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

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**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** Yes

“Corzine signs 10 bills, including revised 1 gun-per-month law,” NewJerseyNewsroom.com, 1-13-10, <http://www.newjerseynewsroom.com/state/corzine-signs-10-bills-including-revised-1-gun-per-month-law>

LAW/RWH

**ASSEMBLY, No. 2139**

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**STATE OF NEW JERSEY**

**213th LEGISLATURE**

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INTRODUCED FEBRUARY 25, 2008

**Sponsored by:**

**Assemblywoman LINDA R. GREENSTEIN**

**District 14 (Mercer and Middlesex)**

**Assemblyman WAYNE P. DEANGELO**

**District 14 (Mercer and Middlesex)**

**Assemblywoman NELLIE POU**

**District 35 (Bergen and Passaic)**

**Assemblyman PAUL D. MORIARTY**

**District 4 (Camden and Gloucester)**

**Assemblyman LOUIS D. GREENWALD**

**District 6 (Camden)**

**Co-Sponsored by:**

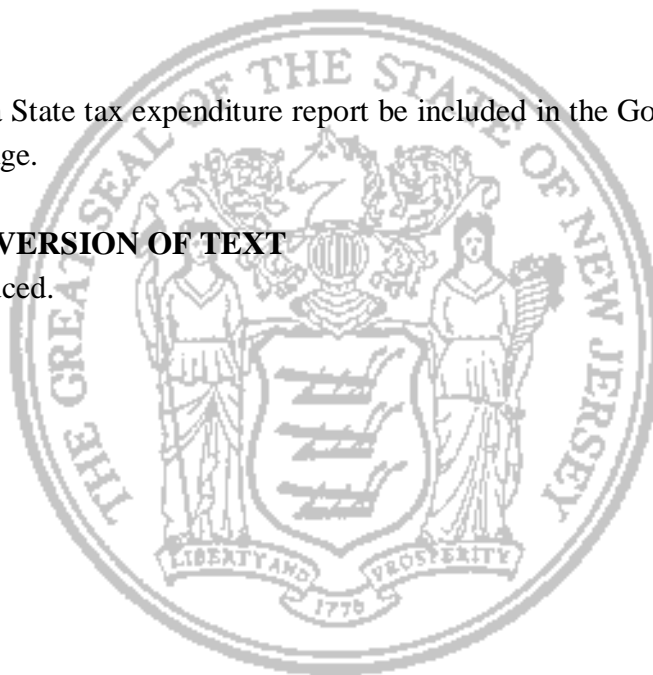
**Assemblymen Milam, Albano, Senators Buono and Gordon**

**SYNOPSIS**

Requires a State tax expenditure report be included in the Governor's annual budget message.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 1/8/2010)**

1 AN ACT requiring a State tax expenditure report be included in the  
2 Governor's annual budget message and supplementing Title 52 of  
3 the Revised Statutes.

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

7  
8 1. a. In addition to the requirements of section 11 of article 3 of  
9 P.L.1944, c.112 (C.52:27B-20), and any other provisions of law, the  
10 Governor's budget message transmitted annually to the Legislature  
11 shall include a State tax expenditure report setting forth estimates of  
12 the tax expenditures under existing State law for the last completed  
13 fiscal year, the current fiscal year and the fiscal year to which the  
14 budget message applies. The tax expenditures report shall take into  
15 account projected economic factors, and any changes in State tax  
16 expenditures as may be enacted or reasonably expected to be  
17 enacted for any fiscal year.

18 b. The State tax expenditures report shall:

19 (1) list each State tax expenditure,

20 (2) identify the statutory authority for each State tax expenditure,  
21 and the year in which it was enacted or the tax year or tax period in  
22 which it became effective,

23 (3) describe the objective of each State tax expenditure,

24 (4) detail in columnar enumeration for each State tax expenditure  
25 an estimate of the amount of State revenue loss for the last  
26 completed fiscal year, the current fiscal year and the fiscal year to  
27 which the budget message applies,

28 (5) determine whether each State tax expenditure has been  
29 effective in achieving the purpose for which the tax expenditure  
30 was enacted and currently serves, including an analysis of the  
31 persons, including corporations, individuals or other entities,  
32 benefited by the expenditure,

33 (6) the effect of each State tax expenditure on the fairness and  
34 equity of the distribution of the tax burden, and

35 (7) the public and private costs of administering the State tax  
36 expenditures.

