



**A5842**

**SPONSOR'S STATEMENT:** (Begins on page 5 of introduced bill) Yes

**COMMITTEE STATEMENT:** **ASSEMBLY:** Yes Labor  
Appropriations

**SENATE:** No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at [www.njleg.state.nj.us](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** Yes

**FOLLOWING WERE PRINTED:**

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** Yes

"Murphy signs bills to crack down on worker," NJBIZ (New Brunswick, NJ) - January 20, 2020

"Gig' workers get protections under new laws," The Star-Ledger, January 21, 2020

[Legislation] gives 'gig' workers," The Times, January 21, 2020

"Murphy signs bills to protect N.J.'s self-" South Jersey Times, January 21, 2020

Rwh/cl

P.L. 2019, CHAPTER 367, *approved January 20, 2020*  
Senate, No. 4228 (*First Reprint*)

1 AN ACT concerning tax data sharing and amending Title 54 of the  
2 Revised Statutes.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. R.S.54:50-8 is amended to read as follows:

8 54:50-8. a. The records and files of the director respecting the  
9 administration of the State Uniform Tax Procedure Law or of any  
10 State tax law shall be considered confidential and privileged and  
11 neither the director nor any employee engaged in the administration  
12 thereof or charged with the custody of any such records or files, nor  
13 any former officer or employee, nor any person who may have  
14 secured information therefrom under subsection d., e., f., g.<sup>2</sup> [or]  
15 p., or q. of R.S.54:50-9 or any other provision of State law, shall  
16 divulge, disclose, use for their own personal advantage, or examine  
17 for any reason other than a reason necessitated by the performance  
18 of official duties any information obtained from the said records or  
19 files or from any examination or inspection of the premises or  
20 property of any person. Neither the director nor any employee  
21 engaged in such administration or charged with the custody of any  
22 such records or files shall be required to produce any of them for  
23 the inspection of any person or for use in any action or proceeding  
24 except when the records or files or the facts shown thereby are  
25 directly involved in an action or proceeding under the provisions of  
26 the State Uniform Tax Procedure Law or of the State tax law  
27 affected, or where the determination of the action or proceeding will  
28 affect the validity or amount of the claim of the State under some  
29 State tax law, or in any lawful proceeding for the investigation and  
30 prosecution of any violation of the criminal provisions of the State  
31 Uniform Tax Procedure Law or of any State tax law.

32 b. The prohibitions of this section, against unauthorized  
33 disclosure, use or examination by any present or former officer or  
34 employee of this State or any other individual having custody of  
35 such information obtained pursuant to the explicit authority of State  
36 law, shall specifically include, without limitation, violations  
37 involving the divulgence or examination of any information from or  
38 any copy of a federal return or federal return information required  
39 by New Jersey law to be attached to or included in any New Jersey  
40 return. Any person violating this section by divulging, disclosing or  
41 using information shall be guilty of a crime of the fourth degree.

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SBA committee amendments adopted January 6, 2020.

1 Any person violating this section by examining records or files for  
2 any reason other than a reason necessitated by the performance of  
3 official duties shall be guilty of a disorderly persons offense.

4 c. Whenever records and files are used in connection with the  
5 prosecution of any person for violating the provisions of this section  
6 by divulging, disclosing or using records or files or examining  
7 records and files for any reason other than a reason necessitated by  
8 the performance of official duties, the defendant shall be given  
9 access to those records and files. The court shall review such  
10 records and files in camera, and that portion of the court record  
11 containing the records and files shall be sealed by the court.

12 (cf: P.L.2007, c.294, s.3)

13

14 2. R.S.54:50-9 is amended to read as follows:

15 54:50-9. Nothing herein contained shall be construed to prevent:

16 a. The delivery to a taxpayer or the taxpayer's duly authorized  
17 representative of a copy of any report or any other paper filed by the  
18 taxpayer pursuant to the provisions of this subtitle or of any such State  
19 tax law;

20 b. The publication of statistics so classified as to prevent the  
21 identification of a particular report and the items thereof;

22 c. The director, in the director's discretion and subject to  
23 reasonable conditions imposed by the director, from disclosing the  
24 name and address of any licensee under any State tax law, unless  
25 expressly prohibited by such State tax law;

26 d. The inspection by the Attorney General or other legal  
27 representative of this State of the reports or files relating to the claim  
28 of any taxpayer who shall bring an action to review or set aside any tax  
29 imposed under any State tax law or against whom an action or  
30 proceeding has been instituted in accordance with the provisions  
31 thereof;

