

# 54:32G-1

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2006            **CHAPTER:** 41

**NJSA:** 54:32G-1 (Imposes gross receipts tax on retail sales of fur clothing in this State and use tax on use of certain fur clothing in this State for which tax has not been paid)

**BILL NO:** A4714 (Substituted for S1997)

**SPONSOR(S)** Caraballo and Vitale

**DATE INTRODUCED:** June 26, 2006

**COMMITTEE:**            **ASSEMBLY:** Budget

**SENATE:**

**AMENDED DURING PASSAGE:** Yes

**DATE OF PASSAGE:**            **ASSEMBLY:** July 8, 2006

**SENATE:** July 8, 2006

**DATE OF APPROVAL:** July 8, 2006

**FOLLOWING ARE ATTACHED IF AVAILABLE:**

[FINAL TEXT OF BILL](#) (1st reprint enacted)

**A4714**

[SPONSOR'S STATEMENT](#): (Begins on page 3 of original bill) [Yes](#)

**COMMITTEE STATEMENT:**            [ASSEMBLY:](#) [Yes](#)

**SENATE:** No

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL NOTE:** No

**S1997**

[SPONSOR'S STATEMENT](#): (Begins on page 3 of original bill) [Yes](#)

**COMMITTEE STATEMENT:**            **ASSEMBLY:** No

[SENATE:](#) [Yes](#)

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

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**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** No

RWH 3/5/08

Title 54.  
Chapter 32G.  
(New)  
Sales and Use Tax  
on Fur Clothing  
§1 - C.54:32G-1  
§2 - Note to §1

P.L. 2006, CHAPTER 41, *approved July 8, 2006*  
Assembly, No. 4714 (*First Reprint*)

1 **AN ACT** imposing a gross receipts tax on the retail sale of fur  
2 clothing in this State and a use tax on the use of certain fur  
3 clothing in this State for which a tax has not been paid, and  
4 supplementing Title 54 of the Revised Statutes.

5

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

8

9 1. a. (1) There is imposed on a person making retail sales of  
10 fur clothing a tax at the rate of 6% of the gross receipts from retail  
11 sales of fur clothing in this State.

12 (2) Gross receipts from retail sales of fur clothing in this State  
13 shall not include receipts from retail sales of fur clothing which the  
14 seller delivers to a common carrier for delivery outside this State,  
15 places in the United States mail or parcel post directed to the  
16 purchaser outside this State, or delivers to the purchaser outside this  
17 State by means of the seller's own delivery vehicles, and which is  
18 not returned to a point within this State, except in the course of  
19 interstate commerce.

20 b. (1) A person that receives fur clothing for use in this State  
21 other than from a person that paid the tax under subsection a. of this  
22 section is subject to tax at the rate imposed under subsection a. of  
23 this section, measured by the consideration given or contracted to  
24 be given for the fur clothing including delivery charges made by the  
25 seller but excluding any credit for property of the same kind  
26 accepted in part payment and intended for resale.

27 (2) The use of fur clothing in this State shall not be subject to  
28 the tax imposed pursuant to paragraph (1) of this subsection in  
29 respect of the use of fur clothing purchased by the user while a  
30 nonresident of this State and in respect of the use of fur clothing to  
31 the extent that a gross receipts, retail sales or use tax was legally  
32 due and paid thereon, without any right to a refund or credit thereof,  
33 to any other state or jurisdiction within any other state; provided  
34 however, that to the extent that the tax imposed by this section is at  
35 a higher rate than the rate of tax in the first taxing jurisdiction, this  
36 exemption shall be inapplicable and the tax imposed by paragraph

**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>Assembly ABU committee amendments adopted July 7, 2006.

1 (1) of this subsection shall apply to the extent of the difference in  
2 such rates.

3 c. As used in this section, “fur clothing” means an article  
4 exempt from the tax imposed pursuant to the “Sales and Use Tax  
5 Act” pursuant to section 16 of P.L.1980, c.105 (C.54:32B-8.4) that  
6 is made of fur on the hide or pelt of an animal or animals and that  
7 fur is the component material of chief value of the article. Other  
8 terms have the meaning given those terms pursuant to the “Sales  
9 and Use Tax Act” P.L.1966, c.30 (C.54:32B-1 et seq.).

