

54:32B-8

LEGISLATIVE HISTORY CHECKLIST

HJSA 54:32B-8 (Exempts solar energy devices from sales & use tax)

LAWS OF 1977 CHAPTER 465

Bill No. S1427

Sponsor(s) Parker, McDonough, McGahn

Date Introduced April 29

Committee: Assembly Taxation

Senate Revenue, Finance, Appropriations

Amended during passage Yes Amendments during passage denoted by asterisks

Date of Passage: Assembly Sept. 12, 1977

Senate Nov. 8, 1976

Date of approval March 3, 1978

Following statements are attached if available:

| | | |
|-------------------------------|-------------------------------------|---|
| Sponsor statement | Yes | <input checked="" type="checkbox"/> Below |
| Committee Statement: Assembly | <input checked="" type="checkbox"/> | No |
| Senate | Yes | <input checked="" type="checkbox"/> |
| Fiscal Note | <input checked="" type="checkbox"/> | No |
| Veto message | <input checked="" type="checkbox"/> | No |
| Message on signing | <input checked="" type="checkbox"/> | No |

Following were printed:

| | | |
|----------|-------------------------------------|----|
| Reports | <input checked="" type="checkbox"/> | No |
| Hearings | <input checked="" type="checkbox"/> | No |

Sponsor's Statement:

This bill exempts sales of solar energy devices or systems designed to provide heating or cooling, or electrical or mechanical powers by collecting and transferring solar-generated energy.

Senate Committee Statement (not enclosed) reads same as Sponsor's Statement.

9/1/78

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APPROVED 3-3-78

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SENATE, No. 1427

STATE OF NEW JERSEY

INTRODUCED APRIL 29, 1976

By Senators PARKER, McDONOUGH and MCGAHN

Referred to Committee on Revenue, Finance and Appropriations

AN ACT to amend the "Sales and Use Tax Act," approved April 27, 1966 (P. L. 1966, c. 30).

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

1 1. Section 8 of P. L. 1966, c. 30 (C. 54:32B-8) is amended to
2 read as follows:

3 8. Exempt sales. Receipts from the following shall be exempt
4 from the tax on retail sales imposed under subsection (a) of section
5 3 and the use tax imposed under section 6:

6 (a) Sales of medicines and drugs sold pursuant to a doctor's
7 prescription for human use; crutches, artificial limbs, artificial
8 eyes, artificial hearing devices, corrective eyeglasses, prosthetic
9 aids, artificial teeth or dentures, braces, tampons or like products,
10 orthopedic appliances and artificial devices designed to correct or
11 alleviate physical incapacity, medical oxygen, human blood and its
12 derivatives when sold for human use, wheel chairs, and replacement
13 parts for any of the foregoing;

14 (b) Sales of food, food products, beverages except alcoholic
15 beverages, excluding draught beer sold by the barrel, as defined in
16 the Alcoholic Beverage Tax Law, dietary foods and health supple-
17 ments, sold for human consumption off the premises where sold but
18 not including (i) candy and confectionery, and (ii) carbonated soft
19 drinks and beverages all of which shall be subject to the retail sales
20 and compensating use taxes, whether or not the item is sold in
21 liquid form. Nothing herein shall be construed as exempting food

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

22 or drink from the tax imposed under subsection (c) of section 3;

23 (c) Sales of food sold in an elementary or secondary school
24 cafeteria, sales of food sold in an institution of higher education
25 or in a fraternity, sorority or eating club operated in connection
26 therewith, to students of such an institution;

27 (d) Sales of articles of clothing and footwear for human use
28 except articles made of fur on the hide or pelt of an animal or
29 animals where such fur is the component material of chief value of
30 the article. "Clothing" as used herein, shall also mean and include
31 sales to noncommercial purchasers of common wearing apparel
32 materials intended to be incorporated into wearing apparel as a
33 constituent part thereof, such as fabrics, thread, knitting yarn,
34 buttons and zippers. The director shall prescribe regulations to
35 carry out the provisions of this subsection;