32 e. The examination of said records and files by the Comptroller,  
33 State Auditor or State Commissioner of Finance, or by their respective  
34 duly authorized agents;

35 f. The furnishing, at the discretion of the director, of any  
36 information contained in tax reports or returns or any audit thereof or  
37 the report of any investigation made with respect thereto, filed  
38 pursuant to the tax laws, to the taxing officials of any other state, the  
39 District of Columbia, the United States and the territories thereof,  
40 providing said jurisdictions grant like privileges to this State and  
41 providing such information is to be used for tax purposes only;

42 g. The furnishing, at the discretion of the director, of any material  
43 information disclosed by the records or files to any law enforcing  
44 authority of this State who shall be charged with the investigation or  
45 prosecution of any violation of the criminal provisions of this subtitle  
46 or of any State tax law;

47 h. The furnishing by the director to the State agency responsible  
48 for administering the Child Support Enforcement program pursuant to

1 Title IV-D of the federal Social Security Act, Pub.L.93-647 (42 U.S.C.  
2 s.651 et seq.), with the names, home addresses, social security  
3 numbers and sources of income and assets of all absent parents who  
4 are certified by that agency as being required to pay child support,  
5 upon request by the State agency and pursuant to procedures and in a  
6 form prescribed by the director;

7 i. The furnishing by the director to the Board of Public Utilities  
8 any information contained in tax information statements, reports or  
9 returns or any audit thereof or a report of any investigation made with  
10 respect thereto, as may be necessary for the administration of  
11 P.L.1991, c.184 (C.54:30A-18.6 et al.) and P.L.1997, c.162  
12 (C.54:10A-5.25 et al.);

13 j. The furnishing by the director to the Director of the Division of  
14 Alcoholic Beverage Control in the Department of Law and Public  
15 Safety any information contained in tax information statements,  
16 reports or returns or any audit thereof or a report of any investigation  
17 made with respect thereto, as may be relevant, in the discretion of the  
18 director, in any proceeding conducted for the issuance, suspension or  
19 revocation of any license authorized pursuant to Title 33 of the  
20 Revised Statutes;

21 k. The inspection by the Attorney General or other legal  
22 representative of this State of the reports or files of any tobacco  
23 product manufacturer, as defined in section 2 of P.L.1999, c.148  
24 (C.52:4D-2), for any period in which that tobacco product  
25 manufacturer was not or is not in compliance with subsection a. of  
26 section 3 of P.L.1999, c.148 (C.52:4D-3), or of any licensed distributor  
27 as defined in section 102 of P.L.1948, c.65 (C.54:40A-2), for the  
28 purpose of facilitating the administration of the provisions of  
29 P.L.1999, c.148 (C.52:4D-1 et seq.);

30 l. The furnishing, at the discretion of the director, of information  
31 as to whether a contractor or subcontractor holds a valid business  
32 registration as defined in section 1 of P.L.2001, c.134 (C.52:32-44);

33 m. The furnishing by the director to a State agency as defined in  
34 section 1 of P.L.1995, c.158 (C.54:50-24) the names of licensees  
35 subject to suspension for non-payment of State tax indebtedness  
36 pursuant to P.L.2004, c.58 (C.54:50-26.1 et al.);

37 n. The release to the United States Department of the Treasury,  
38 Bureau of Financial Management Service, or its successor of relevant  
39 taxpayer information for purposes of implementing a reciprocal  
40 collection and offset of indebtedness agreement entered into between  
41 the State of New Jersey and the federal government pursuant to section  
42 1 of P.L.2006, c.32 (C.54:49-12.7);

43 o. The examination of said records and files by the Commissioner  
44 of Health and Senior Services, the Commissioner of Human Services,  
45 the Medicaid Inspector General, or their respective duly authorized  
46 agents, pursuant to section 5 of P.L.2007, c.217 (C.26:2H-18.60e),  
47 section 3 of P.L.1968, c.413 (C.30:4D-3), or section 5 of P.L.2005,  
48 c.156 (C.30:4J-12);

1 p. The furnishing at the discretion of the director of employer  
2 provided wage and tax withholding information contained in tax  
3 reports or returns filed pursuant to N.J.S.54A:7-2, 54A:7-4 and 54A:7-  
4 7, to the designated municipal officer of a municipality authorized to  
5 impose an employer payroll tax pursuant to the provisions of Article 5  
6 (Employer Payroll Tax) of the "Local Tax Authorization Act,"  
7 P.L.1970, c.326 (C.40:48C-14 et seq.), for the limited purpose of  
8 verifying the payroll information reported by employers subject to the  
9 employer payroll tax;

