

54:32B-8.51

LEGISLATIVE HISTORY CHECK Compiled by the NJ State Law Library

LAWS OF: 1999 **CHAPTER:** 254

NJSA: 54:32B-8.51 ("Secure Firearm Storage Act" -- Firearm vaults—sales tax exemption)

BILL NO: A2421 (Substituted for S1342)

SPONSOR(S): Cohen and Gregg

DATE INTRODUCED: September 17, 1998

COMMITTEE: **ASSEMBLY:** Law and Public Safety; Appropriations

SENATE: Budget and Appropriations; Law and Public Safety

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** February 18, 1999

SENATE: July 1, 1999

DATE OF APPROVAL: October 15, 1999

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL: Original
(Amendments during passage denoted by superscript numbers)

A2421

SPONSORS STATEMENT: (Begins on page 2 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** [Yes](#) [10-5-98 \(Law & Pub. Safety\)](#)
[Yes](#) [11-9-98 \(Appropriations\)](#)

SENATE: [Yes](#) [5-20-99 \(Law & Pub. Safety\)](#)
[Yes](#) [6-14-99 \(Budget & App.\)](#)

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: [Yes](#) [12-2-98](#)

FISCAL NOTE [Yes](#) [5-5-99](#)

S1342

SPONSORS STATEMENT: (Begins on page 2 of original bill) [Yes](#)

Bill and Sponsors Statement identical to A2421

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: [Yes](#) [5-20-99](#)
[Yes](#) [6-14-99](#)

Identical to 6-14-99 Senate Budget & Appropriations Statement to A2421

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE:

[Yes](#) [12-2-98](#)

Identical to Legislative Fiscal Estimate to A2421

FISCAL NOTE

[Yes](#) [4-23-99](#)

Identical to Fiscal Note to A2421

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. 102 or refdesk@njstatelib.org

REPORTS:

No

HEARINGS:

No

NEWSPAPER ARTICLES:

"Whitman to tax changers: Slow down," 10-16-99, Bergen Record, p. A3.

Yes

P.L. 1999, CHAPTER 254, *approved October 15, 1999*
Assembly, No. 2421

1 **AN ACT** providing an exemption from the sales and use tax for sales
2 of firearm vaults, supplementing P.L.1966, c.30 (C.54:32B-1 et
3 seq.).

4

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

7

8 1. a. This act shall be known and may be cited as "The Secure
9 Firearm Storage Act".

10 b. Receipts from sales of firearm vaults providing secure storage
11 for firearms are exempt from the tax imposed under the "Sales and Use
12 Tax Act", P.L.1966, c.30 (C.54:32B-1 et seq.).

13

14 2. This act shall take effect on the first day of the second month
15 following enactment.

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STATEMENT

19

20 This bill allows an exemption from the sales and use tax for sales of
21 firearm vaults providing secure and safe storage for firearms.

22 Several well-publicized incidents have occurred recently in which
23 children have gained access to a parent's lawfully possessed but
24 improperly stored firearm, and then used the firearm to injure or kill
25 themselves or members of their families or communities. In many
26 cases, these tragic events could have been prevented if the firearm had
27 been locked away in a place of secure storage. Firearm vaults afford
28 lawful firearm owners an effective means of storing their firearms in
29 a place that, while convenient to the owner, is inaccessible to a child,
30 intruder or anyone else that the owner would wish to exclude from
31 access to firearms. This legislation will encourage responsibility in
32 firearm ownership by relieving owners of liability for sales tax on their
33 purchases of these important safety devices.

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38 "The Secure Firearm Storage Act"; exempts sale of firearm vaults from
39 sales and use tax.