10 d. The Director of the Division of Taxation shall collect and  
11 administer the tax imposed pursuant to this section. In carrying out  
12 the provisions of this section, the director shall have all of the  
13 powers and authority granted in P.L.1966, c.30 (C.54:32B-1 et  
14 seq.). The tax shall be reported and paid to the director on a  
15 quarterly basis in a manner prescribed by the Director of the  
16 Division of Taxation.

17 e. The tax imposed pursuant to this section shall be governed  
18 by the provisions of the State Uniform Tax Procedure Law,  
19 R.S.54:48-1 et seq.

20 f. Notwithstanding any provision of P.L.1968, c.410  
21 (C.52:14B-1 et seq.) to the contrary, the director may adopt  
22 immediately upon filing with the Office of Administrative Law  
23 such regulations as the director deems necessary to implement the  
24 provisions of this act, which shall be effective for a period not to  
25 exceed 180 days following enactment of P.L. , c. (C. )  
26 (pending before the Legislature as this bill) and may thereafter be  
27 amended, adopted or readopted by the director in accordance with  
28 the requirements of P.L.1968, c.410.

29

30 2. This act shall take effect <sup>1</sup>**[July 1 ] July 15<sup>1</sup>**, 2006 and apply to  
31 gross receipts from sales made on and after that date.

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33

34

35

36 Imposes gross receipts tax on retail sales of fur clothing in this  
37 State and use tax on use of certain fur clothing in this State for  
38 which tax has not been paid.

# ASSEMBLY, No. 4714

## STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED JUNE 26, 2006

**Sponsored by:**

**Assemblyman WILFREDO CARABALLO**

**District 29 (Essex and Union)**

**SYNOPSIS**

Imposes gross receipts tax on retail sales of fur clothing in this State and use tax on use of certain fur clothing in this State for which tax has not been paid.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT imposing a gross receipts tax on the retail sale of fur  
2 clothing in this State and a use tax on the use of certain fur  
3 clothing in this State for which a tax has not been paid, and  
4 supplementing Title 54 of the Revised Statutes.

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

8  
9 1. a. (1) There is imposed on a person making retail sales of  
10 fur clothing a tax at the rate of 6% of the gross receipts from retail  
11 sales of fur clothing in this State.

12 (2) Gross receipts from retail sales of fur clothing in this State  
13 shall not include receipts from retail sales of fur clothing which the  
14 seller delivers to a common carrier for delivery outside this State,  
15 places in the United States mail or parcel post directed to the  
16 purchaser outside this State, or delivers to the purchaser outside this  
17 State by means of the seller's own delivery vehicles, and which is  
18 not returned to a point within this State, except in the course of  
19 interstate commerce.

20 b. (1) A person that receives fur clothing for use in this State  
21 other than from a person that paid the tax under subsection a. of this  
22 section is subject to tax at the rate imposed under subsection a. of  
23 this section, measured by the consideration given or contracted to  
24 be given for the fur clothing including delivery charges made by the  
25 seller but excluding any credit for property of the same kind  
26 accepted in part payment and intended for resale.

27 (2) The use of fur clothing in this State shall not be subject to  
28 the tax imposed pursuant to paragraph (1) of this subsection in  
29 respect of the use of fur clothing purchased by the user while a  
30 nonresident of this State and in respect of the use of fur clothing to  
31 the extent that a gross receipts, retail sales or use tax was legally  
32 due and paid thereon, without any right to a refund or credit thereof,  
33 to any other state or jurisdiction within any other state; provided  
34 however, that to the extent that the tax imposed by this section is at  
35 a higher rate than the rate of tax in the first taxing jurisdiction, this  
36 exemption shall be inapplicable and the tax imposed by paragraph  
37 (1) of this subsection shall apply to the extent of the difference in  
38 such rates.

