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P.L. 2004, CHAPTER 52, *approved June 29, 2004*
Assembly, No. 3119

1 **AN ACT** lowering the threshold for requiring that State tax payments
2 be made by electronic funds transfer, amending P.L.1992, c.140.

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

6
7 1. Section 1 of P.L.1992, c.140 (C.54:48-4.1) is amended to read
8 as follows:

9 1. a. All tax payments described in subsection b. of this section,
10 other than those payments enumerated in subsection c. of this section,
11 shall be made by electronic funds transfer to such depositories as the
12 State Treasurer shall designate pursuant to section 1 of P.L.1956,
13 c.174 (C.52:18-16.1). A payment by electronic funds transfer shall be
14 deemed to be made on the date the payment is received by the
15 designated depository. The acceptable method of transfer; the method,
16 form and content of the electronic funds transfer message, giving due
17 regard to developing uniform standards for formats among the several
18 states; the circumstances under which an electronic funds transfer shall
19 serve as a substitute for the filing of another form of return; and the
20 means, if any, by which taxpayers will be provided with
21 acknowledgements of payments shall be as prescribed by the Director
22 of the Division of Taxation in the Department of the Treasury.
23 Notwithstanding any other law to the contrary, persons required to
24 make payments by electronic funds transfer pursuant to subsection b.
25 of this section shall make payments by electronic funds transfer no
26 more frequently than once per week. The director may, by regulation,
27 provide for less frequent payments if the director deems such action in
28 the best interest of the State.

29 b. Payments subject to the electronic funds transfer requirement of
30 subsection a. of this section are:

31 (1) those payments due in the first twelve calendar months for
32 which this section is operative made by a taxpayer that had a prior year
33 liability of \$200,000 or more;

34 (2) those payments due in the thirteenth through twenty-fourth
35 calendar months for which this section is operative made by a taxpayer
36 that had a prior year liability of \$100,000 or more;

37 (3) those payments due in the twenty-fifth through the thirty-sixth
38 calendar months for which this section is operative made by a taxpayer
39 that had a prior year liability of \$50,000 or more; and

40 (4) those payments due in the thirty-seventh calendar month for
41 which this section is operative and thereafter made by a taxpayer that

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 had a prior year liability of \$20,000 or more; and
2 (5) those payments due after July 1, 2004 and thereafter made by
3 taxpayers that had a prior year liability of \$10,000 or more.

4 c. Subsection a. of this section shall not apply to a payment of
5 estimated tax made pursuant to N.J.S.54A:8-5 or a payment of final
6 taxpayer liability pursuant to the "New Jersey Gross Income Tax Act,"
7 N.J.S.54A:1-1 et seq.; provided however, that the restriction of this
8 subsection shall not apply to payment over to the director of taxes
9 withheld pursuant to N.J.S.54A:7-1 or section 1 of P.L.1989, c.328
10 (C.54A:7-1.1). Subsection a. of this section shall not apply to a
11 payment of the transfer inheritance tax imposed pursuant to
12 R.S.54:33-1 et seq. or to a payment of the estate tax imposed pursuant
13 to R.S.54:38-1 et seq.

14 d. If the availability of funds in payment of tax required to be made
15 through electronic funds transfer is delayed, and the delay of
16 availability is explained to the satisfaction of the director to be due to
17 reasons beyond the control of the taxpayer, the director shall,
18 notwithstanding any provision of R.S.54:49-11 to the contrary, abate
19 up to the entire amount of penalty or interest that would otherwise be
20 assessed.

21 e. As used in this section:

22 "Electronic funds transfer" means any transfer of funds, other than
23 a transaction originated by check, draft, or similar paper instrument,
24 that is initiated through an electronic terminal, telephone, or computer
25 or magnetic tape for the purpose of ordering, instructing or
26 authorizing a financial institution to debit or credit an account.