ASSEMBLY, No. 2421

STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED SEPTEMBER 17, 1998

Sponsored by:

Assemblyman NEIL M. COHEN

District 20 (Union)

Assemblyman GUY R. GREGG

District 24 (Sussex, Hunterdon and Morris)

Co-Sponsored by:

**Assemblymen Luongo, LeFevre, Merkt, Corodemus, Gusciora,
Assemblywoman Watson Coleman, Senators DiFrancesco, Lynch and
Bucco**

SYNOPSIS

"The Secure Firearm Storage Act"; exempts sale of firearm vaults from sales and use tax.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 7/2/1999)

1 AN ACT providing an exemption from the sales and use tax for sales
2 of firearm vaults, supplementing P.L.1966, c.30 (C.54:32B-1 et
3 seq.).

4

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

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9 Firearm Storage Act".

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29 a place that, while convenient to the owner, is inaccessible to a child,
30 intruder or anyone else that the owner would wish to exclude from
31 access to firearms. This legislation will encourage responsibility in
32 firearm ownership by relieving owners of liability for sales tax on their
33 purchases of these important safety devices.

ASSEMBLY LAW AND PUBLIC SAFETY COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2421

STATE OF NEW JERSEY

DATED: OCTOBER 5, 1998

The Assembly Law and Public Safety Committee reports favorably Assembly Bill No. 2421.

Assembly Bill No. 2421 allows an exemption from the sales and use tax for sales of firearm vaults providing secure and safe storage for firearms.

Several well-publicized incidents have recently occurred in which children have gained access to a parent's lawfully possessed but improperly stored firearm, and then used the firearm to injure or kill themselves or members of their families or communities. In many cases, these tragic events could have been prevented if the firearm had been locked away in a place of secure storage. Firearm vaults afford lawful firearm owners an effective means of storing their firearms in a place that, while convenient to the owner, is inaccessible to a child, intruder or anyone else that the owner would wish to exclude from access to firearms.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2421

STATE OF NEW JERSEY

DATED: NOVEMBER 9, 1998

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2421.

Assembly Bill No. 2421 allows an exemption from the sales and use tax for sales of firearm vaults providing secure and safe storage for firearms.

Several well-publicized incidents have recently occurred in which children have gained access to a parent's lawfully possessed but improperly stored firearm, and then used the firearm to injure or kill themselves or members of their families or communities. In many cases, these tragic events could have been prevented if the firearm had been locked away in a place of secure storage. Firearm vaults afford lawful firearm owners an effective means of storing their firearms in a place that, while convenient to the owner, is inaccessible to a child, intruder or anyone else that the owner would wish to exclude from access to firearms.

FISCAL IMPACT:

In the legislative fiscal estimate to this bill, the Office of Legislative Services (OLS) stated a precise fiscal estimate on the impact of the bill could not be made, however a minimal reduction in sales tax revenues was anticipated. Figures on the number of firearm vaults sold in the State were not available. The OLS noted that for every 1,000 firearm vaults sold, the State could lose approximately \$48,000 in forgone sales tax revenue, based on an estimated cost of \$800.00 per vault.

SENATE LAW AND PUBLIC SAFETY COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2421

STATE OF NEW JERSEY

DATED: MAY 20, 1999

The Senate Law and Public Safety Committee reports favorably Assembly Bill No. 2421.

This bill allows an exemption from the sales and use tax for sales of firearm vaults providing secure and safe storage for firearms.

Several well-publicized incidents have recently occurred in which children have gained access to a parent's lawfully possessed but improperly stored firearm, and then used the firearm to injure or kill themselves or members of their families or communities. In many cases, these tragic events could have been prevented if the firearm had been locked away in a place of secure storage. Firearm vaults afford lawful firearm owners an effective means of storing their firearms in a place that, while convenient to the owner, is inaccessible to a child, intruder or anyone else that the owner would wish to exclude from access to firearms.

This bill is identical to Senate Bill No. 1342 which also was released by the committee on this date.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2421

STATE OF NEW JERSEY

DATED: JUNE 14, 1999

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 2421.

This bill allows an exemption from the sales and use tax for sales of firearm vaults providing secure and safe storage for firearms.

This bill is identical to Senate Bill No. 1342.

