

54:30A-50

LEGISLATIVE HISTORY CHECKLIST

NJSA 54:30A-50 (Amends definition of gross receipts tax with respect to sewerage corporation)

Laws of 1977 Chapter 397

Bill No. S3070

Sponsor(s) McGahn

Date Introduced February 1, 1977

Committee: Assembly Energy & Natural Resources

Senate Energy and Environment

Amended during passage Yes No

Date of passage: Assembly December 19, 1977

Senate May 23, 1977

Date of approval February 23, 1978

Following statements are attached if available:

Sponsor statement Yes No

Committee Statement: Assembly Yes No

Senate Yes No

Fiscal Note Yes No

Veto message Yes No

Message on signing Yes No

Following were printed:

Reports Yes No

Hearings Yes No

DEPOSITORY COPY
Do Not Remove From Library

10/4/76

CHAPTER 397 LAWS OF N. J. 1977
APPROVED 2-23-78

SENATE, No. 3070

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 1, 1977

By Senator McGAHN

Referred to Committee on Energy and Environment

AN ACT concerning the taxation of certain public utilities and
amending section 2 of P. L. 1940, c. 5.

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

1 1. Section 2 of P. L. 1940, c. 5 (C. 54:30A-50) is amended to
2 read as follows:

3 2. Definitions: As used in this act—unless the context otherwise
4 requires:

5 (a) "Taxpayer" means any corporation subject to taxation
6 under the provisions of this act.

7 (b) "Real estate" means lands and buildings, but it does not
8 include railways, tracks, ties, lines, wires, cables, poles, pipes,
9 conduits, bridges, viaducts, dams and reservoirs (except that the
10 lands upon which dams and reservoirs are situated are real estate),
11 machinery, apparatus and equipment, notwithstanding any attach-
12 ment thereof to lands or buildings.

13 (c) "Gross receipts" means all receipts from the taxpayer's
14 business over, in, through or from the whole of its lines or mains
15 but does not include any sum or sums of money received by the
16 taxpayer in payment for gas or electrical energy or water sold
17 and furnished to another public utility which is also subject to the
18 payment of a tax based upon its gross receipts, nor in the case of
19 a street railway or traction corporation the receipts from the
20 operation of autobuses or vehicles of the character described in
21 Title 48, chapter 15, section 41 to the end of the chapter, of the
22 Revised Statutes (Revised Statutes, section 48:15-41, et seq.), *nor*
23 *in the case of a sewerage corporation an amount equal to any sum*
24 *or sums of money payable by such sewerage corporation to any*
25 *board, commission, department, branch, agency or authority of the*
26 *State or of any county or municipality, for the treatment, purifica-*
27 *tion or disposal of sewage or other wastes.*

28 (d) "Scheduled property" means only those classes or types of
 29 property of a taxpayer set forth in section 10 of this act and which
 30 are to be used in computing the apportionment value as herein
 31 defined.

32 (e) "Unit value" means the value set forth in section 10 of this
 33 act to be uniformly applied to each of the several classes or types
 34 of scheduled property in computing the apportionment value.

35 (f) "Apportionment value" or "apportionment valuation"
 36 means the result obtained by multiplying the quantities of each
 37 class or type of scheduled property of a taxpayer by the applicable
 38 unit value, and the addition of such results.

39 (g) "Public street, highway, road or other public place," in-
 40 cludes any street, highway, road or other public place which is open
 41 and used by the public, even though the same has not been formally
 42 accepted as a public street, highway, road, or other public place.

43 (h) "Service connections" means the wires or pipes connecting
 44 the building or place where the service or commodity supplied by
 45 the taxpayer is used or delivered, or is made available for use or
 46 delivery, with a supply line or supply main in the street, highway,
 47 road, or other public place, or with such supply line or supply main
 48 on private property.

49 (i) "State Tax Commissioner" or "director" means the Direc-
 50 tor of the Division of Taxation in the Department of the Treasury.

1 2. This act shall take effect immediately.

STATEMENT

Under present law, privately-owned sewerage companies, as public utilities, are subject to a tax on "gross receipts," which is passed on to customers in rates approved by the Board of Public Utility Commissioners. No such tax is payable by municipalities or other government agencies furnishing sewage service; their customers therefore do not bear a "gross receipts" tax burden.