27 "Prior year liability" means the total liability for any tax imposed on,
28 collected by or withheld by the taxpayer in the calendar year or the
29 fiscal or calendar privilege period, as determined under the specific law
30 regarding that tax, ending before the calendar year or fiscal or calendar
31 privilege period for which an electronic funds transfer payment is to
32 be determined to be required pursuant to subsection b. of this section.
33 (cf: P.L.1995, c.160, s.2)

34

35 2. This act shall take effect immediately.

36

37

38

STATEMENT

39

40 This bill lowers the threshold for requiring that State taxpayers
41 make State tax payments by electronic funds transfer. The threshold
42 is lowered for taxpayers with prior year tax liability of \$20,000 to
43 prior year tax liability of \$10,000 commencing July 1, 2004.

1

2

3 Lowers the threshold for requiring that State taxpayers make State tax
4 payments by electronic funds transfer.

ASSEMBLY, No. 3119

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED JUNE 21, 2004

Sponsored by:

Assemblyman JOSEPH CRYAN

District 20 (Union)

Co-Sponsored by:

Senators Bryant and Doria

SYNOPSIS

Lowers the threshold for requiring that State taxpayers make State tax payments by electronic funds transfer.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/25/2004)

A3119 CRYAN

2

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2 be made by electronic funds transfer, amending P.L.1992, c.140.

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5 of New Jersey:

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8 as follows:

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10 other than those payments enumerated in subsection c. of this section,
11 shall be made by electronic funds transfer to such depositories as the
12 State Treasurer shall designate pursuant to section 1 of P.L.1956,
13 c.174 (C.52:18-16.1). A payment by electronic funds transfer shall be
14 deemed to be made on the date the payment is received by the
15 designated depository. The acceptable method of transfer; the method,
16 form and content of the electronic funds transfer message, giving due
17 regard to developing uniform standards for formats among the several
18 states; the circumstances under which an electronic funds transfer shall
19 serve as a substitute for the filing of another form of return; and the
20 means, if any, by which taxpayers will be provided with
21 acknowledgements of payments shall be as prescribed by the Director
22 of the Division of Taxation in the Department of the Treasury.
23 Notwithstanding any other law to the contrary, persons required to
24 make payments by electronic funds transfer pursuant to subsection b.
25 of this section shall make payments by electronic funds transfer no
26 more frequently than once per week. The director may, by regulation,
27 provide for less frequent payments if the director deems such action in
28 the best interest of the State.

29 b. Payments subject to the electronic funds transfer requirement of
30 subsection a. of this section are:

31 (1) those payments due in the first twelve calendar months for
32 which this section is operative made by a taxpayer that had a prior year
33 liability of \$200,000 or more;

34 (2) those payments due in the thirteenth through twenty-fourth
35 calendar months for which this section is operative made by a taxpayer
36 that had a prior year liability of \$100,000 or more;

37 (3) those payments due in the twenty-fifth through the thirty-sixth
38 calendar months for which this section is operative made by a taxpayer
39 that had a prior year liability of \$50,000 or more; and

40 (4) those payments due in the thirty-seventh calendar month for
41 which this section is operative and thereafter made by a taxpayer that
42 had a prior year liability of \$20,000 or more; and

43 (5) those payments due after July 1, 2004 and thereafter made by

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 taxpayers that had a prior year liability of \$10,000 or more.

2 c. Subsection a. of this section shall not apply to a payment of
3 estimated tax made pursuant to N.J.S.54A:8-5 or a payment of final
4 taxpayer liability pursuant to the "New Jersey Gross Income Tax Act,"
5 N.J.S.54A:1-1 et seq.; provided however, that the restriction of this
6 subsection shall not apply to payment over to the director of taxes
7 withheld pursuant to N.J.S.54A:7-1 or section 1 of P.L.1989, c.328
8 (C.54A:7-1.1). Subsection a. of this section shall not apply to a
9 payment of the transfer inheritance tax imposed pursuant to
10 R.S.54:33-1 et seq. or to a payment of the estate tax imposed pursuant
11 to R.S.54:38-1 et seq.

