

54:11D-1

LEGISLATIVE HISTORY CHECKLIST

NJSA 54:11D-1 (Replacement of revenues)

Laws of 1976 Chapter 82

Bill No. A1764 [A1850-OCR w/c- 1974]

Sponsor(s) Perskie, Martin & Weidel

Date Introduced March 12, 1976

Committee: Assembly -

Senate Revenue, Finance & Appropriations

Amended during passage Yes ~~No~~ Amendments during passage denoted by asterisks.

Date of passage: Assembly March 15, 1976

Senate June 21, 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~~

Sen. comm. statement on A1762 (A companion bill) enclosed.

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.

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ASSEMBLY, No. 1764

STATE OF NEW JERSEY

INTRODUCED MARCH 12, 1976

By Assemblymen PERSKIE, MARTIN and WEIDEL

(Without Reference)

AN ACT to amend "An act concerning the distribution of certain tax revenues to the municipalities of this State and supplementing Title 54 of the Revised Statutes," approved June 17, 1966 (P. L. 1966, c. 135).

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

1 1. Section 1 of P. L. 1966, c. 135 (C. 54:11D-1) is amended to  
2 read as follows:

3 1. The taxes received from the following:

4 **[(a) An act imposing an unincorporated business tax;]**

5 **[(b)] (a) An act imposing a State assessed tax on business**  
6 **personal property;**

7 **[(c) An act imposing a retail gross receipts tax;]** and

8 **[(d)] (b) An act amending the Corporation Business Tax**  
9 **Act (c. 162, L. 1945\*)\* [but only] with respect to the difference**  
10 **between that portion of the tax on allocated net income at**  
11 **the rate of 1.75% and on allocated net income at the rate of**  
12 **3%, and such additional amounts as are necessary to replace**  
13 **those revenues heretofore provided by [\*the Business Per-**  
14 **sonal Property Tax,\*] \* the Unincorporated Business Tax and**  
15 **the Retail Gross Receipts Tax at the \*[revenues]\* \*revenue\***  
16 **level anticipated from such taxes for the year 1976, shall be**  
17 **for the benefit of the municipalities of this State in replace-**  
18 **ment of the revenues derived by such municipalities from the**  
19 **local taxation of personal property used in business.**

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.**

SENATE REVENUE, FINANCE AND  
APPROPRIATIONS COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 1762**  
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**STATE OF NEW JERSEY**

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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 FURTHER INFORMATION

FOR IMMEDIATE RELEASE

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.

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