



<b>COMMITTEE STATEMENT:</b> (Commerce)	<b>ASSEMBLY:</b>	Yes	9-21-2000
			3-22-2001 (Approp.)
	<b>SENATE:</b>	No	
<b>FLOOR AMENDMENT STATEMENTS:</b>		No	
<b>LEGISLATIVE FISCAL NOTE:</b>		Yes	
<b>VETO MESSAGE:</b>		No	
<b>GOVERNOR'S PRESS RELEASE ON SIGNING:</b>		No	

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<b>REPORTS:</b>	No
<b>HEARINGS:</b>	No
<b>NEWSPAPER ARTICLES:</b>	No

**SENATE, No. 1261**

**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

INTRODUCED MAY 11, 2000

**Sponsored by:**

**Senator JOHN O. BENNETT**

**District 12 (Monmouth)**

**Co-Sponsored by:**

**Senator Adler**

**SYNOPSIS**

Exempts sale and repair of limousines from sales and use tax.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 5/26/2000)**

S1261 BENNETT

2

1 AN ACT providing an exemption from the sales and use tax for the sale  
2 or repair of limousines, supplementing P.L.1966, c.30 (C.54:32B-1  
3 et seq.).

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

7  
8 1. Receipts from the sale of a limousine to a person licensed under  
9 R.S.48:16-17 to operate a limousine service, and receipts from the  
10 repair, including replacement parts and labor, of a limousine operated  
11 by a person so licensed or by a person licensed under the laws of  
12 another state or the United States to operate a limousine service, are  
13 exempt from the tax imposed under the "Sales and Use Tax Act." For  
14 the purposes of this section, "limousine" means a motor vehicle used  
15 in the business of carrying passengers for hire to provide prearranged  
16 passenger transportation at a premium fare on a dedicated,  
17 nonscheduled, charter basis that is not conducted on a regular route  
18 and with a seating capacity in no event of more than 14 passengers,  
19 not including the driver, providing, that such a motor vehicle shall not  
20 have a seating capacity in excess of four passengers, not including the  
21 driver, beyond the maximum passenger seating capacity of the vehicle,  
22 not including the driver, at the time of manufacture. "Limousine" shall  
23 not include any taxicab, hotel or airport shuttle or bus, or bus  
24 employed solely in transporting schoolchildren or teachers to and from  
25 school, or any vehicle owned and operated without charge or  
26 remuneration by a business entity for its own purposes.

27  
28 2. This act shall take effect immediately, but section 1 shall remain  
29 inoperative until the first day of the second month following  
30 enactment.

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STATEMENT

34

35 This bill exempts from the sales and use tax all receipts from (1) the  
36 sale of limousines to any limousine service operator licensed in New  
37 Jersey (for New Jersey sales tax purposes, "sale" includes rentals and  
38 leases), and (2) the repair, including replacement parts and labor, of  
39 limousines operated by any limousine service operator, wherever  
40 licensed.

41 This legislation restores to licensed limousine operators an  
42 exemption from sales tax that they previously enjoyed under  
43 N.J.S.A.54:32B-8.31, which covered sales and repair of commercial  
44 vehicles generally. The prior exemption was repealed by P.L.1990,  
45 c.40, then partially restored under separate legislation (P.L.1990,  
46 c.115) covering commercial trucks, truck tractors, tractors and

**S1261 BENNETT**

3

1 semitrailers, but not limousines.

2 The sponsor notes that over 80% of the New Jersey limousine

3 industry consists of small businesses.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 1261

# STATE OF NEW JERSEY

DATED: JUNE 22, 2000

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1261.

This bill exempts from the sales and use tax all receipts from (1) the sale of limousines to any limousine service operator licensed in New Jersey (for New Jersey sales tax purposes, "sale" includes rentals and leases), and (2) the repair, including replacement parts and labor, of limousines operated by any limousine service operator, wherever licensed.