39 c. As used in this section, "fur clothing" means an article  
40 exempt from the tax imposed pursuant to the "Sales and Use Tax  
41 Act" pursuant to section 16 of P.L.1980, c.105 (C.54:32B-8.4) that  
42 is made of fur on the hide or pelt of an animal or animals and that  
43 fur is the component material of chief value of the article. Other  
44 terms have the meaning given those terms pursuant to the "Sales  
45 and Use Tax Act" P.L.1966, c.30 (C.54:32B-1 et seq.).

46 d. The Director of the Division of Taxation shall collect and  
47 administer the tax imposed pursuant to this section. In carrying out  
48 the provisions of this section, the director shall have all of the

A4714 CARABALLO

1 powers and authority granted in P.L.1966, c.30 (C.54:32B-1 et  
2 seq.). The tax shall be reported and paid to the director on a  
3 quarterly basis in a manner prescribed by the Director of the  
4 Division of Taxation.

5 e. The tax imposed pursuant to this section shall be governed  
6 by the provisions of the State Uniform Tax Procedure Law,  
7 R.S.54:48-1 et seq.

8 f. Notwithstanding any provision of P.L.1968, c.410  
9 (C.52:14B-1 et seq.) to the contrary, the director may adopt  
10 immediately upon filing with the Office of Administrative Law  
11 such regulations as the director deems necessary to implement the  
12 provisions of this act, which shall be effective for a period not to  
13 exceed 180 days following enactment of P.L. , c. (C. )  
14 (pending before the Legislature as this bill) and may thereafter be  
15 amended, adopted or readopted by the director in accordance with  
16 the requirements of P.L.1968, c.410.

17

18 2. This act shall take effect July 1, 2006 and apply to gross  
19 receipts from sales made on and after that date.

20

21

22

STATEMENT

23

24 This bill imposes a six percent gross receipts tax on the retail  
25 sale of fur clothing in this State and a six percent use tax on the use  
26 of certain fur clothing in this State for which a tax has not been  
27 paid.

# ASSEMBLY BUDGET COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 4714**

with Assembly committee amendments

# **STATE OF NEW JERSEY**

DATED: JULY 7, 2006

The Assembly Budget Committee reports favorably Assembly Bill No. 4714, with committee amendments.

Assembly Bill No. 4714, as amended, imposes a six percent gross receipts tax on the retail sale of certain fur clothing in this State and a six percent use tax on the use of certain fur clothing in this State for which the gross receipts tax has not been paid.

Fur clothing subject to tax is any article of clothing that is made of fur on the hide or pelt of an animal or animals and of which that fur is the component material of chief value of the article of clothing.

#### FISCAL IMPACT:

It has been estimated that a six percent tax on the taxable fur items will produce tax revenues of \$5 million annually.

#### COMMITTEE AMENDMENTS:

The amendment changes the effective date from July 1, 2006 to July 15, 2006.



**SENATE, No. 1997**

**STATE OF NEW JERSEY**  
**212th LEGISLATURE**

INTRODUCED JUNE 26, 2006

**Sponsored by:**  
**Senator JOSEPH F. VITALE**  
**District 19 (Middlesex)**

**SYNOPSIS**

Imposes gross receipts tax on retail sales of fur clothing in this State and use tax on use of certain fur clothing in this State for which tax has not been paid.

**CURRENT VERSION OF TEXT**

As introduced.



**S1997 VITALE**

2

1 **AN ACT** imposing a gross receipts tax on the retail sale of fur  
2 clothing in this State and a use tax on the use of certain fur  
3 clothing in this State for which a tax has not been paid, and  
4 supplementing Title 54 of the Revised Statutes.

5

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

8

9 1. a. (1) There is imposed on a person making retail sales of  
10 fur clothing a tax at the rate of 6% of the gross receipts from retail  
11 sales of fur clothing in this State.

12 (2) Gross receipts from retail sales of fur clothing in this State  
13 shall not include receipts from retail sales of fur clothing which the  
14 seller delivers to a common carrier for delivery outside this State,  
15 places in the United States mail or parcel post directed to the  
16 purchaser outside this State, or delivers to the purchaser outside this  
17 State by means of the seller's own delivery vehicles, and which is  
18 not returned to a point within this State, except in the course of  
19 interstate commerce.