37 c. As used in this section:

38 "State tax expenditure" means those revenue losses attributable  
39 to provisions of State tax law which establish special tax treatment,  
40 including but not limited to tax law definition, deduction, exclusion,  
41 exemption, deferral, credit, preferential tax rate or other special tax  
42 provision resulting in a reduced tax liability for certain persons,  
43 individuals, types of income, transactions or property from the  
44 liability which would be presumed to exist without the State tax  
45 expenditure.

46 d. The Division of Taxation in the Department of the Treasury  
47 shall advise and assist the Governor in the preparation of the State  
48 tax expenditure report.

1       2. This act shall take effect immediately and apply to budget  
2 messages transmitted on and after enactment.

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STATEMENT

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7       This bill requires that the Governor's annual budget message  
8 include a State tax expenditure report. State governmental policy  
9 objectives are sought to be achieved by both the granting of direct  
10 expenditures of governmental funds and by the granting of special  
11 and selective tax relief or tax expenditures. Both direct  
12 expenditures of governmental funds and tax expenditures affect the  
13 ability of the State government to set tax rates and collect State tax  
14 revenue and implement the functions of government through the  
15 expenditure of governmental funds. The Legislature's review of the  
16 Governor's annual budget messages examines the fiscal soundness  
17 and effectiveness of proposed State spending decisions. However,  
18 there is no regular and comprehensive review by the Legislature of  
19 the granting of special and selective State tax relief.

20       While all tax expenditures are initially designed to promote the  
21 public good through the encouragement of certain economic  
22 activities or the reduction of tax liabilities in special circumstances,  
23 the passing of time may change the effect of tax expenditures to  
24 something other than their original purposes. The Legislature  
25 cannot begin to adequately assess the public policy impacts of tax  
26 expenditures, and the accomplishment of the Legislative intent of  
27 tax expenditures, until sufficient empirical data exists as to the  
28 financial effects of the tax expenditures. The best way to ensure  
29 that adequate data is regularly available on the financial effects of  
30 State tax expenditures is to require that the Governor include such  
31 data in the annual budget message to the Legislature.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 2139

# STATE OF NEW JERSEY

DATED: JANUARY 4, 2010

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2139.

The bill requires that the Governor's annual budget message include a State tax expenditure report. State governmental policy objectives are sought to be achieved by both the granting of direct expenditures of governmental funds and by the granting of special and selective tax relief or tax expenditures. Both direct expenditures of governmental funds and tax expenditures affect the ability of the State government to set tax rates and collect State tax revenue and implement the functions of government through the expenditure of governmental funds. The Legislature's review of the Governor's annual budget messages examines the fiscal soundness and effectiveness of proposed State spending decisions. However, there is no regular and comprehensive review by the Legislature of the granting of special and selective State tax relief.

While all tax expenditures are initially designed to promote the public good through the encouragement of certain economic activities or the reduction of tax liabilities in special circumstances, the passing of time may change the effect of tax expenditures to something other than their original purposes. The Legislature cannot begin to adequately assess the public policy impacts of tax expenditures, and the accomplishment of the Legislative intent of tax expenditures, until sufficient empirical data exists as to the financial effects of the tax expenditures. The best way to ensure that adequate data is regularly available on the financial effects of State tax expenditures is to require that the Governor include such data in the annual budget message to the Legislature.

This bill is identical to Senate Bill No. 3153.

#### FISCAL IMPACT:

This bill was not certified as requiring a fiscal note.

# SENATE, No. 3153

## STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED DECEMBER 10, 2009

**Sponsored by:**

**Senator BARBARA BUONO**

**District 18 (Middlesex)**

**Senator ROBERT M. GORDON**

**District 38 (Bergen)**

**SYNOPSIS**

Requires a State tax expenditure report be included in the Governor's annual budget message.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 1/8/2010)**

1 AN ACT requiring a State tax expenditure report be included in the  
2 Governor's annual budget message and supplementing Title 52 of  
3 the Revised Statutes.