#### FISCAL IMPACT

The information necessary to estimate the cost of this legislation with certainty is unavailable. A general idea of that cost, however, can perhaps be suggested. It appears that there are some 15,000 individuals licensed in New Jersey to operate limousine services. If it were assumed that each of these licensed services maintains a single limousine costing \$30,000, and that an average of 10% of those limousines are replaced annually, the dollar volume of limousine sales exempted from tax under the bill would be roughly \$45 million per year. On these assumptions, at a tax rate of 6% the annual loss in State sales tax revenue resulting from the exemption of vehicle sales alone would approximate \$2.7 million. It is likely that this estimate understates the true cost of the legislation, since (1) the assumptions on which the estimate is based appear conservative, and (2) the estimate takes no account of limousine repair costs, which would also be exempt from sales tax under the measure.

STATEMENT TO  
**SENATE, No. 1261**

with Senate Floor Amendments  
(Proposed By Senator BENNETT)

ADOPTED: OCTOBER 2, 2000

These amendments to this bill, which generally exempts the cost of the purchase or repair of limousines by limousine service operators from the sales and use tax, would:

(1) delete the cost of labor from the scope of the exemption for repairs; and

(2) incorporate language to clarify that the exemption applies only to limousines that are (a) specially registered as such by the New Jersey Division of Motor Vehicles or by another state or the United States, and (b) used exclusively to provide prearranged passenger transportation services for hire.

[First Reprint]

**SENATE, No. 1261**

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**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

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INTRODUCED MAY 11, 2000

**Sponsored by:**

**Senator JOHN O. BENNETT**

**District 12 (Monmouth)**

**Co-Sponsored by:**

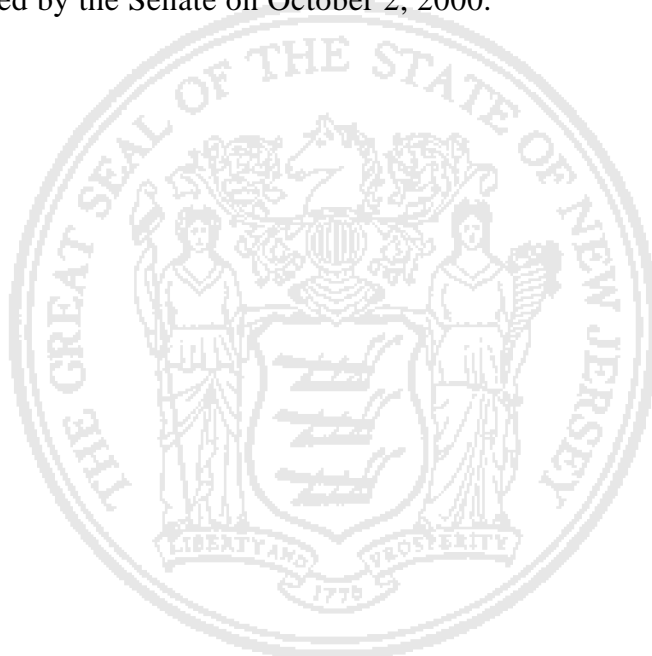
**Senator Adler, Assemblymen LeFevre, Jones, Lance, Malone and Zisa**

**SYNOPSIS**

Exempts sale and repair of limousines from sales and use tax.

**CURRENT VERSION OF TEXT**

As amended by the Senate on October 2, 2000.



**(Sponsorship Updated As Of: 3/30/2001)**



S1261 [1R] BENNETT

2

1 AN ACT providing an exemption from the sales and use tax for the sale  
2 or repair of limousines, supplementing P.L.1966, c.30 (C.54:32B-1  
3 et seq.).