10 q. The furnishing by the director to the Commissioner of Labor  
11 and Workforce Development of any information, including, but not  
12 limited to, tax information statements, reports, audit files, returns, or  
13 reports of any investigation for the purpose of 'labor market'  
14 research'[, ] or 'assisting in investigations pursuant to any 'state]  
15 State' wage, benefit 'and] or' tax law as 'defined] enumerated' in  
16 section 1 of P.L.2009, c.194 (C.34:1A-1.11); or pursuant to P.L.1940,  
17 c.153 (C.34:2-21.1 et seq.).  
18 (cf: P.L.2008, c.38, s.8)

19

20 3. This act shall take effect immediately

21

22

23

24

25 \_\_\_\_\_  
Concerns tax data sharing between State Treasury and DOLWD.

**SENATE, No. 4228**

---

**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

---

INTRODUCED NOVEMBER 14, 2019

**Sponsored by:**

**Senator JOSEPH A. LAGANA**

**District 38 (Bergen and Passaic)**

**Senator FRED H. MADDEN, JR.**

**District 4 (Camden and Gloucester)**

**Co-Sponsored by:**

**Senator Greenstein**

**SYNOPSIS**

Concerns tax data sharing between State Treasury and DOLWD.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning tax data sharing and amending Title 54 of the  
2 Revised Statutes.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. R.S.54:50-8 is amended to read as follows:

8 54:50-8. a. The records and files of the director respecting the  
9 administration of the State Uniform Tax Procedure Law or of any  
10 State tax law shall be considered confidential and privileged and  
11 neither the director nor any employee engaged in the administration  
12 thereof or charged with the custody of any such records or files, nor  
13 any former officer or employee, nor any person who may have  
14 secured information therefrom under subsection d., e., f., g., **[or]**  
15 p., or q. of R.S.54:50-9 or any other provision of State law, shall  
16 divulge, disclose, use for their own personal advantage, or examine  
17 for any reason other than a reason necessitated by the performance  
18 of official duties any information obtained from the said records or  
19 files or from any examination or inspection of the premises or  
20 property of any person. Neither the director nor any employee  
21 engaged in such administration or charged with the custody of any  
22 such records or files shall be required to produce any of them for  
23 the inspection of any person or for use in any action or proceeding  
24 except when the records or files or the facts shown thereby are  
25 directly involved in an action or proceeding under the provisions of  
26 the State Uniform Tax Procedure Law or of the State tax law  
27 affected, or where the determination of the action or proceeding will  
28 affect the validity or amount of the claim of the State under some  
29 State tax law, or in any lawful proceeding for the investigation and  
30 prosecution of any violation of the criminal provisions of the State  
31 Uniform Tax Procedure Law or of any State tax law.

32 b. The prohibitions of this section, against unauthorized  
33 disclosure, use or examination by any present or former officer or  
34 employee of this State or any other individual having custody of  
35 such information obtained pursuant to the explicit authority of State  
36 law, shall specifically include, without limitation, violations  
37 involving the divulgence or examination of any information from or  
38 any copy of a federal return or federal return information required  
39 by New Jersey law to be attached to or included in any New Jersey  
40 return. Any person violating this section by divulging, disclosing or  
41 using information shall be guilty of a crime of the fourth degree.  
42 Any person violating this section by examining records or files for  
43 any reason other than a reason necessitated by the performance of  
44 official duties shall be guilty of a disorderly persons offense.

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

**Matter underlined thus is new matter.**



1 c. Whenever records and files are used in connection with the  
2 prosecution of any person for violating the provisions of this section  
3 by divulging, disclosing or using records or files or examining  
4 records and files for any reason other than a reason necessitated by  
5 the performance of official duties, the defendant shall be given  
6 access to those records and files. The court shall review such  
7 records and files in camera, and that portion of the court record  
8 containing the records and files shall be sealed by the court.

9 (cf: P.L.2007, c.294, s.3)

10  
11 2. R.S.54:50-9 is amended to read as follows:

12 54:50-9. Nothing herein contained shall be construed to  
13 prevent:

14 a. The delivery to a taxpayer or the taxpayer's duly authorized  
15 representative of a copy of any report or any other paper filed by  
16 the taxpayer pursuant to the provisions of this subtitle or of any  
17 such State tax law;

18 b. The publication of statistics so classified as to prevent the  
19 identification of a particular report and the items thereof;

20 c. The director, in the director's discretion and subject to  
21 reasonable conditions imposed by the director, from disclosing the  
22 name and address of any licensee under any State tax law, unless  
23 expressly prohibited by such State tax law;

