

54:11B-24 to 28

LEGISLATIVE HISTORY CHECKLIST

NJSA. 54:11 B-24 to 54:11B-28

Laws of 1975 Chapter 178

Bill No. A3627

Sponsor(s) Hamilton & Barbour

Date Introduced July 30, 1975

Committee: Assembly -

Senate -

Amended during passage Yes

Date of passage: Assembly August 1, 1975

Senate August 4, 1975

Date of approval August 4, 1975

Following statements are attached if available:

Sponsor statement Yes

Committee Statement: Assembly Yes

Senate Yes

Fiscal Note Yes

Veto message Yes

Message on signing Yes

Following were printed:

Reports Yes

Hearings Yes

Do Not Remove From Library
DEPOSITORY COPY

JUN 1977

10/4/76

75
178
8/4/75

LAW LIBRARY COPY
DO NOT REMOVE

ASSEMBLY, No. 3627

STATE OF NEW JERSEY

INTRODUCED JULY 30, 1975

By Assemblymen HAMILTON and BARBOUR

(Without Reference)

A SUPPLEMENT to the "Unincorporated Business Tax Act," 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. In addition to the tax imposed by section 3 of P. L. 1966, c. 137
2 (C. 54:11B-3) there is hereby imposed a temporary tax for the
3 use of the State upon every individual or other unincorporated
4 entity engaged in an unincorporated business an annual excise
5 tax, measured by the gross receipts of such unincorporated busi-
6 ness, and allocated to the State as hereinafter provided at the
7 rate of $\frac{1}{8}$ of 1%.

1 2. The tax imposed by this supplementary act shall be applicable
2 with respect to gross receipts received or accrued on and after
3 January 1, 1975, and shall be applicable to taxpayers reporting
4 on the basis of the calendar year 1975 and fiscal years ending on
5 and after December 31, 1974 and not later than June 30, 1976.

1 3. The Director of the Division of Taxation is hereby authorized
2 and empowered to make, adopt and amend rules and regulations
3 applied to the carrying out of this act and the purposes thereof.

1 4. The tax imposed by this supplementary act shall be payable
2 in the same manner and at the same time as provided for in the
3 act to which this act is a supplement.

1 5. This act shall take effect immediately and except with respect
2 to collection, administration and enforcement shall expire June
3 30, 1976.

STATEMENT

This bill imposed a temporary additional tax of $\frac{1}{8}$ of 1% of gross receipts of unincorporated businesses. The revenues derived are for the use of the State and the tax will expire after 1 year. The revenue yield is estimated to be \$12,500,000.00.

STATEMENT BY GOVERNOR BRENDAN BYRNE

August 4, 1975

A-3557

I have signed into law the supplemental appropriations bill and the tax and other revenue bills* to finance it. These revenues will keep the buses and trains in operation and will restore the other programs that a majority of the Legislature adjudged to be vital to the public welfare.

Even with these restorations, New Jersey remains the most tight-fisted state in the nation. We will spend in this fiscal year about \$75 million less than we spent last year, despite the toll of continuing inflation which falls as heavily on government as it does on household budgets. And this Administration will continue its effort to cut corners and realize further economies wherever possible to make stretch every tax dollar as far as it will go.

The new taxes included in this revenue package are far less regressive than some of the taxes that the Legislature considered and wisely rejected. For the most part, the burden falls most heavily on segments of the economy that are able to bear that additional burden. And one of them -- the capital gains or unearned income tax -- is truly progressive.

Nevertheless, I take no particular pride in signing these taxes into law. And I noticed that few members of the Legislature exhibited much pride in enacting them. For this is strictly a stopgap revenue program and we must not lose sight of what it fails to do, as well as what it accomplishes.

This revenue package does nothing to meet our commitment -- the Legislature's and mine -- to fund the new education formula under which the State is to assume a greater portion of the costs of operating our public schools. The State Supreme Court has ordered that this be done and the Legislature has publicly declared its intention to deal with that commitment beginning on November 10.

* A-1915
A-3339
A-3556
A-3593
A-3609
A-3625
A-3626
A-3627
A-3628
A-3629

PROPERTY OF
NEW JERSEY STATE LIBRARY

AUG 15 1975

185 W. State Street
Trenton, N. J.

This revenue package does nothing to reform New Jersey's patchwork tax structure and provide relief from rising and too often confiscatory property taxes, a goal to which I remain personally committed. The most we can say for these new taxes is that they will not make that tax structure measurably more regressive than it is.

And several of the bills I signed today are, by design, temporary sources of revenue. The funds they provide will, of necessity, have to be replaced from some other source next year if the programs they finance are to continue. These temporary measures, together with other fiscal facts of life, increase the already inevitable need for substantial new revenues next year.

The Legislature has demonstrated dramatically in the past several months that there are no easy taxes -- nor should there be. The true test of a potential new tax or tax increase should not be whether it will be easy to pass, but how equitably its burden will be distributed on those who will pay it.

I am confident that the Legislature will work for true tax reform in addressing our unmet obligations in the months ahead. I will, as always, be ready to work with it in a pursuit of that goal.

###

Attachment