4

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

7

8 1. Receipts from the sale of a limousine to a person licensed under  
9 R.S.48:16-17 to operate a limousine service, and receipts from the  
10 repair, including replacement parts <sup>1</sup>[and labor]<sup>1</sup>, of a limousine  
11 operated by a person so licensed or by a person licensed under the  
12 laws of another state or the United States to operate a limousine  
13 service, are exempt from the tax imposed under the "Sales and Use  
14 Tax Act." For the purposes of this section, "limousine" means a motor  
15 vehicle <sup>1</sup>registered under the provisions of section 12 of P.L.1979,  
16 c.224 (C.39:3-19.5) or registered as a limousine under the laws of  
17 another state or the United States and<sup>1</sup> used <sup>1</sup>exclusively<sup>1</sup> in the  
18 business of carrying passengers for hire to provide prearranged  
19 passenger transportation at a premium fare on a dedicated,  
20 nonscheduled, charter basis that is not conducted on a regular route  
21 and with a seating capacity in no event of more than 14 passengers,  
22 not including the driver, providing, that such a motor vehicle shall not  
23 have a seating capacity in excess of four passengers, not including the  
24 driver, beyond the maximum passenger seating capacity of the vehicle,  
25 not including the driver, at the time of manufacture. "Limousine" shall  
26 not include any taxicab, hotel or airport shuttle or bus, or bus  
27 employed solely in transporting schoolchildren or teachers to and from  
28 school, or any vehicle owned and operated without charge or  
29 remuneration by a business entity for its own purposes.

30

31 2. This act shall take effect immediately, but section 1 shall remain  
32 inoperative until the first day of the second month following  
33 enactment.

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and 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 October 2, 2000.

**FISCAL NOTE**  
 [First Reprint]  
**SENATE, No. 1261**  
**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

DATED: NOVEMBER 15, 2000

**SUMMARY**

**Synopsis:** Exempts sale and repair of limousines from sales and use tax.  
**Type of Impact:** Reduction in State revenue to the General Fund.  
**Agencies Affected:** Department of the Treasury.

**Executive Estimate**

<b>Fiscal Impact</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>State Revenue</b>	(Indeterminate loss)	(Indeterminate loss)	(Indeterminate loss)

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>State Revenue</b>	(\$1 to \$3.75 million)	(\$1 to \$3.75 million)	(\$1 to \$3.75 million)

- ! This bill exempts receipts from the sale of a limousine to a New Jersey-licensed limousine service operator from the State sales tax. The bill includes a further exemption from the tax for receipts from the repair of a limousine operated by any licensed operator.
- ! The Office of Legislative Services (OLS) **concurs** with the Department that there is no tax information on which to base an estimate of the fiscal impact of this legislation. However data obtained by OLS from the limousine industry and from the New Jersey Division of Motor Vehicles suggest that the revenue loss to the State would be between about \$1 million and \$3.75 million per year.

**BILL DESCRIPTION**

Senate Bill No. 1261 (1R) of 2000 revises the "Sales and Use Tax Act" to provide an exemption from the tax for receipts from (1) the sale of a limousine to a New Jersey-licensed limousine service operator, and (2) repair of a limousine operated by any limousine service operator, wherever licensed. For the sale or repair to qualify for the exemption, the vehicle in question would have to be registered as a limousine (in New Jersey or elsewhere) and used

exclusively in the business of providing prearranged passenger transportation at a premium fare on a dedicated, nonscheduled, charter basis.

## FISCAL ANALYSIS

### *EXECUTIVE BRANCH*

The Division of Taxation indicates that no data is available from which to estimate the loss of revenue to the State that would result from the enactment of this legislation.

### *OFFICE OF LEGISLATIVE SERVICES*

The Office of Legislative Services (OLS) concurs that no distinct tax data are available from which to estimate with precision the potential cost of this bill. The OLS believes, however, that other data suggest that the revenue impact of the legislation could fall somewhere between \$1 million and well over \$3 million per year.

*Exemption of sales.* The Division of Motor Vehicles (DMV) indicates that the total number of vehicles licensed in New Jersey as "livery" vehicles -- the vast majority of which are limousines -- fluctuates substantially, but most recently stood at roughly 10,000. The Division has no data on the number of newly purchased vehicles that is included in this figure. A recent issue of a trade publication of the limousine and chauffeured transportation industry, however, reported research findings that the number of stretch limousines that operators purchased nationwide in 1998 included some 4,900 new vehicles and some 4,100 used vehicles, or a total of roughly 9,000 stretch limousines. The report also indicated that operators' fleets include roughly equal numbers of stretch limousines and sedans, suggesting total nationwide annual sales of vehicles for use in limousine service of approximately 18,000. If New Jersey limousine sales account for the same proportion of all U.S. sales as the State's population does of the national population (3 percent), then the number of limousine sales in this State is roughly 540 per year. If it is assumed that the average cost of a limousine service vehicle (including sedans) is \$30,000, then at the current sales tax rate of 6 percent, the revenue loss to the State on the sale of limousines that would result from enactment of this legislation would be about \$970,000 annually.