FISCAL IMPACT:

The Office of Legislative Services (OLS) states that a precise fiscal estimate on the impact of the bill cannot be made, but that a minimal reduction in sales tax revenues is anticipated. Figures on the number of firearm vaults sold in the State were not available. The OLS notes that for every 1,000 firearm vaults sold, the State could lose approximately \$48,000 in forgone sales tax revenue, based on an estimated cost of \$800.00 per vault.

LEGISLATIVE FISCAL ESTIMATE

ASSEMBLY, No. 2421

STATE OF NEW JERSEY

208th LEGISLATURE

DATED: DECEMBER 2, 1998

Assembly Bill No. 2421 of 1998 allows an exemption from the sales and use tax for sales of firearm vaults providing secure and safe storage for firearms.

The Office of Legislative Services cannot make a precise fiscal estimate of the impact of this bill, but anticipates a minimal reduction in State sales tax revenues. Figures on the number of firearm vaults sold in the State before or after an exemption from the sales and use tax are not available. However, the OLS notes that every 1,000 firearm vaults sold could cost the State approximately \$48,000 in forgone sales tax revenue, based on an estimated cost of \$800.00 per vault.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

FISCAL NOTE

ASSEMBLY, No. 2421

STATE OF NEW JERSEY

208th LEGISLATURE

DATED: MAY 3, 1999

BILL SUMMARY

Assembly Bill No. 2421 of 1998 allows an exemption from the sales and use tax for sales of firearm vaults providing secure and safe storage for firearms.

AGENCY COMMENTS

The Department of Treasury estimates that this bill would cost the State approximately \$500,000 in reduced State sales tax revenue during the remainder of fiscal year 1999 and approximately \$1,500,000 each year thereafter. The New Jersey State Police report approximately 70,000 over-the-counter purchases of firearms and 30,000 casual sales of guns in the State each year. Treasury's estimate assumes that each of the estimated total of 100,000 firearms sales is accompanied by the sale of a gun vault, at an average price of \$250 per vault. The resulting estimate of \$25,000,000 in annual gun vault sales in New Jersey results in an estimated tax loss of \$1,500,000 due to the sales tax exemption under this bill.

OFFICE OF LEGISLATIVE SERVICES COMMENTS

The Office of Legislative Services (OLS) believes the annual sales tax revenue losses due to this bill will be significantly less than the losses estimated by the Treasury. While the OLS accepts the Treasury's estimate of 100,000 annual firearms sales in the State, it is unlikely that each of those sales will be accompanied by the sale of a gun vault. The bill *does not require* the purchase of a gun vault, but rather the bill provides a six percent sales price *incentive*. This incentive should induce increased annual gun vault sales, but the OLS believes the number of gun vault sales will be significantly less than the estimated 100,000 annual firearms sales. In addition, many firearms are purchased by people who may already own a gun vault, such as hobbyists and collectors. Since gun vaults are capable of holding more than one weapon, it is likely that the annual number of gun vault sales

will be significantly less than the annual number of firearm sales.

The OLS cannot make a precise fiscal estimate of the impact of this bill because figures on the number of firearm vaults sold in the State before or after an exemption from the sales and use tax are not available. However, the OLS notes that every 1,000 firearm vaults sold could cost the State approximately \$15,000 in forgone sales tax revenue, based on Treasury's estimated average cost of \$250 per vault.

This fiscal note has been prepared pursuant to P.L.1980, c.67.

SENATE LAW AND PUBLIC SAFETY COMMITTEE

STATEMENT TO

SENATE, No. 1342

STATE OF NEW JERSEY

DATED: MAY 20, 1999

The Senate Law and Public Safety Committee reports favorably Senate Bill No. 1342.

This bill allows an exemption from the sales and use tax for sales of firearm vaults providing secure and safe storage for firearms.