36 (e) Sales of newspapers, magazines and periodicals;

37 (f) Casual sales except as to sales of motor vehicles, whether
38 for use on the highways or otherwise, and except as to sales of boats
39 or vessels registered or subject to registration under the New
40 Jersey Boat Act of 1962 (P. L. 1962, c. 73 and all amendments
41 thereto);

42 (g) Sales of gas, water, steam, fuel, electricity, telephone or
43 telegraph services delivered to consumers through mains, lines,
44 pipe, or in containers or bulk;

45 (h) Sales of motor fuels as motor fuels are defined for purposes
46 of the New Jersey Motor Fuel Tax Law; and sales of fuel to an
47 airline for use in its airplanes or to a railroad for use in its
48 locomotives;

49 (i) Tangible personal property sold through coin-operated vend-
50 ing machines at \$0.10 or less, provided the retailer is primarily
51 engaged in making such sales and maintains records satisfactory to
52 the director;

53 (j) Sales not within the taxing power of this State under the
54 Constitution of the United States;

55 (k) The transportation of persons or property;

56 (l) Sales, repairs, alterations or conversion of commercial
57 ships, barges and other vessels of 50-ton burden or over, primarily
58 engaged in interstate or foreign commerce, and of governmentally-
59 owned ships, barges and other vessels and property used by or pur-
60 chased for the use of such vessels for fuel, provisions, supplies,
61 maintenance and repairs (other than articles purchased for the
62 original equipping of a new ship);

63 (m) (1) (Deleted by amendment.) P. L. 1970, c. 7, s. 5.

64 (2) Sales of machinery, apparatus or equipment for use or
65 consumption directly and primarily in the production, generation,
66 transmission or distribution of gas, electricity, refrigeration, steam
67 or water for sale or in the operation of sewerage systems;

68 (3) Sales of telephone lines, cables, central office equipment or
69 station apparatus, or other machinery, equipment or apparatus,
70 or comparable telegraph equipment, for use directly and primarily
71 in receiving at destination or initiating, transmitting and switching
72 telephone or telegraph communication;

73 (4) The exemptions granted under this subsection shall not be
74 construed to apply to sales, otherwise taxable, of machinery, equip-
75 ment or apparatus whose use is incidental to the activities described
76 in paragraphs (2) and (3) of this subsection;

77 (5) The exemptions granted in this subsection (m) shall not
78 apply to motor vehicles or to parts with a useful life of 1 year or
79 less or tools or supplies used in connection with the machinery,
80 equipment or apparatus described in this subsection;

81 (n) Sales of tangible personal property purchased for use or
82 consumption directly and exclusively in research and development
83 in the experimental or laboratory sense. Such research and de-
84 velopment shall not be deemed to include the ordinary testing or
85 inspection of materials or products for quality control, efficiency
86 surveys, management studies, consumer surveys, advertising, pro-
87 motions or research in connection with literary, historical or similar
88 projects;

89 (o) Sales or use of wrapping paper, wrapping twine, bags, car-
90 tons, tape, rope, labels, nonreturnable containers, reusable milk
91 containers and all other wrapping supplies when such use is in-
92 cidental to the delivery of any personal property;

93 (p) Sales of tangible personal property (except automobiles,
94 trucks, trailers, and truck-trailer combinations, and except prop-
95 erty incorporated in a building or structure) for use and consump-
96 tion directly and exclusively in the production for sale of tangible
97 personal property on farms, including stock, dairy, poultry, fruit,
98 fur-bearing animals, and truck farms, ranches, nurseries, green-
99 houses or other similar structures used primarily for the raising
100 of agricultural or horticultural commodities, and orchards;

101 (q) Sales of tangible personal property sold by a mortician,
102 undertaker or funeral director. However, all tangible personal
103 property sold to a mortician, undertaker or funeral director for
104 use in the conducting of funerals shall not be deemed a sale for
105 resale and shall not be exempt from the tax imposed by this act;

