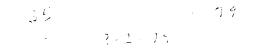
54:30A-18.4 LEGISLA	TIVE HISTORY		
NJSA 54:30A-18.4 and 54:30A-1	pay of	c utilitie: n more cur	s - Excise tax rent basis)
LAUS OF 1979		TER35	
Bill No. <u>S3087</u>	Orina		
Sponsor(s) Gregorio, Rodgers a	and Merlin	0	
Date Introduced February 13, 19			
Committee: Assembly Taxation			,
Senate Revenue, F	inance & A	ppropriati	ons
Amended during passage	Yes		Amendments during past denoted by asterisks.
Date of Passage: Assembly Febru	ary 26, 19	979	Substituted for A3133 attached since identi
Senate Febru			to S3087)
Date of approval March 2, 1979			
Following statements are attached *			
Sponsor statement	Yes	XX	
Committee Statement: Assembly Senate	Xexx Ye s	Do	and the second sec
Fiscal Note		XX	
Veto Hessage	XQSX	1:0	
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Lessage on signing	Yes	XX	
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[OFFICIAL COPY REPRINT] SENATE, No. 3087

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 13, 1979

By Senators GREGORIO, RODGERS and MERLINO

Referred to Committee on Revenue, Finance and Appropriations

An Act concerning the taxation of certain public utilities and supplementing P. L. 1940, c. 4 (C. 54:30A-16 et seq.).

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

1. a. On or before April 1, 1979 and before May 1 in each year 1 $\mathbf{2}$ thereafter, the director shall compute an advance payment equal in amount to *[one-half]* *55%* of the increase in taxes due 3 under subsection (a) of section 3 of P. L. 1940, c. 4 (C. 54:30–18(a)) 4 during the preceding calendar year over the taxes due under such 5 6 subsection in the calendar year immediately preceding that year. The advance payment shall not be considered for the purpose of 7 determining the amount of the increase. Each such payment shall 8 be in addition to the taxes payable under subsections (a) and (b) of 9 section 3 of P. L. 1940, c. 4 (C. 54:30A-18(a) and 54:30A-18(b)) 10and section 2 of P. L. 1971, c. 109 (C. 54:30A-18.1a) and shall be 11 considered as a partial payment of the tax to become due and 12 payable in the following year. 13

b. Every taxpayer subject to tax under the act to which this act is a supplement shall be required to remit to the State for the use of the State as an advance payment, an amount equal to the amount as computed in subsection a. of this section payable in two installments as follows: 60% on May 1, 1979 and 40% on August 1, 1979.

c. In the year 1980 and in each year thereafter an advance payment pursuant to subsection a. of this section shall be paid by
every taxpayer to the appropriate municipalities in the manner
provided for by law for payment of the taxes due under subsection
(a) of section 3 of P. L. 1940, c. 4 (C. 54:30A-18(a)).

In the calculation of the tax due in accordance with subsection
 EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

2 (a) of section 3 of P. L. 1940, c. 4 (C. 54:30A-18(a)) in the year
3 1980 and in each year thereafter, every person, copartnership,
4 association or corporation subject to tax hereunder shall be en5 titled to a credit in the amount of the tax hereunder as a partial
6 payment in the preceding year and shall be entitled to the return
7 of any amount so paid which shall be found to be in excess of the
8 total amount payable in accordance with P. L. 1940, c. 4 and this act.
1 3. This act shall take effect immediately.

4 association or corporation subject to tax hereunder shall be en5 titled to a credit in the amount of the tax hereunder as a partial
6 payment in the preceding year and shall be entitled to the return
7 of any amount so paid which shall be found to be in excess of the
8 total amount payable in accordance with P. L. 1940, c. 4 and this act.
1 3. This act shall take effect immediately.

STATEMENT

This bill would require public utilities companies to pay their public utility excise taxes on a more current basis. The bill would require such companies to pay 50% of the growth in taxes as an advance payment and to receive credit therefor in the ensuing calendar year.

Under present law, public utility companies receive payment for utility services in the calendar year immediately preceding the year of payment. This bill would accelerate to some extent the payment of the taxes which presumably are received from their consumers. The advance payment would accrue to the State for State use in calendar 1979. Thereafter, the municipalities would receive such advances.

A companion bill relates to public utilities taxed under P. L. 1940, c. 5.

53087 (1979)

SENATE REVENUE, FINANCE AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3087

STATE OF NEW JERSEY

DATED: FEBRUARY 13, 1979

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A companion bill relates to public utilities taxed under P. L. 1940, c. 5. MARCH 2, 1979 FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION PAT SWEENEY

Governor Brendan Byrne today signed a legislative package providing \$22,369,000 in one-time assistance to help municipalities absorb the loss of federal anti-recession funds.

The legislation was signed in the Covernor's Office during a public ceremony attended by State Senators, Assemblymen and Mayors.

The package of legislation, S-3086, S-3087 and S-3088, will grant supplemental aid to 539 municipalities on the basis of a formula that includes population, property tax base and the local unemployment rate. In the Senate, sponsors include David Friedland (D-Hudson), Senate President Joseph P. Merlino (D-Mercer), John T. Gregorio (D-Union), Frank X. Graves, Jr. (D-Passaic), Wynona M. Lipman (D-Essex) and Angelo J. Errichetti (D-Camden). In the Assembly, sponsors include George Otlowski (D-Middlesex), Thomas J. Deverin (D-Middlesex), Raymond Lesniak (D-Union) and Assembly Speaker Christopher J. Jackman (D-Hudson).

The funds will be generated from an advance payment by utility companies of the utility gross receipts tax, which the companies already have collected from ratepayers but not yet distributed to municipalities.

By shortening the time between the utilities' collection of the tax and the distribution to municipalities, a one-time additional sum of \$22,369,000 is created for this year.

The measure does not change the permanent distribution of the utility gross receipts tax nor the normal increase in the tax distribution from year to year.

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