There is, however, an alternative analysis that may better reflect the likelihood that New Jersey, as a highly developed, high income state, accounts for a disproportionately large share of the national limousine industry, and thus of national limousine sales. In the absence of more definite information, it seems reasonable to assume a replacement rate for limousines of roughly once every five years, or 20 percent annually. Applying this rate to the size of the Statewide fleet indicated by the DMV registration figures indicates annual turnover of 2,000 vehicles; again using a per-vehicle cost of \$30,000 and 6 percent sales tax rate yields an estimated annual revenue loss on vehicle sales of roughly \$3.6 million.

*Exemption of repairs.* The OLS has no information on the amount that limousine service operators annually expend on repair of their vehicles. If, however, it is assumed that the average vehicle licensed as a "livery" vehicle sustains sufficiently strenuous use to require \$250 per year in repairs, receipts from those repairs to all 10,000 vehicles so licensed would amount to \$2.5 million annually. The revenue loss that would result from exempting that amount from sales tax would be \$150,000 per year.

*Total.* The foregoing analysis indicates that the range within which the cost of this legislation falls is from somewhat over \$1 million to as much as \$3.75 million per year.

Section: *Revenue, Finance and Appropriations*

Analyst: *Donald S. Margeson*  
*Principal Research Analyst*

Approved: *Alan R. Kooney*  
*Legislative Budget and Finance Officer*

This fiscal note has been prepared pursuant to P.L.1980, c.67.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

**SENATE, No. 1261**

**STATE OF NEW JERSEY**

DATED: MARCH 22, 2001

The Assembly Appropriations Committee reports favorably Senate Bill No. 1261 (1R).

Senate Bill No. 1261 (1R) exempts from the sales and use tax all receipts from the sale of motor vehicles registered as limousines to a limousine service operator licensed in New Jersey. For New Jersey sales tax purposes, "sale" includes rentals and leases.

The bill also exempts from sales and use tax the receipts from the repairs of limousines, including replacement parts for limousines but not the cost of labor in the repair, wherever the limousine service operator is licensed.

As reported, this bill is identical to Assembly Bill No. 2366 as amended and reported by the committee.

FISCAL IMPACT

Data obtained by from the limousine industry and from the New Jersey Division of Motor Vehicles suggest that the revenue loss to the State would be between about \$1 million and \$3.75 million per year.

# ASSEMBLY, No. 2366

## STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED MAY 8, 2000

**Sponsored by:**

**Assemblyman KENNETH C. LEFEVRE**

**District 2 (Atlantic)**

**Assemblyman LEROY J. JONES, JR.**

**District 27 (Essex)**

**Co-Sponsored by:**

**Assemblymen Lance, Malone and Zisa**

**SYNOPSIS**

Exempts sale and repair of limousines from sales and use tax.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/6/2000)**

1 AN ACT providing an exemption from the sales and use tax for the sale  
2 or repair of limousines, supplementing P.L.1966, c.30 (C.54:32B-1  
3 et seq.).

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

7  
8 1. Receipts from the sale of a limousine to a person licensed under  
9 R.S.48:16-17 to operate a limousine service, and receipts from the  
10 repair, including replacement parts and labor, of a limousine operated  
11 by a person so licensed or by a person licensed under the laws of  
12 another state or the United States to operate a limousine service, are  
13 exempt from the tax imposed under the "Sales and Use Tax Act." For  
14 the purposes of this section, "limousine" means a motor vehicle used  
15 in the business of carrying passengers for hire to provide prearranged  
16 passenger transportation at a premium fare on a dedicated,  
17 nonscheduled, charter basis that is not conducted on a regular route  
18 and with a seating capacity in no event of more than 14 passengers,  
19 not including the driver, providing, that such a motor vehicle shall not  
20 have a seating capacity in excess of four passengers, not including the  
21 driver, beyond the maximum passenger seating capacity of the vehicle,  
22 not including the driver, at the time of manufacture. "Limousine" shall  
23 not include any taxicab, hotel or airport shuttle or bus, or bus  
24 employed solely in transporting schoolchildren or teachers to and from  
25 school, or any vehicle owned and operated without charge or  
26 remuneration by a business entity for its own purposes.

27  
28 2. This act shall take effect immediately, but section 1 shall remain  
29 inoperative until the first day of the second month following  
30 enactment.

31

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STATEMENT

34

35 This bill exempts from the sales and use tax all receipts from (1) the  
36 sale of limousines to any limousine service operator licensed in New  
37 Jersey (for New Jersey sales tax purposes, "sale" includes rentals and  
38 leases), and (2) the repair, including replacement parts and labor, of  
39 limousines operated by any limousine service operator, wherever  
40 licensed.

41 This legislation restores to licensed limousine operators an  
42 exemption from sales tax that they previously enjoyed under  
43 N.J.S.A.54:32B-8.31, which covered sales and repair of commercial  
44 vehicles generally. The prior exemption was repealed by P.L.1990,  
45 c.40, then partially restored under separate legislation (P.L.1990,

**A2366 LEFEVRE, JONES**

3

1 c.115) covering commercial trucks, truck tractors, tractors and  
2 semitrailers, but not limousines.

3 The sponsor notes that over 80% of the New Jersey limousine  
4 industry consists of small businesses.



ASSEMBLY COMMERCE, TOURISM, GAMING AND  
MILITARY AND VETERANS' AFFAIRS COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 2366**

**STATE OF NEW JERSEY**

DATED: SEPTEMBER 21, 2000

The Assembly Commerce, Tourism, Gaming and Military and Veterans' Affairs Committee reports favorably Assembly, No. 2366.

This bill exempts from the sales and use tax all receipts from (1) the sale of limousines to any limousine service operator licensed in New Jersey (for New Jersey sales tax purposes, "sale" includes rentals and leases), and (2) the repair, including replacement parts and labor, of limousines operated by any limousine service operator, wherever licensed.

This legislation restores to licensed limousine operators an exemption from sales tax that they previously enjoyed under N.J.S.A.54:32B-8.31, which covered sales and repair of commercial vehicles generally. The prior exemption was repealed by P.L.1990, c.40, then partially restored under separate legislation (P.L.1990, c.115) covering commercial trucks, truck tractors, tractors and semitrailers, but not limousines.

The sponsor of the bill informed the committee that discussions with the Division of Taxation will continue to resolve certain outstanding issues.

As reported, this bill is identical to Senate, No. 1261 of 2000.

**FISCAL NOTE**  
**ASSEMBLY, No. 2366**  
**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

DATED: NOVEMBER 15, 2000

**SUMMARY**

**Synopsis:** Exempts sale and repair of limousines from sales and use tax.  
**Type of Impact:** Reduction in State revenue to the General Fund.  
**Agencies Affected:** Department of the Treasury.

**Executive Estimate**

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost</b>	(Indeterminate loss)	(Indeterminate loss)	(Indeterminate loss)

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost</b>	(\$1 to \$3.9 million)	(\$1 to \$3.9 million)	(\$1 to \$3.9 million)

- ! This bill exempts receipts from the sale of a limousine to a New Jersey-licensed limousine service operator from the State sales tax. The bill includes a further exemption from the tax for receipts from the repair of a limousine operated by any licensed operator.
- ! The Office of Legislative Services (OLS) **concurs** with the Department that there is no tax information on which to base an estimate of the fiscal impact of this legislation. However data obtained by OLS from the limousine industry and from the New Jersey Division of Motor Vehicles suggest that the revenue loss to the State would be between about \$1 million and \$3.9 million per year.

**BILL DESCRIPTION**

Assembly Bill No. 2366 of 2000 revises the "Sales and Use Tax Act" to provide an exemption from the tax for receipts from (1) the sale of a limousine to a New Jersey-licensed limousine service operator, and (2) repair -- including labor as well as replacement parts -- of a limousine operated by any limousine service operator, wherever licensed. For the sale or repair to qualify for the exemption, the vehicle in question would have to be registered as a limousine (in New Jersey or elsewhere) and used exclusively in the business of providing

prearranged passenger transportation at a premium fare on a dedicated, nonscheduled, charter basis.