Several well-publicized incidents have occurred recently in which children have gained access to a parent's lawfully possessed but improperly stored firearm, and then used the firearm to injure or kill themselves or members of their families or communities. In many cases, these tragic events could have been prevented if the firearm had been locked away in a place of secure storage. Firearm vaults afford lawful firearm owners an effective means of storing their firearms in a place that, while convenient to the owner, is inaccessible to a child, intruder or anyone else that the owner would wish to exclude from access to firearms. This legislation will encourage responsibility in firearm ownership by relieving owners of liability for sales tax on their purchases of these important safety devices.

This bill is identical to Assembly Bill No. 2421 which also was released by the committee on this date.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1342

STATE OF NEW JERSEY

DATED: JUNE 14, 1999

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1342.

This bill allows an exemption from the sales and use tax for sales of firearm vaults providing secure and safe storage for firearms.

This bill is identical to Assembly Bill No. 2421.

FISCAL IMPACT:

The Office of Legislative Services (OLS) states that a precise fiscal estimate on the impact of the bill cannot be made, but that a minimal reduction in sales tax revenues is anticipated. Figures on the number of firearm vaults sold in the State were not available. The OLS notes that for every 1,000 firearm vaults sold, the State could lose approximately \$48,000 in forgone sales tax revenue, based on an estimated cost of \$800.00 per vault.

LEGISLATIVE FISCAL ESTIMATE

SENATE, No. 1342

STATE OF NEW JERSEY

208th LEGISLATURE

DATED: DECEMBER 2, 1998

Senate Bill No. 1342 of 1998 allows an exemption from the sales and use tax for sales of firearm vaults providing secure and safe storage for firearms.

The Office of Legislative Services cannot make a precise fiscal estimate of the impact of this bill, but anticipates a minimal reduction in State sales tax revenues. Figures on the number of firearm vaults sold in the State before or after an exemption from the sales and use tax are not available. However, the OLS notes that every 1,000 firearm vaults sold could cost the State approximately \$48,000 in forgone sales tax revenue, based on an estimated cost of \$800.00 per vault.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

FISCAL NOTE

SENATE, No. 1342

STATE OF NEW JERSEY

208th LEGISLATURE

DATED: APRIL 23, 1999

BILL SUMMARY

Senate Bill No. 1342 of 1998 allows an exemption from the sales and use tax for sales of firearm vaults providing secure and safe storage for firearms.

AGENCY COMMENTS

The Department of Treasury estimates that this bill would cost the State approximately \$500,000 in reduced State sales tax revenue during the remainder of fiscal year 1999 and approximately \$1,500,000 each year thereafter. The New Jersey State Police report approximately 70,000 over-the-counter purchases of firearms and 30,000 casual sales of guns in the State each year. Treasury's estimate assumes that each of the estimated total of 100,000 firearms sales is accompanied by the sale of a gun vault, at an average price of \$250 per vault. The resulting estimate of \$25,000,000 in annual gun vault sales in New Jersey results in an estimated tax loss of \$1,500,000 due to the sales tax exemption under this bill.

OFFICE OF LEGISLATIVE SERVICES COMMENTS

The Office of Legislative Services (OLS) believes the annual sales tax revenue losses due to this bill will be significantly less than the losses estimated by the Treasury. While the OLS accepts the Treasury's estimate of 100,000 annual firearms sales in the State, it is unlikely that each of those sales will be accompanied by the sale of a gun vault. The bill *does not require* the purchase of a gun vault, but rather the bill provides a six percent sales price *incentive*. This incentive should induce increased annual gun vault sales, but the OLS believes the number of gun vault sales will be significantly less than the estimated 100,000 annual firearms sales. In addition, many firearms are purchased by people who may already own a gun vault, such as hobbyists and collectors. Since gun vaults are capable of holding more than one weapon, it is likely that the annual number of gun vault sales

will be significantly less than the annual number of firearm sales.

The OLS cannot make a precise fiscal estimate of the impact of this bill because figures on the number of firearm vaults sold in the State before or after an exemption from the sales and use tax are not available. However, the OLS notes that every 1,000 firearm vaults sold could cost the State approximately \$15,000 in forgone sales tax revenue, based on Treasury's estimated average cost of \$250 per vault.