106 (r) Sales of films, records, tapes or any type of visual or sound
107 transcriptions to, or produced for exhibition in or use through the
108 medium of, theatres and radio and television broadcasting stations
109 or networks, and not used for advertising purposes;

110 (s) Sales of tangible personal property and services taxable
111 under any municipal ordinance heretofore adopted pursuant to
112 P. L. 1947, c. 71, which is in effect on April 27, 1966, but only to the
113 extent such sales are taxable under said ordinance;

114 (t) Sales of materials, such as chemicals and catalysts, used to
115 induce or cause a refining or chemical process, where such materials
116 are an integral or essential part of the processing operation, but
117 do not become a component part of the finished product;

118 (u) Sales of school textbooks for use by students in a school,
119 college, university or other educational institution, approved as
120 such by the Department of Education or by the Department of
121 Higher Education, when the educational institution, upon forms
122 and pursuant to regulations prescribed by the director, has declared
123 the books are required for school purposes and the purchaser has
124 supplied the vendor with the form at the time of the sale;

125 (v) (Deleted by amendment.) P. L. 1970, c. 7, s. 5.

126 (w) Sales made to contractors, subcontractors or repairmen of
127 materials, supplies or services for exclusive use in erecting struc-
128 tures, or building on, or otherwise improving, altering or repairing
129 real property of organizations described in subsections (a) and
130 (b) of section 9 of this act, provided any person seeking to qualify
131 for this exemption shall do so pursuant to such rules and regula-
132 tions and upon such forms as shall be prescribed by the director;

133 (x) The renting, leasing, licensing or interchanging of trucks,
134 tractors, trailers or semitrailers by persons not engaged in a reg-
135 ular trade or business offering such renting, leasing, licensing or
136 interchanging to the public, provided, that such renting, leasing,
137 licensing or interchanging is carried on with persons engaged in a
138 regular trade or business involving carriage of freight by such
139 vehicles, and further provided, that in the case of any such motor
140 vehicle acquired by the owner or first used by the owner in this State
141 on or after July 1, 1966, any tax presumptively imposed by this act
142 on such acquisition or use shall have been paid at the time of such
143 acquisition or use without claim for exemption;

144 (y) Sales of cigarettes subject to tax under the Cigarette Tax
145 Act;

146 (z) Sales of the Bible or similar sacred scripture of a bona fide
147 church or religious denomination;

148 (aa) Sales of the flag of the United States of America and of
149 the flag of the State of New Jersey;

150 (bb) Sales of locomotives, railroad cars and other railroad roll-
151 ing stock, including repair and replacement parts therefor, to a
152 railroad whose rates are regulated by the Interstate Commerce
153 Commission or by the Board of Public Utility Commissioners of
154 New Jersey;

155 (cc) Sales of buses for public passenger transportation, including
156 repair and replacement parts therefor, to bus companies whose
157 rates are regulated by the Interstate Commerce Commission or the
158 Board of Public Utility Commissioners of New Jersey or to an
159 affiliate of said bus companies or to common or contract carriers for
160 their use in the transportation of children to and from school. For
161 the purposes of this subsection "affiliate" shall mean a corporation
162 whose stock is wholly owned by the regulated bus company or whose
163 stock is wholly owned by the same persons who own all of the stock
164 of the regulated bus company.

165 (dd) (Deleted by amendment.) P. L. 1970, c. 7, s. 5.

166 (ee) The sale of advertising to be published in a newspaper.

167 (ff) *Sales of solar energy devices or systems designed to provide*
168 *heating or cooling, or electrical or mechanical ***[powers]*** *power**
169 *by collecting and transferring solar-generated energy and including*
170 *mechanical or ****[cremical]**** **chemical** devices for storing*
171 *solar-generated energy. *****[**The Administrator of the State***
172 *Energy office]*** ****The Director of the Division of Energy Plan-*
173 *ning and Conservation in the Department of Energy*** shall*
174 *establish standards with respect to the technical sufficiency of*
175 *solar energy systems for purposes of qualification for exemption.****

1 ****[3.]**** **2.** This act shall take effect July 1 next following
2 enactment.