24 d. The inspection by the Attorney General or other legal  
25 representative of this State of the reports or files relating to the  
26 claim of any taxpayer who shall bring an action to review or set  
27 aside any tax imposed under any State tax law or against whom an  
28 action or proceeding has been instituted in accordance with the  
29 provisions thereof;

30 e. The examination of said records and files by the  
31 Comptroller, State Auditor or State Commissioner of Finance, or by  
32 their respective duly authorized agents;

33 f. The furnishing, at the discretion of the director, of any  
34 information contained in tax reports or returns or any audit thereof  
35 or the report of any investigation made with respect thereto, filed  
36 pursuant to the tax laws, to the taxing officials of any other state,  
37 the District of Columbia, the United States and the territories  
38 thereof, providing said jurisdictions grant like privileges to this  
39 State and providing such information is to be used for tax purposes  
40 only;

41 g. The furnishing, at the discretion of the director, of any  
42 material information disclosed by the records or files to any law  
43 enforcing authority of this State who shall be charged with the  
44 investigation or prosecution of any violation of the criminal  
45 provisions of this subtitle or of any State tax law;

46 h. The furnishing by the director to the State agency  
47 responsible for administering the Child Support Enforcement  
48 program pursuant to Title IV-D of the federal Social Security Act,

1 Pub.L.93-647 (42 U.S.C. s.651 et seq.), with the names, home  
2 addresses, social security numbers and sources of income and assets  
3 of all absent parents who are certified by that agency as being  
4 required to pay child support, upon request by the State agency and  
5 pursuant to procedures and in a form prescribed by the director;

6 i. The furnishing by the director to the Board of Public  
7 Utilities any information contained in tax information statements,  
8 reports or returns or any audit thereof or a report of any  
9 investigation made with respect thereto, as may be necessary for the  
10 administration of P.L.1991, c.184 (C.54:30A-18.6 et al.) and  
11 P.L.1997, c.162 (C.54:10A-5.25 et al.);

12 j. The furnishing by the director to the Director of the Division  
13 of Alcoholic Beverage Control in the Department of Law and  
14 Public Safety any information contained in tax information  
15 statements, reports or returns or any audit thereof or a report of any  
16 investigation made with respect thereto, as may be relevant, in the  
17 discretion of the director, in any proceeding conducted for the  
18 issuance, suspension or revocation of any license authorized  
19 pursuant to Title 33 of the Revised Statutes;

20 k. The inspection by the Attorney General or other legal  
21 representative of this State of the reports or files of any tobacco  
22 product manufacturer, as defined in section 2 of P.L.1999, c.148  
23 (C.52:4D-2), for any period in which that tobacco product  
24 manufacturer was not or is not in compliance with subsection a. of  
25 section 3 of P.L.1999, c.148 (C.52:4D-3), or of any licensed  
26 distributor as defined in section 102 of P.L.1948, c.65 (C.54:40A-  
27 2), for the purpose of facilitating the administration of the  
28 provisions of P.L.1999, c.148 (C.52:4D-1 et seq.);

29 l. The furnishing, at the discretion of the director, of  
30 information as to whether a contractor or subcontractor holds a  
31 valid business registration as defined in section 1 of P.L.2001, c.134  
32 (C.52:32-44);

33 m. The furnishing by the director to a State agency as defined in  
34 section 1 of P.L.1995, c.158 (C.54:50-24) the names of licensees  
35 subject to suspension for non-payment of State tax indebtedness  
36 pursuant to P.L.2004, c.58 (C.54:50-26.1 et al.);

37 n. The release to the United States Department of the Treasury,  
38 Bureau of Financial Management Service, or its successor of  
39 relevant taxpayer information for purposes of implementing a  
40 reciprocal collection and offset of indebtedness agreement entered  
41 into between the State of New Jersey and the federal government  
42 pursuant to section 1 of P.L.2006, c.32 (C.54:49-12.7);

43 o. The examination of said records and files by the  
44 Commissioner of Health and Senior Services, the Commissioner of  
45 Human Services, the Medicaid Inspector General, or their  
46 respective duly authorized agents, pursuant to section 5 of  
47 P.L.2007, c.217 (C.26:2H-18.60e), section 3 of P.L.1968, c.413  
48 (C.30:4D-3), or section 5 of P.L.2005, c.156 (C.30:4J-12);

1 p. The furnishing at the discretion of the director of employer  
2 provided wage and tax withholding information contained in tax  
3 reports or returns filed pursuant to N.J.S.54A:7-2, 54A:7-4 and  
4 54A:7-7, to the designated municipal officer of a municipality  
5 authorized to impose an employer payroll tax pursuant to the  
6 provisions of Article 5 (Employer Payroll Tax) of the "Local Tax  
7 Authorization Act," P.L.1970, c.326 (C.40:48C-14 et seq.), for the  
8 limited purpose of verifying the payroll information reported by  
9 employers subject to the employer payroll tax;

