

54:11B-1 to 23

LEGISLATIVE HISTORY CHECKLIST

NJSA 54:11B-1 to 54:11B-23 (Repeal of gross receipts tax on unincorporated businesses)

Laws of 1976 Chapter 80

Bill No. A1762

Sponsor(s) Perskie, Martin & Weidel

Date Introduced, March 12, 1976

Committee: Assembly -

Senate Revenue, Finance, Appropriations

Amended during passage Yes No Amendment changed date of repeal from July 1, 1976 to Jan. 1, 1977--bill not enclosed.

Date of passage: Assembly March 15, 1976

Senate June 17, 1976

Date of approval Sept. 1, 1976

Following statements are attached if available:

Sponsor statement Yes Below 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

Sponsors' statement:

The purpose of this bill is expressed in its title.

Card catalog checked under:

NJ--Business tax

(over)

DO NOT WRITE IN THESE SPACES

Repeal of gross receipts taxes not mentioned in:

974.901 N.J. Governor Brendan T. Byrne.
G52 A plan for education and tax reform in New Jersey;
special message to the Legislature. June 13, 1974.

974.901 Nagle, George R.
E18 The need for business tax reform.
(9th annual report of the Economic Policy Council,
1976, p.35-51)

CHAPTER 80 LAWS OF N. J. 1976
APPROVED 9-1-76
[OFFICIAL COPY REPRINT]

ASSEMBLY, No. 1762

STATE OF NEW JERSEY

INTRODUCED MARCH 12, 1976

By Assemblymen PERSKIE, MARTIN and WEIDEL

(Without Reference)

AN ACT to repeal "An act imposing an excise tax upon the gross receipts of unincorporated businesses; defining certain words for the purposes of this act; prescribing the method of collecting the tax imposed; providing penalties for violations; and making an appropriation therefor," approved June 17, 1966 (P. L. 1966, c. 137).

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

1 1. P. L. 1966, c. 137 (C. 54:11B-1 et seq.) is hereby repealed and
2 such repeal shall be applicable to all gross receipts from and after
3 ***[July 1, 1976]*** *January 1, 1977*.

4 Such repeal shall not affect the obligation, lien or duty to pay any
5 unincorporated business taxes, interest or penalties which have
6 accrued or may accrue by virtue of any assessment made or which
7 may be made with respect to unincorporated business taxes levied
8 for any period prior to ***[July 1, 1976]*** *January 1, 1977*, nor
9 shall this act affect the legal authority to assess and collect taxes
10 which may be or have been due and payable under said P. L. 1966,
11 c. 137, as amended, together with such interest and penalties as
12 would have accrued thereon under any provision of law amended
13 or repealed; hereby nor shall this act invalidate any assessments
14 or affect any proceeding for the enforcement thereof.

1 2. This act shall take effect January 1, 1977.

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

ASSEMBLY, No. 1762

STATE OF NEW JERSEY

INTRODUCED MARCH 12, 1976

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(Without Reference)

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9 legal authority to assess and collect taxes which may be or have
10 been due and payable under said P. L. 1966, c. 137, as amended,
11 together with such interest and penalties as would have accrued
12 thereon under any provision of law amended or repealed hereby;
13 nor shall this act invalidate any assessments or affect any proceed-
14 ing for the enforcement thereof.

1 2. This act shall take effect January 1, 1977.

STATEMENT

The purpose of this bill is expressed in its title.

ASSEMBLY AMENDMENTS TO
ASSEMBLY, No. 1762

STATE OF NEW JERSEY

ADOPTED MARCH 15, 1976

Amend page 1, section 1, line 3, omit "July 1, 1976", insert "January 1, 1977".

Amend page 1, section 1, line 8, omit "July 1, 1976", insert "January 1, 1977".

SENATE REVENUE, FINANCE AND
APPROPRIATIONS COMMITTEE

STATEMENT TO
ASSEMBLY, No. 1762

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

DATED: MAY 13, 1976

The Senate Revenue, Finance and Appropriations Committee releases this bill without recommendation and without amendment for consideration by the full Senate and is part of the series of bills commonly referred to as the tax package passed by the General Assembly on March 15, 1976.

This bill repeals the "Gross Receipts Tax" on unincorporated businesses effective January 1, 1977, and applicable to all gross receipts on and after that date. The tax is in effect a gross income tax imposed largely on small business.

This, in combination with the repeal of the "Gross Receipts Tax" on retail store sales, will reduce revenues in the approximate amount of \$30 million starting in fiscal 1978, the year when calendar 1977 taxes would be collected. The proceeds of the "Gross Receipts Tax" on unincorporated businesses and on retail store sales, along with the State-assessed tax on business personal property and a percentage of the Corporate Business Tax on net income, are annually appropriated to municipalities pursuant to section 1 of P. L. 1966, c. 135 (C. 54:11D-1). The amount distributed under that act, notwithstanding the repeal of any tax act, is guaranteed at the revenue level for the year 1976.

Thus, by the State's action in repealing certain taxes on businesses no reduction in revenue to municipalities is affected.

Companion legislation to this bill, as part of a series of bills reforming taxation of businesses in this State, include Assembly Bills Nos. 1761, 1763, 1764, and 1766.

FROM THE OFFICE OF THE GOVERNOR

SEPTEMBER 1, 1976
FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION
KATHY FORSYTH

Governor Brendan Byrne Wednesday signed three more bills as part of the overall income tax package.

Two of the bills, A-1762 and A-1763, repeal the gross receipts taxes on unincorporated businesses and retail store sales effective January 1, 1977. The third bill, A-1764, provides for the distribution of revenues by the state to the municipalities as a replacement for any revenues that will be lost by the repeal of the other two taxes.

The Governor signed the three bills, all sponsored by Assemblyman Steven Perskie (D-Atlantic) in a ceremony at Schulz' Men's Wear, a retail clothing store in Atlantic City.

"One of the major arguments against the enactment of an income tax has been that taxes are never repealed, but they are always increased," said the Governor. "I think we are proving our critics wrong by adding these bills to our package."

"The signing of these three bills prevents the double taxation which would fall on small businesses," he said.

The Governor said that the repeal of these business taxes should improve New Jersey's business climate and benefit all residents."

"These bills and the others in this package represent a significant step in the overhaul of New Jersey's inequitable tax structure and bring us closer to true tax reform in our state," he said.