This fiscal note has been prepared pursuant to P.L.1980, c.67.

PO BOX 004
TRENTON, NJ 08625

Office of the Governor
NEWS RELEASE

CONTACT: Jayne O'Connor
Stephanie Bell
609-777-2600

RELEASE: October 15, 1999

**Governor Forms Advisory Committee To Review Sales and Use
Tax Legislation; Signs Legislation with Understanding that
Committee Will Review Effect**

In order to ensure a stable revenue base that is affordable, reliable and easy to collect for New Jersey, Gov. Whitman today formed an advisory committee that will study all pending proposals to expand or reduce portions of the sales tax base. The committee will also review any newly enacted legislation within three years of the enactment to recommend whether the legislation has been effective in advancing its goals.

"The sales and use tax in New Jersey has provided a stable source of revenue and must continue to do so," said Gov. Whitman. "By ensuring the stability of the sales and use tax we are able to keep the rate at six percent and are not in need of other alternative funding mechanisms."

"Currently, over \$5 billion is generated from the sales and use tax. We must ensure that when we reduce or expand this tax that we carefully consider the outcome and take into account the programs being funded and provided to the public as a result of the steady source of financial support," she continued. "This advisory committee will enable us to keep the sales and use tax simple to collect and easy to enforce and it will keep it a stable revenue generator."

The Governor said she would need to seriously consider the recommendations of the committee before acting on any further legislation concerning sales and use tax reductions or expansion. This will allow the Governor under the advisement of the committee to ensure that the benefits of the action provide significant results and are not simply unwarranted, meaningless erosion of the sales tax base.

Executive Order Number 103, creates the Advisory Committee on the Sales and Use Tax. The committee, comprised of up to eleven members will include: the state Treasurer, or a designee, a representative of a state agency or department to be appointed by the Governor, a professor of higher education with substantial expertise in the area of State tax policy, five members of the public to be appointed by the Governor and two appointees of the Legislature, one by the Speaker of the Assembly and one by the Senate President.

The goal of the advisory committee is to provide the Governor and the Legislature with a comprehensive and coordinated review of all legislation that would reduce or expand the base of the sales tax prior to it becoming law. The committee will also review currently enacted laws that perform the aforementioned functions.

Governor Whitman today signed the following legislation addressing issues of sales and use tax exemptions. All of the legislation will be subject to review by the newly formed committee.

A-2139, sponsored by Assembly Members Guy Gregg (R-Sussex/Hunterdon/Morris) and Neil Cohen (D-Union) and Senators Anthony Bucco (R-Morris) and Robert Littell (R-Sussex/ Hunterdon/Morris), increases amount of exemption under the sales and use tax for sales through coin-operated vending machines from \$0.10 to \$0.25.

A-2420 "The Firearm Accident Prevention Act", sponsored by Assemblyman Neil Cohen (D-Union) and Senate President Donald DiFrancesco (R-Middlesex/Morris/Somerset/Union) and Senator John Lynch (D-Middlesex/Somerset/Union) exempts the sale of firearm trigger locks and other devices that would make a firearm inoperable by anyone other than an authorized person from the sales and use tax.

A-2421, "The Secure Firearm Storage Act", sponsored by Assemblymen Neil Cohen (D-Union) and Guy Gregg (R-Sussex/Hunterdon/Morris) and Senate President Donald DiFrancesco (R-Middlesex/Morris/Somerset/Union) and Senator John Lynch (D- Middlesex/Somerset/Union) exempts the sale of firearm vaults from sales and use tax.

ACS for A-1952/977, sponsored by Assemblymen Alex DeCroce (R- Essex/Morris/Passaic) and Nicholas Felice (R-Bergen/Passaic), Kenneth LeFevre (R-Atlantic) and Francis Blee (R-Atlantic) and Senator James Cafiero (R-Cape May/Atlantic/Cumberland), exempts certain aircraft repairs from sales and use tax. The bill applies to repairs on private aircraft weighing more than 6,000 pounds.