10 q. The furnishing by the director to the Commissioner of Labor  
11 and Workforce Development of any information, including, but not  
12 limited to, tax information statements, reports, audit files, returns,  
13 or reports of any investigation for the purpose of research, assisting  
14 in investigations pursuant to any state wage, benefit and tax law as  
15 defined in section 1 of P.L.2009, c.194 (C.34:1A-1.11); or pursuant  
16 to P.L.1940, c.153 (C.34:2-21.1 et seq.).

17 (cf: P.L.2008, c.38, s.8)

18

19 3. This act shall take effect immediately

20

21

22

#### STATEMENT

23

24 This bill permits the Division of Taxation within the Department  
25 of the Treasury to share with the Department of Labor and  
26 Workforce Development any information including, but not limited  
27 to, tax information statements, reports, audit files, returns, or  
28 reports of any investigation.

SENATE LABOR COMMITTEE

STATEMENT TO

**SENATE, No. 4228**

**STATE OF NEW JERSEY**

DATED: DECEMBER 5, 2019

The Senate Labor Committee reports favorably, Senate Bill No. 4228.

This bill permits the Division of Taxation within the Department of the Treasury to share with the Department of Labor and Workforce Development any information including, but not limited to, tax information statements, reports, audit files, returns, or reports of any investigation.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### **SENATE, No. 4228**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JANUARY 6, 2020

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 4228.

This bill, as amended, permits the Division of Taxation within the Department of the Treasury to share with the Department of Labor and Workforce Development any information, including, but not limited to, tax information statements, reports, audit files, returns, or reports of any investigation.

#### COMMITTEE AMENDMENTS:

The committee amendments provide for the furnishing of tax information statements, reports, audit files, returns, or reports of any investigation for the purpose of labor market research, rather than just research, and make technical amendments.

#### FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.

# ASSEMBLY, No. 5842

## STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED NOVEMBER 14, 2019

**Sponsored by:**

**Assemblyman NICHOLAS CHIARAVALLOTTI**

**District 31 (Hudson)**

**Assemblyman PAUL D. MORIARTY**

**District 4 (Camden and Gloucester)**

**SYNOPSIS**

Concerns tax data sharing between State Treasury and DOLWD.

**CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 11/15/2019)

A5842 CHIARAVALLOTI, MORIARTY

2

1 AN ACT concerning tax data sharing and amending Title 54 of the  
2 Revised Statutes.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. R.S.54:50-8 is amended to read as follows:

8 54:50-8. a. The records and files of the director respecting the  
9 administration of the State Uniform Tax Procedure Law or of any  
10 State tax law shall be considered confidential and privileged and  
11 neither the director nor any employee engaged in the administration  
12 thereof or charged with the custody of any such records or files, nor  
13 any former officer or employee, nor any person who may have  
14 secured information therefrom under subsection d., e., f., g., **[or]**  
15 p., or q. of R.S.54:50-9 or any other provision of State law, shall  
16 divulge, disclose, use for their own personal advantage, or examine  
17 for any reason other than a reason necessitated by the performance  
18 of official duties any information obtained from the said records or  
19 files or from any examination or inspection of the premises or  
20 property of any person. Neither the director nor any employee  
21 engaged in such administration or charged with the custody of any  
22 such records or files shall be required to produce any of them for  
23 the inspection of any person or for use in any action or proceeding  
24 except when the records or files or the facts shown thereby are  
25 directly involved in an action or proceeding under the provisions of  
26 the State Uniform Tax Procedure Law or of the State tax law  
27 affected, or where the determination of the action or proceeding will  
28 affect the validity or amount of the claim of the State under some  
29 State tax law, or in any lawful proceeding for the investigation and  
30 prosecution of any violation of the criminal provisions of the State  
31 Uniform Tax Procedure Law or of any State tax law.

32 b. The prohibitions of this section, against unauthorized  
33 disclosure, use or examination by any present or former officer or  
34 employee of this State or any other individual having custody of  
35 such information obtained pursuant to the explicit authority of State  
36 law, shall specifically include, without limitation, violations  
37 involving the divulgence or examination of any information from or  
38 any copy of a federal return or federal return information required  
39 by New Jersey law to be attached to or included in any New Jersey  
40 return. Any person violating this section by divulging, disclosing or  
41 using information shall be guilty of a crime of the fourth degree.  
42 Any person violating this section by examining records or files for  
43 any reason other than a reason necessitated by the performance of  
44 official duties shall be guilty of a disorderly persons offense.

