

54:40A-8

LEGISLATIVE HISTORY CHECKLIST

NJSA: 54:40A-8

(Cigarette tax law--clarify recent amendment)

LAWS OF: 1985

CHAPTER 341

BILL NO: S3263

Sponsor(s): Rand and Weiss

Date Introduced: August 28, 1985

Committee: Assembly: -----

Senate: -----

Amended during passage: No

Date of Passage: Assembly: September 12, 1985

Senate: September 9, 1985

Date of Approval: October 18, 1985

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly No

Senate No

Fiscal Note: No

Veto Message: No

Message on Signing: ~~No~~ Yes

Following were printed:

Reports: No

Hearings: No

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SENATE, No. 3263

STATE OF NEW JERSEY

INTRODUCED AUGUST 28, 1985

By Senators RAND and WEISS

(Without Reference)

AN ACT concerning the taxation of cigarettes and amending P. L. 1948, c. 65 and P. L. 1982, c. 40.

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

1 1. Section 301 of P. L. 1948, c. 65 (C. 54:40A-8) is amended to
2 read as follows:

3 301. Tax imposed; rate. A tax is hereby imposed on the sale,
4 use or possession for sale or use within this State of all cigarettes
5 at the rate of \$0.09½ for each 10 cigarettes or fraction thereof
6 and a surtax equal to a percent of the average wholesale price,
7 which percent shall be the same as the rate of tax imposed on retail
8 sales pursuant to the "Sales and Use Tax Act," P. L. 1966, c. 30
9 (C. 54:32B-1 et seq.), rounded to the next highest cent but not
10 less than \$0.02½ for each 10 cigarettes or fraction thereof. For
11 packs containing 25 cigarettes the *total tax and surtax* shall be
12 125% of the tax and surtax on packs containing 20 cigarettes.

1 2. Section 4 of P. L. 1982, c. 40 (C. 54:40A-8.2) is amended to
2 read as follows:

3 4. For the purpose of computing the surtax pursuant to sec-
4 tion 301 of P. L. 1948, c. 65 (C. 54:40A-8), the Director of the
5 Division of Taxation shall determine and cause to be published
6 every six months commencing January 1, 1983, the average whole-
7 sale price of cigarettes in the State based upon the best available
8 current data. Using the price so determined as the base price, the
9 director shall determine, and notify all persons required to report
10 under this act, and cause to be published in the New Jersey Regis-

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.

11 ter, the cigarette surtax due pursuant to section 301 of P. L. 1948,
12 c. 65 (C. 54:40A-8) on each 10 cigarettes or fraction thereof, ex-
13 pressed in cents, rounded up to the nearest cent, during the suc-
14 ceeding six months]; except that in the case of cigarettes packaged
15 with 25 cigarettes the surtax shall be determined with respect to
16 that quantity, expressed in cents, rounded up to the nearest cent,
17 during the succeeding six months];

1 3. Section 401 of P. L. 1948, c. 65 (C. 54:40A-11) is amended
2 to read as follows:

3 401. Director to provide revenue stamps. The taxes imposed and
4 levied by this act shall be paid through the use of stamps, except
5 as provided in section 205 (Consumers) of this act. The director
6 shall secure stamps of such designs and denominations as he shall
7 prescribe, suitable to be affixed to packages, and provide for the
8 sale thereof to licensed distributors. Only licensed distributors
9 shall affix and cancel stamps and no distributor shall affix or cancel
10 any stamp except at the tax rate in effect on the date of such
11 affixing or cancellation; except that on the effective date of a tax
12 rate increase or of a surtax or of an increase in a surtax, imposed
13 under this act, licensed distributors and wholesale dealers must
14 take a physical inventory of cigarettes on hand at the close of
15 business prior to the date of the tax increase or surtax or surtax
16 increase imposed under this act and must pay any additional tax
17 for all cigarettes bearing stamps at the rate in effect prior to the
18 tax increase. The director shall prescribe the method of collecting
19 the additional tax. The director shall not authorize any person to
20 sell revenue stamps except his duly constituted agents and assis-
21 tants. On sales of revenue stamps the director shall allow, as com-
22 pensation for the services and expenses of the distributor in affix-
23 ing and handling of such stamps, a discount of 1.156% of the face
24 amount of any sale of 1,000 stamps or more; provided, that the
25 distributor has complied with all the provisions of this act, and
26 provided, however, that the director shall be empowered to adjust
27 such discount whenever an increase in the surtax is required under
28 section 4 of P. L. 1982, c. 40 (C. 54:40A-8.2); and, provided, fur-
29 ther, however, that the director shall be empowered to adjust such
30 discount to provide equivalent compensation with respect to the
31 face value of each 1,000 stamps or more required for packages of
32 cigarettes which [contains] *contain* 25 cigarettes. No discount shall
33 be allowed on any sale of less than 1,000 stamps and stamps shall
34 not be sold in blocks of less than 100 stamps.

1 4. This act shall take effect immediately and apply retroactively
2 to September 1, 1985.

STATEMENT

This bill amends the recently enacted law, P. L. 1985, c. 261, concerning the cigarette tax to clarify the tax on packs of 25 cigarettes.

This technical clarification is needed to avoid a misinterpretation of the tax rate. The total amount of tax and surtax on a pack of 25 cigarettes will be 125% of the tax and surtax on a pack of 20 cigarettes.

STATEMENT

This bill amends the recently enacted law, P. L. 1985, c. 261, concerning the cigarette tax to clarify the tax on packs of 25 cigarettes.

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S 3263 (1985)

October 29, 1985

S-633/A-750, sponsored by State Senator C. Louis Bassano, R-Union, and Assemblyman Walter J. Kavanaugh, R-Somerset, which makes certain cases of the diversion of non-taxable No. 2 heating oil for diesel fuel a fourth degree crime.

S-339, sponsored by State Senator Leonard T. Connors, Jr., R-Ocean, which permits counties to give county employees time off from work with pay to respond to alarms occurring in a municipality in which they work when they serve on a volunteer fire company or similar volunteer organization.

S-3263, sponsored by State Senator Walter Rand, D-Camden, which makes technical amendments to the statute governing taxation of packages of 25 cigarettes.

S-2212, sponsored by State Senator John F. Russo, D-Ocean, which streamlines the administrative procedures through which public use airports receive Federal funding by eliminating requirements that Federal funds be channeled through the State Department of the Treasury. The bill retains the Department of Transportation's approval requirements for grant applications.

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