Recently, Regional Sewerage Authorities have been created which furnish sewage disposal service. When such service is furnished to both private companies and public agencies an inequity results under present law as to the "gross receipts" tax, the customers of private corporations alone being obliged, by the definition of "gross receipts" in the statute, to pay rates which include provision for a "gross receipts" tax on that part of their rates representing the cost of the services of a regional sewerage authority.

To eliminate that inequity, and to provide uniformity of tax treatment, the addition to section 2 (c) supra would amend the

definition of "gross receipts" in the "gross receipts" tax law. The amendment would exclude from "gross receipts" taxation "an amount equal to any sum or sums of money paid by" sewerage corporations to any governmental agencies "for the treatment, purification or disposal of sewage or other waste," and would thereby put the customers of private companies and the customers of public agencies on an equal footing in this respect.

FROM THE OFFICE OF THE GOVERNOR

FEBRUARY 23, 1978

S3070 - NEXT PAGE

FOR FURTHER INFORMATION

FOR IMMEDIATE RELEASE

KATHY FORSYTH -- ANNE BURNS

1976-77

Governor Brendan Byrne today signed into law the following bills:

S-3221, sponsored by Senator Matthew Feldman, D-Bergen, which authorizes police and fire departments to call for emergency assistance from any other municipality.

The bill extends the same rights, immunities and authority to those persons giving assistance as are held by the counterpart police or fire departments.

S-3271, sponsored by Senator Wynona Lipman, D-Essex, which supplements a Treasury Affirmative Action Office appropriation by an amount not to exceed \$40,000 for the Public Contracts Affirmative Action program for FY 1978. This brings the total amount to be used by the Affirmative Action Office from \$160,000 to \$200,000.

S-3461, sponsored by Senator Frank Dodd, D-Essex, which relocates a portion of the boundary line between the townships of Millburn and Livingston.

S-3469, sponsored by former Senator Stephen Wiley, D-Morris, which authorizes the sale of 28 acres of real property at Greystone Psychiatric Hospital to the Township of Denville.

S-3086, sponsored by former Senator Alfred Beadleston, R-Monmouth, which authorizes the issuance of duplicate motor vehicle registration plates for additional vehicles owned by registrants who are amateur radio licensees and who presently have plates consisting of their call letters. These call letters must consist of less than six letters.

S-3482, sponsored by Senator Joseph Merlino, D-Mercer, which appropriates the remainder of the Corrections' funds in the 1976 institutions bond issue.

(more)

Under the bill, the Board of Higher Education is required, upon the advice of the Council, to: 1) plan graduate medical education programs; 2) set standards for the use and expenditure of funds appropriated pursuant to the act; 3) set standards for hospital participation; and 4) determine the number and type of graduate medical education programs which would be supported in particular hospitals in relation to state needs.

The bill sets standards requiring that hospitals receiving assistance pursuant to the act demonstrate educational plans, programs acceptable to the American Medical Association or the American Osteopathic Association and personnel capable of providing appropriate administrative oversight.

S-1783, sponsored by Senator Matthew Feldman, D-Bergen, which permits Boards of Chosen Freeholders to hold their organizational annual meetings on a Sunday if so authorized by prior adoption of an appropriate resolution.

Prior law required meetings to be held the next day if the first or second day of January fell on a Sunday.

S-3070, sponsored by former Senator Joseph P. McGahn, D-Atlantic, which amends the definition of "gross receipts" taxation paid for certain public utilities.

Under present law, privately-owned sewerage companies, as public utilities, are subject to a tax on gross receipts, which is passed on to the company's customers in rates approved by the PUC. No gross receipts tax is paid by municipalities or other government agencies furnishing sewerage service and, therefore, their customers do not bear a gross receipts tax burden.

Recently, regional sewerage authorities have been created to furnish sewerage disposal services. When this service is provided to both private companies and public agencies, an inequity results as the customers are obliged to pay rates which include the provision for the gross receipts tax on that part of their rates representing the cost of the services of the regional sewerage authority.

This bill eliminates that inequity and provides for uniform tax treatment by excluding from gross receipts taxation an amount equal to any sum or sums of money paid by sewerage corporations to any governmental agency for the treatment, purification or disposal of sewerage or other waste.

###