax.