

54:32B-8.39

LEGISLATIVE HISTORY CHECKLIST  
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NJSA: 54:32B-8.39 (Sales & use tax--printing  
& advertising)

LAWS OF: 1985 CHAPTER: 24

Bill No: A2282

Sponsor(s): Watson and others

Date Introduced: June 25, 1984

Committee: Assembly: Revenue, Finance & Appropriations

Senate:

Amended during passage: Yes Amendments during passage  
denoted by asterisks

Date of Passage: Assembly: December 6, 1984

Senate: December 17, 1984

Date of Approval: January 25, 1985

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: Yes

Senate: No

Fiscal Note: No

Veto Message: No

Message on signing: Yes

Following were printed:

Reports: No

Hearings: No

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CHAPTER 24 LAWS OF N. J. 1985  
APPROVED 1-25-85

[OFFICIAL COPY REPRINT]  
ASSEMBLY, No. 2282

# STATE OF NEW JERSEY

INTRODUCED JUNE 25, 1984

By Assemblymen WATSON, HARDWICK, ZECKER, FOY and  
Assemblywoman FORD

A SUPPLEMENT to the "Sales and Use Tax Act," approved April 27,  
1966 (P. L. 1966, c. 30; C. 54:32B-1 et seq.).

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

1 1. Receipts from **\*[charges for the printing or production]\***  
2 *\*sales\** of advertising or promotional materials which are prepared  
3 within or outside of the State of New Jersey for distribution by a  
4 New Jersey direct-mail advertising or promotional firm to  
5 **\*[persons who are not residents of this State]\*** *\*out-of-State*  
6 *recipients\** are exempt from the tax imposed under Sales and Use  
7 Tax Act. The exemption provided by this section shall apply to  
8 receipts from charges for the printing or production of advertising  
9 and promotional materials whether prepared in, or shipped into  
10 New Jersey after preparation and stored for subsequent shipment  
11 to out-of-State customers.

1 2. This act shall take effect immediately.

**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 printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

\*—Assembly committee amendments adopted October 22, 1984.

**ASSEMBLY, No. 2282**

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**STATE OF NEW JERSEY**

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2 vertising or promotional materials which are prepared within or  
3 outside of the State of New Jersey for distribution by a New Jersey  
4 direct-mail advertising or promotional firm to persons who are  
5 not residents of this State are exempt from the tax imposed under  
6 Sales and Use Tax Act. The exemption provided by this section  
7 shall apply to receipts from charges for the printing or production  
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9 shipped into New Jersey after preparation and stored for subse-  
10 quent shipment to out-of-State customers.

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**STATEMENT**

The purpose of this bill is to exempt from the sales and use tax all receipts from charges for the printing or production of advertising or promotional materials which are prepared within or outside of the State of New Jersey for distribution by a New Jersey direct-mail advertising or promotional firm to persons who are not residents of this State. Direct mail houses are placed at a severe competitive disadvantage with direct mail direct houses in surrounding states.

ASSEMBLY REVENUE, FINANCE AND APPROPRIATIONS  
COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 2282**  
with Assembly committee amendments

**STATE OF NEW JERSEY**

DATED: OCTOBER 22, 1984

PROVISIONS:

Assembly Bill No. 2282 as amended provides for an exemption under the Sales and Use Tax Act of all receipts from charges for the printing or production of advertising or promotional materials, prepared within or outside the State, for distribution to out-of-state customers by a New Jersey direct-mail advertising or promotional firm.

BACKGROUND:

The major concern pertains to the "use" tax portion of the statute. The New Jersey Tax Court ruled, in one case, that materials printed out of state but destined to be mailed to out-of-state customers were subject to the "use" tax since the company had exercised premailing approval over the materials. In transactions where the destination of the product is out of state, there is no sales tax.

In the neighboring states, tax treatment currently is as follows:

Connecticut—"Sales of printed material, manufactured in the state to the special order of a purchaser and that it is to be delivered for use outside the state within 30 days following delivery to the purchaser is exempt."

Pennsylvania—"The sale or use of mail order catalogues and direct mail advertising literature or materials is exempt."

New York—"Special rules exempting processing, printing and mailing services to persons outside New York State—a tax is imposed when the destinations are in New York."

COMMITTEE AMENDMENTS:

Amendments are technical in nature to conform to current statutory language.

FISCAL IMPACT:

A fiscal note has not yet been prepared on this proposal, however, in a fiscal note on a bill of similar nature last session, the Division of Taxation estimated a revenue loss of \$2.5 million, based on tax audits of subject businesses.

The committee favorably reports this bill as amended.

BILLS SIGNED  
PAGE TWO  
JANUARY 25, 1985

S-1782, sponsored by State Senator Wayne Dumont, Jr., R-Warren, which permits assistance for voters who are unable to read or mark their ballot without assistance.

S-2114, sponsored by State Senator John P. Caufield, D-Essex, which grants to the Department of Community Affairs the authority to enforce, locally, the State Uniform Construction Code, and to prosecute violators of the code, or of the State Uniform Construction Code Act. It also allows the Commissioner of Community Affairs to monitor the compliance of local enforcing agencies and order corrective action.

A-1152, sponsored by Assemblyman Thomas J. Deverin, D-Middlesex, which amends the law regulating mortgage bankers and brokers to permit the use of bank checks to pay the proceeds of a mortgage loan to a buyer prior to the mortgage closing transaction. Previously, the law permitted only the use of a certified or cashiers check or an electronic transfer.

A-2282/S-~~2257~~, sponsored by Assemblyman John S. Watson, D-Mercer, and State Senator Gerald R. Stockman, D-Mercer, which exempts from the sales and use tax advertising and promotional materials prepared for distribution by a New Jersey direct mail firm to out-of-state customers.

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