20 b. (1) A person that receives fur clothing for use in this State  
21 other than from a person that paid the tax under subsection a. of this  
22 section is subject to tax at the rate imposed under subsection a. of  
23 this section, measured by the consideration given or contracted to  
24 be given for the fur clothing including delivery charges made by the  
25 seller but excluding any credit for property of the same kind  
26 accepted in part payment and intended for resale.

27 (2) The use of fur clothing in this State shall not be subject to  
28 the tax imposed pursuant to paragraph (1) of this subsection in  
29 respect of the use of fur clothing purchased by the user while a  
30 nonresident of this State and in respect of the use of fur clothing to  
31 the extent that a gross receipts, retail sales or use tax was legally  
32 due and paid thereon, without any right to a refund or credit thereof,  
33 to any other state or jurisdiction within any other state; provided  
34 however, that to the extent that the tax imposed by this section is at  
35 a higher rate than the rate of tax in the first taxing jurisdiction, this  
36 exemption shall be inapplicable and the tax imposed by paragraph  
37 (1) of this subsection shall apply to the extent of the difference in  
38 such rates.

39 c. As used in this section, "fur clothing" means an article  
40 exempt from the tax imposed pursuant to the "Sales and Use Tax  
41 Act" pursuant to section 16 of P.L.1980, c.105 (C.54:32B-8.4) that  
42 is made of fur on the hide or pelt of an animal or animals and that  
43 fur is the component material of chief value of the article. Other  
44 terms have the meaning given those terms pursuant to the "Sales  
45 and Use Tax Act" P.L.1966, c.30 (C.54:32B-1 et seq.).

46 d. The Director of the Division of Taxation shall collect and  
47 administer the tax imposed pursuant to this section. In carrying out  
48 the provisions of this section, the director shall have all of the

**S1997 VITALE**

1 powers and authority granted in P.L.1966, c.30 (C.54:32B-1 et  
2 seq.). The tax shall be reported and paid to the director on a  
3 quarterly basis in a manner prescribed by the Director of the  
4 Division of Taxation.

5 e. The tax imposed pursuant to this section shall be governed by  
6 the provisions of the State Uniform Tax Procedure Law, R.S.54:48-  
7 1 et seq.

8 f. Notwithstanding any provision of P.L.1968, c.410 (C.52:14B-  
9 1 et seq.) to the contrary, the director may adopt immediately upon  
10 filing with the Office of Administrative Law such regulations as the  
11 director deems necessary to implement the provisions of this act,  
12 which shall be effective for a period not to exceed 180 days  
13 following enactment of P.L. , c. (C. ) (pending before the  
14 Legislature as this bill) and may thereafter be amended, adopted or  
15 readopted by the director in accordance with the requirements of  
16 P.L.1968, c.410.

17

18 2. This act shall take effect July 1, 2006 and apply to gross  
19 receipts from sales made on and after that date.

20

21

22

**STATEMENT**

23

24 This bill imposes a six percent gross receipts tax on the retail  
25 sale of fur clothing in this State and a six percent use tax on the use  
26 of certain fur clothing in this State for which a tax has not been  
27 paid.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### **SENATE, No. 1997**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JULY 7, 2006

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 1997.

Senate Bill No. 1997, as amended, imposes a six percent gross receipts tax on the retail sale of certain fur clothing in this State and a six percent use tax on the use of certain fur clothing in this State for which the gross receipts tax has not been paid.

Fur clothing subject to tax is any article of clothing that is made of fur on the hide or pelt of an animal or animals and of which that fur is the component material of chief value of the article of clothing.

This bill, as amended, is identical to Assembly Bill No. 4714, as amended.

#### COMMITTEE AMENDMENTS:

The amendment changes the effective date from July 1, 2006 to July 15, 2006.

#### FISCAL IMPACT:

It has been estimated that a six percent tax on the taxable fur items will produce tax revenues of \$2 million annually.