## FISCAL ANALYSIS

### *EXECUTIVE BRANCH*

The Division of Taxation indicates that no data is available from which to estimate the loss of revenue to the State that would result from the enactment of this legislation.

### *OFFICE OF LEGISLATIVE SERVICES*

The Office of Legislative Services (OLS) concurs that no distinct tax data are available from which to estimate with precision the potential cost of this bill. The OLS believes, however, that other data suggest that the revenue impact of the legislation could fall somewhere between \$1 million and close to \$4 million per year.

*Exemption of sales.* The Division of Motor Vehicles (DMV) indicates that the total number of vehicles licensed in New Jersey as "livery" vehicles -- the vast majority of which are limousines -- fluctuates substantially, but most recently stood at roughly 10,000. The Division has no data on the number of newly purchased vehicles that is included in this figure. A recent issue of a trade publication of the limousine and chauffeured transportation industry, however, reported research findings that the number of stretch limousines that operators purchased nationwide in 1998 included some 4,900 new vehicles and some 4,100 used vehicles, or a total of roughly 9,000 stretch limousines. The report also indicated that operators' fleets include roughly equal numbers of stretch limousines and sedans, suggesting total nationwide annual sales of vehicles for use in limousine service of approximately 18,000. If New Jersey limousine sales account for the same proportion of all U.S. sales as the State's population does of the national population (3 percent), then the number of limousine sales in this State is roughly 540 per year. If it is assumed that the average cost of a limousine service vehicle (including sedans) is \$30,000, then at the current sales tax rate of 6 percent, the revenue loss to the State on the sale of limousines that would result from enactment of this legislation would be about \$970,000 annually.

There is, however, an alternative analysis that may better reflect the likelihood that New Jersey, as a highly developed, high income state, accounts for a disproportionately large share of the national limousine industry, and thus of national limousine sales. In the absence of more definite information, it seems reasonable to assume a replacement rate for limousines of roughly once every five years, or 20 percent annually. Applying this rate to the size of the Statewide fleet indicated by the DMV registration figures indicates annual turnover of 2,000 vehicles; again using a per-vehicle cost of \$30,000 and 6 percent sales tax rate yields an estimated annual revenue loss on vehicle sales of roughly \$3.6 million.

*Exemption of repairs.* The OLS has no information on the amount that limousine service operators annually expend on repair of their vehicles. If, however, it is assumed that the average vehicle licensed as a "livery" vehicle sustains sufficiently strenuous use to require \$500 per year in repairs (including labor), receipts from those repairs to all 10,000 vehicles so licensed would amount to \$5 million annually. The revenue loss that would result from exempting that amount from sales tax would be \$300,000 per year.

*Total.* The foregoing analysis indicates that the range within which the cost of this legislation falls is from somewhat over \$1 million to as much as \$3.9 million per year.

Section: *Revenue, Finance and Appropriations*

Analyst: *Donald S. Margeson*  
*Principal Research Analyst*

Approved: *Alan R. Kooney*  
*Legislative Budget and Finance Officer*

This fiscal note has been prepared pursuant to P.L.1980, c.67.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 2366**

with Assembly committee amendments

# **STATE OF NEW JERSEY**

DATED: MARCH 22, 2001

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2366 with committee amendments.

Assembly Bill No. 2366, as amended, exempts from the sales and use tax all receipts from the sale of motor vehicles registered as limousines to a limousine service operator licensed in New Jersey. For New Jersey sales tax purposes, "sale" includes rentals and leases.

The bill also exempts from sales and use tax the receipts from the repairs of limousines, including replacement parts for limousines but not the cost of labor in the repair, wherever the limousine service operator is licensed.

As amended and reported, this bill is identical to Senate Bill No. 1261 (1R) as also reported by the committee.

#### FISCAL IMPACT

Data obtained by from the limousine industry and from the New Jersey Division of Motor Vehicles suggest that the revenue loss to the State would be between about \$1 million and \$3.75 million per year.