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

**Matter underlined thus is new matter.**

1 c. Whenever records and files are used in connection with the  
2 prosecution of any person for violating the provisions of this section  
3 by divulging, disclosing or using records or files or examining  
4 records and files for any reason other than a reason necessitated by  
5 the performance of official duties, the defendant shall be given  
6 access to those records and files. The court shall review such  
7 records and files in camera, and that portion of the court record  
8 containing the records and files shall be sealed by the court.

9 (cf: P.L.2007, c.294, s.3)

10  
11 2. R.S.54:50-9 is amended to read as follows:

12 54:50-9. Nothing herein contained shall be construed to prevent:

13 a. The delivery to a taxpayer or the taxpayer's duly authorized  
14 representative of a copy of any report or any other paper filed by  
15 the taxpayer pursuant to the provisions of this subtitle or of any  
16 such State tax law;

17 b. The publication of statistics so classified as to prevent the  
18 identification of a particular report and the items thereof;

19 c. The director, in the director's discretion and subject to  
20 reasonable conditions imposed by the director, from disclosing the  
21 name and address of any licensee under any State tax law, unless  
22 expressly prohibited by such State tax law;

23 d. The inspection by the Attorney General or other legal  
24 representative of this State of the reports or files relating to the  
25 claim of any taxpayer who shall bring an action to review or set  
26 aside any tax imposed under any State tax law or against whom an  
27 action or proceeding has been instituted in accordance with the  
28 provisions thereof;

29 e. The examination of said records and files by the  
30 Comptroller, State Auditor or State Commissioner of Finance, or by  
31 their respective duly authorized agents;

32 f. The furnishing, at the discretion of the director, of any  
33 information contained in tax reports or returns or any audit thereof  
34 or the report of any investigation made with respect thereto, filed  
35 pursuant to the tax laws, to the taxing officials of any other state,  
36 the District of Columbia, the United States and the territories  
37 thereof, providing said jurisdictions grant like privileges to this  
38 State and providing such information is to be used for tax purposes  
39 only;

40 g. The furnishing, at the discretion of the director, of any  
41 material information disclosed by the records or files to any law  
42 enforcing authority of this State who shall be charged with the  
43 investigation or prosecution of any violation of the criminal  
44 provisions of this subtitle or of any State tax law;

45 h. The furnishing by the director to the State agency  
46 responsible for administering the Child Support Enforcement  
47 program pursuant to Title IV-D of the federal Social Security Act,  
48 Pub.L.93-647 (42 U.S.C. s.651 et seq.), with the names, home



- 1 addresses, social security numbers and sources of income and assets  
2 of all absent parents who are certified by that agency as being  
3 required to pay child support, upon request by the State agency and  
4 pursuant to procedures and in a form prescribed by the director;
- 5 i. The furnishing by the director to the Board of Public  
6 Utilities any information contained in tax information statements,  
7 reports or returns or any audit thereof or a report of any  
8 investigation made with respect thereto, as may be necessary for the  
9 administration of P.L.1991, c.184 (C.54:30A-18.6 et al.) and  
10 P.L.1997, c.162 (C.54:10A-5.25 et al.);
- 11 j. The furnishing by the director to the Director of the Division  
12 of Alcoholic Beverage Control in the Department of Law and  
13 Public Safety any information contained in tax information  
14 statements, reports or returns or any audit thereof or a report of any  
15 investigation made with respect thereto, as may be relevant, in the  
16 discretion of the director, in any proceeding conducted for the  
17 issuance, suspension or revocation of any license authorized  
18 pursuant to Title 33 of the Revised Statutes;
- 19 k. The inspection by the Attorney General or other legal  
20 representative of this State of the reports or files of any tobacco  
21 product manufacturer, as defined in section 2 of P.L.1999, c.148  
22 (C.52:4D-2), for any period in which that tobacco product  
23 manufacturer was not or is not in compliance with subsection a. of  
24 section 3 of P.L.1999, c.148 (C.52:4D-3), or of any licensed  
25 distributor as defined in section 102 of P.L.1948, c.65 (C.54:40A-  
26 2), for the purpose of facilitating the administration of the  
27 provisions of P.L.1999, c.148 (C.52:4D-1 et seq.);
- 28 l. The furnishing, at the discretion of the director, of  
29 information as to whether a contractor or subcontractor holds a  
30 valid business registration as defined in section 1 of P.L.2001, c.134  
31 (C.52:32-44);
- 32 m. The furnishing by the director to a State agency as defined in  
33 section 1 of P.L.1995, c.158 (C.54:50-24) the names of licensees  
34 subject to suspension for non-payment of State tax indebtedness  
35 pursuant to P.L.2004, c.58 (C.54:50-26.1 et al.);
- 36 n. The release to the United States Department of the Treasury,  
37 Bureau of Financial Management Service, or its successor of  
38 relevant taxpayer information for purposes of implementing a  
39 reciprocal collection and offset of indebtedness agreement entered  
40 into between the State of New Jersey and the federal government  
41 pursuant to section 1 of P.L.2006, c.32 (C.54:49-12.7);
- 42 o. The examination of said records and files by the  
43 Commissioner of Health and Senior Services, the Commissioner of  
44 Human Services, the Medicaid Inspector General, or their  
45 respective duly authorized agents, pursuant to section 5 of  
46 P.L.2007, c.217 (C.26:2H-18.60e), section 3 of P.L.1968, c.413  
47 (C.30:4D-3), or section 5 of P.L.2005, c.156 (C.30:4J-12);