12 d. If the availability of funds in payment of tax required to be made
13 through electronic funds transfer is delayed, and the delay of
14 availability is explained to the satisfaction of the director to be due to
15 reasons beyond the control of the taxpayer, the director shall,
16 notwithstanding any provision of R.S.54:49-11 to the contrary, abate
17 up to the entire amount of penalty or interest that would otherwise be
18 assessed.

19 e. As used in this section:

20 "Electronic funds transfer" means any transfer of funds, other than
21 a transaction originated by check, draft, or similar paper instrument,
22 that is initiated through an electronic terminal, telephone, or computer
23 or magnetic tape for the purpose of ordering, instructing or
24 authorizing a financial institution to debit or credit an account.

25 "Prior year liability" means the total liability for any tax imposed on,
26 collected by or withheld by the taxpayer in the calendar year or the
27 fiscal or calendar privilege period, as determined under the specific law
28 regarding that tax, ending before the calendar year or fiscal or calendar
29 privilege period for which an electronic funds transfer payment is to
30 be determined to be required pursuant to subsection b. of this section.
31 (cf: P.L.1995, c.160, s.2)

32

33 2. This act shall take effect immediately.

34

35

36

STATEMENT

37

38 This bill lowers the threshold for requiring that State taxpayers
39 make State tax payments by electronic funds transfer. The threshold
40 is lowered for taxpayers with prior year tax liability of \$20,000 to
41 prior year tax liability of \$10,000 commencing July 1, 2004.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3119

STATE OF NEW JERSEY

DATED: JUNE 22, 2004

The Assembly Budget Committee reports favorably Assembly Bill No. 3119.

This bill lowers the threshold for requiring that State taxpayers make State tax payments by electronic funds transfer. Electronic funds transfer is a process by which the taxpayer's depository can make instantaneous transfer of credit to the interest generating depositories of the State. This process cuts down on the time lag between, for example, the time at which a check is written and the time a check is deposited and can be drawn against. The process can also cut taxpayer and tax collection processing costs.

Currently, a taxpayer that had liability \$20,000 or more in the prior year for any State tax is required to make payments by electronic funds transfer (payers of individual gross income tax, transfer inheritance tax and estate tax are exempted from the electronic funds transfer requirement).

This bill lowers the prior year liability threshold from \$20,000 to prior year tax liability of \$10,000, commencing July 1, 2004.

FISCAL IMPACT:

At this time, the Executive branch has not provided any information concerning the fiscal impact of the provisions of this bill.

SENATE, No. 1783

STATE OF NEW JERSEY
211th LEGISLATURE

INTRODUCED JUNE 21, 2004

Sponsored by:

Senator WAYNE R. BRYANT

District 5 (Camden and Gloucester)

Senator JOSEPH V. DORIA, JR.

District 31 (Hudson)

SYNOPSIS

Lowers the threshold for requiring that State taxpayers make State tax payments by electronic funds transfer.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/25/2004)

S1783 BRYANT, DORIA

2

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14 deemed to be made on the date the payment is received by the
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18 the several states; the circumstances under which an electronic funds
19 transfer shall serve as a substitute for the filing of another form of
20 return; and the means, if any, by which taxpayers will be provided with
21 acknowledgements of payments shall be as prescribed by the Director
22 of the Division of Taxation in the Department of the Treasury.
23 Notwithstanding any other law to the contrary, persons required to
24 make payments by electronic funds transfer pursuant to subsection b.
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41 prior year tax liability of \$10,000 commencing July 1, 2004.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1783

STATE OF NEW JERSEY

DATED: JUNE 22, 2004

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1783.

This bill lowers the threshold for requiring that State taxpayers make State tax payments by electronic funds transfer. The threshold is lowered for taxpayers with prior year tax liability of \$20,000 to prior year tax liability of \$10,000 commencing July 1, 2004.

FISCAL ESTIMATE

The data on the fiscal impact of this bill is unavailable.