#### COMMITTEE AMENDMENTS:

The amendments delete a provision that would otherwise have included the cost of labor in the scope of the exemption for repairs; as amended, the repair exemption covers the cost of replacement parts.

The amendments also clarify the exemption for sales of limousines. The amendments incorporate language to clarify that the exemption applies only to limousines that are (a) specially registered as such by the New Jersey Division of Motor Vehicles or by another state or the United States, and (b) used exclusively to provide prearranged passenger transportation services for hire.

[First Reprint]

**ASSEMBLY, No. 2366**

**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

INTRODUCED MAY 8, 2000

**Sponsored by:**

**Assemblyman KENNETH C. LEFEVRE**

**District 2 (Atlantic)**

**Assemblyman LEROY J. JONES, JR.**

**District 27 (Essex)**

**Co-Sponsored by:**

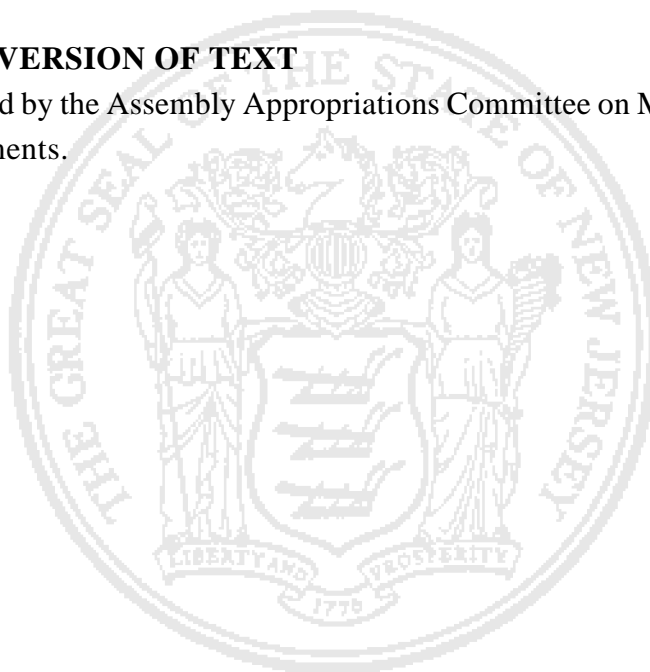
**Assemblymen Lance, Malone and Zisa**

**SYNOPSIS**

Exempts sale and repair of limousines from sales and use tax.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Appropriations Committee on March 22, 2001,  
with amendments.



**(Sponsorship Updated As Of: 6/6/2000)**

1 AN ACT providing an exemption from the sales and use tax for the sale  
2 or repair of limousines, supplementing P.L.1966, c.30 (C.54:32B-1  
3 et seq.).

4

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

7

8 1. Receipts from the sale of a limousine to a person licensed under  
9 R.S.48:16-17 to operate a limousine service, and receipts from the  
10 repair, including replacement parts <sup>1</sup>[and labor]<sup>1</sup>, of a limousine  
11 operated by a person so licensed or by a person licensed under the  
12 laws of another state or the United States to operate a limousine  
13 service, are exempt from the tax imposed under the "Sales and Use  
14 Tax Act." For the purposes of this section, "limousine" means a motor  
15 vehicle <sup>1</sup>registered under the provisions of section 12 of P.L.1979,  
16 c.224 (C.39:3-19.5) or registered as a limousine under the laws of  
17 another state or the United States and<sup>1</sup> used <sup>1</sup>exclusively<sup>1</sup> in the  
18 business of carrying passengers for hire to provide prearranged  
19 passenger transportation at a premium fare on a dedicated,  
20 nonscheduled, charter basis that is not conducted on a regular route  
21 and with a seating capacity in no event of more than 14 passengers,  
22 not including the driver, providing, that such a motor vehicle shall not  
23 have a seating capacity in excess of four passengers, not including the  
24 driver, beyond the maximum passenger seating capacity of the vehicle,  
25 not including the driver, at the time of manufacture. "Limousine" shall  
26 not include any taxicab, hotel or airport shuttle or bus, or bus  
27 employed solely in transporting schoolchildren or teachers to and from  
28 school, or any vehicle owned and operated without charge or  
29 remuneration by a business entity for its own purposes.