1 p. The furnishing at the discretion of the director of employer  
2 provided wage and tax withholding information contained in tax  
3 reports or returns filed pursuant to N.J.S.54A:7-2, 54A:7-4 and  
4 54A:7-7, to the designated municipal officer of a municipality  
5 authorized to impose an employer payroll tax pursuant to the  
6 provisions of Article 5 (Employer Payroll Tax) of the "Local Tax  
7 Authorization Act," P.L.1970, c.326 (C.40:48C-14 et seq.), for the  
8 limited purpose of verifying the payroll information reported by  
9 employers subject to the employer payroll tax;

10 q. The furnishing by the director to the Commissioner of Labor  
11 and Workforce Development of any information, including, but not  
12 limited to, tax information statements, reports, audit files, returns,  
13 or reports of any investigation for the purpose of research, assisting  
14 in investigations pursuant to any state wage, benefit and tax law as  
15 defined in section 1 of P.L.2009, c.194 (C.34:1A-1.11); or pursuant  
16 to P.L.1940, c.153 (C.34:2-21.1 et seq.).

17 (cf: P.L.2008, c.38, s.8)

18

19 3. This act shall take effect immediately.

20

21

22

#### STATEMENT

23

24 This bill permits the Division of Taxation within the Department  
25 of the Treasury to share with the Department of Labor and  
26 Workforce Development any information including, but not limited  
27 to, tax information statements, reports, audit files, returns, or  
28 reports of any investigation.

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 5842**

**STATE OF NEW JERSEY**

DATED: NOVEMBER 18, 2019

The Assembly Labor Committee reports favorably Assembly Bill No. 5842.

This bill permits the Division of Taxation within the Department of the Treasury to share with the Department of Labor and Workforce Development any information including, but not limited to, tax information statements, reports, audit files, returns, or reports of any investigation.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 5842**

with committee amendments

**STATE OF NEW JERSEY**

DATED: JANUARY 9, 2020

The Assembly Appropriations Committee reports favorably and Assembly Bill No. 5842, with committee amendments.

This bill, as amended, permits the Division of Taxation within the Department of the Treasury to share with the Department of Labor and Workforce Development any information, including, but not limited to, tax information statements, reports, audit files, returns, or reports of any investigation.

COMMITTEE AMENDMENTS:

The committee amendments provide for the furnishing of tax information statements, reports, audit files, returns, or reports of any investigation for the purpose of labor market research, rather than just research, and make technical amendments.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.

# Governor Murphy Signs Sweeping Legislative Package to Combat Worker Misclassification and Exploitation

01/20/2020

**TRENTON** – Acting on his commitment to support and uplift New Jersey workers, Governor Phil Murphy today signed a legislative package combatting worker misclassification and exploitation. The bills will crack down on employee misclassification in businesses by allowing stop-work orders against employers violating state wage, benefit, and tax law; providing assessment of penalties for violations in connection with misclassification of employees; and requiring employers to post a notice for their employees regarding employee misclassification, among others.

Since day one, taking on the practice of misclassification has been a top priority for the Murphy Administration. In May 2018, Governor Murphy signed Executive Order No. 25, which established the Task Force on Employee Misclassification. He later released a comprehensive report from the Task Force which included sixteen recommendations for both executive actions and relevant legislation. His administration has already made significant progress on responding to the Task Force's recommendations to curtail the widespread and illegal practice of misclassifying workers, including through improving cross-training between departments and cooperation with neighboring states.

