

54:30A-54.4 and 54:30A-54.5

LEGISLATIVE HISTORY CHECKLIST

(Public utilities -- excise tax --
55% in advance)

WJSA 54:30A-54.4 and 54:30A-54.5

LAWS OF 1979

CHAPTER 36

Bill No. S3088

Sponsor(s) Graves, Friedland, Merlino

Date Introduced February 13, 1979

Committee: Assembly Taxation

Senate Revenue, Finance & Appropriations

Amended during passage

Yes

XX

Amendments during passage
denoted by asterisks.
Substituted for A3134 (not
enclosed since identical
to S3088)

Date of Passage: Assembly February 26, 1979

Senate February 20, 1979

Date of approval March 2, 1979

Following statements are attached if available:

Sponsor statement

Yes

XX

Committee Statement: Assembly

XXX

No

Senate

Yes

XX

Fiscal Note

XXX

No

Veto message

XXX

No

Message on signing

Yes

XX

Following were printed:

Reports

XXX

No

Hearings

XXX

No

Companion bill mentioned in
Sponsor's statement is: S3087
(L.1979, c.35)

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2/1/78

36 79
3-2-79

[OFFICIAL COPY REPRINT]
SENATE, No. 3088

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 13, 1979

By Senators GRAVES, FRIEDLAND 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. 5 (C. 54:30A-49 et seq.).

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

1 1. a. On or before April 1, 1979 and on or before June 1 in each
2 year thereafter, the director shall compute an advance payment
3 equal in amount to ***[one-half]*** *55%* of the increase in taxes
4 due under subsections (a) and (b) of section 6 of P. L. 1940, c. 5
5 (C. 54:30A-54(a) and 54:30A-54(b)) during the preceding calendar
6 year over the taxes due under such subsections in the calendar year
7 immediately preceding that year. The advance payment shall not
8 be considered for the purpose of determining the amount of the
9 increase. Each such payment shall be in addition to the taxes
10 payable under section 6 of P. L. 1940, c. 5 (C. 54:30A-54) and
11 section 2 of P. L. 1971, c. 108 (C. 54:30A-54.1a) and shall be
12 considered as a partial payment of the tax to become due and
12A payable in the following year.

13 b. Every taxpayer subject to tax under the act to which this act
14 is a supplement shall be required to remit to the State for the use
15 of the State as an advance payment, an amount equal to the
16 amount as computed in subsection a. of this section payable in two
17 installments as follows: 60% on May 1, 1979 and 40% on August
18 1, 1979.

19 c. In the year 1980 and in each year thereafter an advance pay-
20 ment pursuant to subsection a. of this section shall be paid by every
21 taxpayer to the appropriate municipalities in the manner provided
22 for by law for payment of the taxes due under section 6 of P. L.
23 1940, c. 5 (C. 54:30A-54).

1 2. In the calculation of the tax due in accordance with section
2 6 of P. L. 1940, c. 5 (C. 54:30A-54), in the year 1980 and in each

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

3 year thereafter, every person, copartnership, association or
4 corporation subject to tax hereunder shall be entitled to a credit
5 in the amount of the tax hereunder as a partial payment in the
6 preceding year and shall be entitled to the return of any amount
7 so paid which shall be found to be in excess of the total amount
8 payable in accordance with P. L. 1940, c. 5 and this act.

1 3. This act shall take effect immediately.

5 in the amount of the tax hereunder as a partial payment in the
6 preceding year and shall be entitled to the return of any amount
7 so paid which shall be found to be in excess of the total amount
8 payable in accordance with P. L. 1940, c. 5 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. 4.

S3088 (1979)

SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO
SENATE No. 3088

STATE OF NEW JERSEY

DATED: FEBRUARY 13, 1979

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MARCH 2, 1979

FOR FURTHER INFORMATION

FOR IMMEDIATE RELEASE

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 Governor'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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