30

31 2. This act shall take effect immediately, but section 1 shall remain  
32 inoperative until the first day of the second month following  
33 enactment.

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and 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> Assembly AAP committee amendments adopted March 22, 2001.

P.L. 2001, CHAPTER 90, *approved May 10, 2001*  
Senate, No. 1261 (*First Reprint*)

1 **AN ACT** providing an exemption from the sales and use tax for the sale  
2 or repair of limousines, supplementing P.L.1966, c.30 (C.54:32B-1  
3 et seq.).  
4

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

8 1. Receipts from the sale of a limousine to a person licensed under  
9 R.S.48:16-17 to operate a limousine service, and receipts from the  
10 repair, including replacement parts <sup>1</sup>[and labor]<sup>1</sup>, of a limousine  
11 operated by a person so licensed or by a person licensed under the  
12 laws of another state or the United States to operate a limousine  
13 service, are exempt from the tax imposed under the "Sales and Use  
14 Tax Act." For the purposes of this section, "limousine" means a motor  
15 vehicle <sup>1</sup>registered under the provisions of section 12 of P.L.1979,  
16 c.224 (C.39:3-19.5) or registered as a limousine under the laws of  
17 another state or the United States and<sup>1</sup> used <sup>1</sup>exclusively<sup>1</sup> in the  
18 business of carrying passengers for hire to provide prearranged  
19 passenger transportation at a premium fare on a dedicated,  
20 nonscheduled, charter basis that is not conducted on a regular route  
21 and with a seating capacity in no event of more than 14 passengers,  
22 not including the driver, providing, that such a motor vehicle shall not  
23 have a seating capacity in excess of four passengers, not including the  
24 driver, beyond the maximum passenger seating capacity of the vehicle,  
25 not including the driver, at the time of manufacture. "Limousine" shall  
26 not include any taxicab, hotel or airport shuttle or bus, or bus  
27 employed solely in transporting schoolchildren or teachers to and from  
28 school, or any vehicle owned and operated without charge or  
29 remuneration by a business entity for its own purposes.  
30

31 2. This act shall take effect immediately, but section 1 shall remain  
32 inoperative until the first day of the second month following  
33 enactment.  
34

35  
36  
37  
38 Exempts sale and repair of limousines from sales and use tax.

**EXPLANATION** - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and 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 October 2, 2000.



## CHAPTER 90

AN ACT providing an exemption from the sales and use tax for the sale or repair of limousines, supplementing P.L.1966, c.30 (C.54:32B-1 et seq.).

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

C.54:32B-8.52 Certain receipts for purchase, repair of limousine, tax, exempt.

1. Receipts from the sale of a limousine to a person licensed under R.S.48:16-17 to operate a limousine service, and receipts from the repair, including replacement parts, of a limousine operated by a person so licensed or by a person licensed under the laws of another state or the United States to operate a limousine service, are exempt from the tax imposed under the "Sales and Use Tax Act." For the purposes of this section, "limousine" means a motor vehicle registered under the provisions of section 12 of P.L.1979, c.224 (C.39:3-19.5) or registered as a limousine under the laws of another state or the United States and used exclusively in the business of carrying passengers for hire to provide prearranged passenger transportation at a premium fare on a dedicated, nonscheduled, charter basis that is not conducted on a regular route and with a seating capacity in no event of more than 14 passengers, not including the driver, providing, that such a motor vehicle shall not have a seating capacity in excess of four passengers, not including the driver, beyond the maximum passenger seating capacity of the vehicle, not including the driver, at the time of manufacture. "Limousine" shall not include any taxicab, hotel or airport shuttle or bus, or bus employed solely in transporting schoolchildren or teachers to and from school, or any vehicle owned and operated without charge or remuneration by a business entity for its own purposes.

2. This act shall take effect immediately, but section 1 shall remain inoperative until the first day of the second month following enactment.

Approved May 10, 2001.