"We cannot build a stronger and fairer economy without strong workplace protections that ensure fairness for employees," **said Governor Murphy**. "I am proud to sign these bills today to curb this unethical and illegal practice that hurts our working families and exploits New Jersey's workers."

"Gov. Murphy has positioned New Jersey to be a leader in the fight against illegal misclassification by giving the Labor Department powerful new compliance and enforcement tools," **said Labor Commissioner Robert Asaro-Angelo**. "These bills protect employees who are misclassified as independent contractors as well as independent contractors improperly treated as employees, and provide critical support for employers who play by the rules. These bills contain important work rights and protections for both our state's employees and their employers. Thank you to the dedicated leadership of my colleagues on the Misclassification Task Force, which formulated the recommendations for this package of legislation."

The Governor signed the following bills into law:

**A5838 (DeAngelo, Danielsen, Houghtaling/Madden, Singleton)** - Concerns stop-work orders.

**A5839 (Moriarty, Verrelli, DeAngelo/Madden, Singleton)** - Concerns penalties for misclassification of employees.

**A5840 (Carter, Moriarty/Greenstein, Madden)**- Concerns joint liability for payment of employer tax law.

**A5843 (Speight, Verrelli, Moriarty/Lagana, Greenstein)** - Requires employers to post notice for employees on employee misclassification.

**S4226 (Madden, Singleton/Calabrese, Verrelli, Moriarty)** - Permits Department of Labor and Workforce Development to post information of person who violates State wage, benefit and tax laws.

**S4228 (Lagana, Madden/Chiaravalloti, Moriarty)** - Concerns tax data sharing between State Treasury and DOLWD.

"Workers' rights enhance the quality of life of all New Jersey residents. They are vital to the livelihoods for those employed in our state and for the families they support," **said Senator Joseph Lagana**. "These rights often come under attack, but in New Jersey we are committed to standing up for employees and their families. With this bill package in place, we honor that commitment and make our state a greater place to earn a living."

"When the rights of our workers are threatened, we need to take action to ensure that they are protected," **said Senator Troy Singleton**. "We can protect our workers' rights by punishing those unscrupulous contractors and companies who commit wage theft and ultimately take advantage of their hard work."

"Today marks a victory for workers all across the state of New Jersey," **said Senator Fred Madden**. "For far too long, unscrupulous contractors have cheated their workers out of hard-earned wages and benefits in order to undercut the competition and increase personal profits. This has created untold social and economic costs for our middle class families, but today we say no more. These increased protections underscore our commitment to fighting for the rights of our working class."

"When employers misclassify their employees as independent contractors, the impact is not only felt in the homes of hardworking families throughout the state but in our entire state's economy," **said Senator Linda Greenstein**. "Contractors need to understand the severity of their actions; this is not simply the theft of wages, it is the theft of financial security, opportunities and health benefits. I am proud of New Jersey for taking a stand for its workers and for sending a message that these selfish and criminal actions will be met with consequences."

**Assemblymembers Wayne DeAngelo, Joe Daniels, Eric Houghtaling, Paul Moriarty, Shanique Speight, Anthony Verrelli, Linda Carter, Clinton Calabrese, and Nicholas Chiaravalloti issued the following joint statement on the new laws regarding misclassification concerns:**

"Classifying workers as independent contractors as an alternative to full or part-time employment has been a grossly misused practice of misclassification.

"It hurts employees and their families who do not have access to critical benefits and protections they are entitled to by law, including minimum wage, overtime compensation, family and medical leave and unemployment insurance. It also hurts each of the taxpayers and businesses paying their fair share while others avoid their tax duties.

"These new mandates will work in concert to stem the practice of misclassification together with expanding stop work orders beyond those for construction trades and prevailing wage, and requiring tax data to be shared between the state Department of Treasury and Labor to support more comprehensive investigations."

"The cost of misclassification is hundreds of millions of dollars. When an employee is wrongfully tagged an independent contractor - when they are actually an employee - they are not paid workers' compensation, social security and overtime," **said William Mullen, President of the New Jersey Building and Construction Trades Council**. "Not only is the worker being exploited, but the State is not getting its fair share of payroll taxes. In addition, worker misclassification creates an unfair playing field for the contractors that are actually doing the right thing. I commended Governor Murphy for signing into law such an important package of bills to protect working men and women of New Jersey."

"Under Governor Murphy's leadership, New Jersey has aggressively taken action to protect workers who've been cheated out of hard-earned pay and benefits," **said Charles Wowkanech, President of the New Jersey State AFL-CIO**. "I applaud the Governor for his unwavering commitment to our workers and for always standing with working families in the Garden State."