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

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8 1. a. In addition to the requirements of section 11 of article 3  
9 of P.L.1944, c.112 (C.52:27B-20), and any other provisions of law,  
10 the Governor's budget message transmitted annually to the  
11 Legislature shall include a State tax expenditure report setting forth  
12 estimates of the tax expenditures under existing State law for the  
13 last completed fiscal year, the current fiscal year and the fiscal year  
14 to which the budget message applies. The tax expenditures report  
15 shall take into account projected economic factors, and any changes  
16 in State tax expenditures as may be enacted or reasonably expected  
17 to be enacted for any fiscal year.

18 b. The State tax expenditures report shall:

19 (1) list each State tax expenditure,

20 (2) identify the statutory authority for each State tax  
21 expenditure, and the year in which it was enacted or the tax year or  
22 tax period in which it became effective,

23 (3) describe the objective of each State tax expenditure,

24 (4) detail in columnar enumeration for each State tax  
25 expenditure an estimate of the amount of State revenue loss for the  
26 last completed fiscal year, the current fiscal year and the fiscal year  
27 to which the budget message applies,

28 (5) determine whether each State tax expenditure has been  
29 effective in achieving the purpose for which the tax expenditure  
30 was enacted and currently serves, including an analysis of the  
31 persons, including corporations, individuals or other entities,  
32 benefited by the expenditure,

33 (6) the effect of each State tax expenditure on the fairness and  
34 equity of the distribution of the tax burden, and

35 (7) the public and private costs of administering the State tax  
36 expenditures.

37 c. As used in this section:

38 "State tax expenditure" means those revenue losses attributable  
39 to provisions of State tax law which establish special tax treatment,  
40 including but not limited to tax law definition, deduction, exclusion,  
41 exemption, deferral, credit, preferential tax rate or other special tax  
42 provision resulting in a reduced tax liability for certain persons,  
43 individuals, types of income, transactions or property from the  
44 liability which would be presumed to exist without the State tax  
45 expenditure.

46 d. The Division of Taxation in the Department of the Treasury  
47 shall advise and assist the Governor in the preparation of the State  
48 tax expenditure report.



1       2. This act shall take effect immediately and apply to budget  
2 messages transmitted on and after enactment.

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STATEMENT

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28 financial effects of the tax expenditures. The best way to ensure  
29 that adequate data is regularly available on the financial effects of  
30 State tax expenditures is to require that the Governor include such  
31 data in the annual budget message to the Legislature.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 3153

# STATE OF NEW JERSEY

DATED: JANUARY 4, 2010

The Senate Budget and Appropriations Committee reports favorably Senate No. 3153.

The bill requires that the Governor's annual budget message include a State tax expenditure report. State governmental policy objectives are sought to be achieved by both the granting of direct expenditures of governmental funds and by the granting of special and selective tax relief or tax expenditures. Both direct expenditures of governmental funds and tax expenditures affect the ability of the State government to set tax rates and collect State tax revenue and implement the functions of government through the expenditure of governmental funds. The Legislature's review of the Governor's annual budget messages examines the fiscal soundness and effectiveness of proposed State spending decisions. However, there is no regular and comprehensive review by the Legislature of the granting of special and selective State tax relief.

While all tax expenditures are initially designed to promote the public good through the encouragement of certain economic activities or the reduction of tax liabilities in special circumstances, the passing of time may change the effect of tax expenditures to something other than their original purposes. The Legislature cannot begin to adequately assess the public policy impacts of tax expenditures, and the accomplishment of the Legislative intent of tax expenditures, until sufficient empirical data exists as to the financial effects of the tax expenditures. The best way to ensure that adequate data is regularly available on the financial effects of State tax expenditures is to require that the Governor include such data in the annual budget message to the Legislature.

#### FISCAL IMPACT:

This bill is not certified for a fiscal note.