

54:32B-3

LEGISLATIVE HISTORY CHECKLIST

NJSA 54:32B-3

Laws of 1974 Chapter 170

Bill No. A 1457

Sponsor(s) Van Wagner & others

Date Introduced April 1

Committee: Assembly Taxation

Senate -----

Amended during passage ~~Yes~~ No

Date of passage: Assembly May 16

Senate Nov. 21

Date of approval Dec. 10

Following statements are attached if available:

Sponsor statement Yes  No

Committee Statement: Assembly ~~Yes~~ No

Senate ~~Yes~~ No

Fiscal Note Yes  No

Veto message ~~Yes~~ No

Message on signing ~~Yes~~ No

Following were printed:

Reports ~~Yes~~ No

Hearings ~~Yes~~ No

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CHAPTER 170 LAWS OF N. J. 1974  
APPROVED 12-10-74

**ASSEMBLY, No. 1457**

**STATE OF NEW JERSEY**

INTRODUCED APRIL 1, 1974

By Assemblymen VAN WAGNER, FLYNN, WORTHINGTON,  
SALKIND, PERSKIE, KOZLOSKI and FITZPATRICK

Referred to Committee on Taxation

AN ACT to amend the "Sales and Use Tax Act," approved April 27,  
1966 (P. L. 1966, c. 30).

1 BE IT ENACTED *by the Senate and General Assembly of the State*  
2 *of New Jersey:*

1 1. Section 3 of P. L. 1966, c. 30 (C. 54:32B-3) is amended to  
2 read as follows:

3 3. Imposition of sales tax. On and after July 1, 1966 and con-  
4 tinuing through February 28, 1970 there is hereby imposed and  
5 there shall be paid a tax of 3%, and on and after March 1, 1970  
6 there is hereby imposed and there shall be paid a tax of 5% upon:

7 (a) The receipts from every retail sale of tangible personal  
8 property, except as otherwise provided in this act.

9 (b) The receipts from every sale, except for resale, of the fol-  
10 lowing services:

11 (1) Producing, fabricating, processing, printing or imprinting  
12 tangible personal property, performed for a person who directly  
13 or indirectly furnishes the tangible personal property, not pur-  
14 chased by him for resale, upon which such services are performed.

15 (2) Installing tangible personal property, or maintaining, ser-  
16 vicing, repairing tangible personal property not held for sale in  
17 the regular course of business, whether or not the services are  
18 performed directly or by means of coin-operated equipment or by  
19 any other means, and whether or not any tangible personal prop-  
20 erty is transferred in conjunction therewith, except (i) such ser-  
21 vices rendered by an individual who is engaged directly by a private  
22 homeowner or lessee in or about his residence and who is not in  
23 a regular trade or business offering his services to the public, (ii)  
24 such services rendered with respect to personal property exempt  
25 from taxation hereunder pursuant to subsection (a) of section 8,

26 (iii) services rendered with respect to trucks, tractors, trailers or  
27 semitrailers by a person who is not engaged, directly or indirectly  
28 through subsidiaries, parents, affiliates or otherwise, in a regular  
29 trade or business offering such services to the public, (iv) any  
30 receipts from laundering, dry cleaning, tailoring, weaving, press-  
31 ing, shoe repairing and shoe shining, and (v) services rendered  
32 in installing property which, when installed, will constitute an  
33 addition or capital improvement to real property, property or land.

34 (3) Storing all tangible personal property not held for sale in  
35 the regular course of business and the rental of safe deposit boxes  
36 or similar space.

37 (4) Maintaining, servicing or repairing real property, other  
38 than a residential heating system unit serving not more than three  
39 families living independently of each other and doing their cooking  
40 on the premises, whether the services are performed in or outside  
41 of a building, as distinguished from adding to or improving such  
42 real property, by a capital improvement, but excluding services  
43 rendered by an individual who is not in a regular trade or business  
44 offering his services to the public, and excluding interior cleaning  
45 and maintenance services, garbage removal and sewer services  
46 performed on a regular contractual basis for a term of not less  
47 than 30 days, other than window cleaning, and rodent and pest  
48 control.

49 (5) Advertising services except advertising services for use  
50 directly and primarily for publication in newspapers and magazines.

51 Wages, salaries and other compensation paid by an employer  
52 to an employee for performing as an employee the services de-  
53 scribed in this subsection are not receipts subject to the taxes  
54 imposed under this subsection (b).

55 (c) Receipts from the sale of food and drink except alcoholic  
56 beverages as defined in the Alcoholic Beverage Tax Law, in or by  
57 restaurants, taverns or other establishments in this State, or by  
58 caterers, including in the amount of such receipts any cover, mini-  
59 mum, entertainment or other charge made to patrons or customers:

60 (1) In all instances where the sale is for consumption on the  
61 premises where sold;

62 (2) In those instances where the vendor or any person whose  
63 services are arranged for by the vendor, after the delivery of the  
64 food or drink by or on behalf of the vendor for consumption off  
65 the premises of the vendor, serves or assists in serving, cooks,  
66 heats or provides other services with respect to the food or drink,  
67 *except for meals especially prepared for and delivered to home-*

68 *bound elderly, age 60 or older, and to disabled persons as all or*  
69 *part of any food service project funded in whole or in part by*  
70 *government or as part of a private nonprofit food service project*  
71 *available to all homebound elderly persons, age 60 or older, and*  
72 *to all the homebound disabled residing within an area of service*  
73 *designated by the private nonprofit organization; and*

74 (3) In those instances where the sale is for consumption off the  
75 premises of the vendor, and consists of a meal, or food prepared  
76 and ready to be eaten, of a kind obtainable in restaurants as the  
77 main course of a meal, including a sandwich, except where food  
78 other than sandwiches is sold in an unheated state and is of a type  
79 commonly sold in the same form and condition in food stores other  
80 than those which are principally engaged in selling prepared foods.

81 The tax imposed by this subsection (c) shall not apply to food or  
82 drink which is sold to an air line for consumption while in flight.

83 (d) The rent for every occupancy of a room or rooms in a hotel  
84 in this State, except that the tax shall not be imposed upon (1) a  
85 permanent resident, or (2) where the rent is not more than at the  
86 rate of \$2.00 per day.

87 (e) (1) Any admission charge where such admission charge is  
88 in excess of \$0.75 to or for the use of any place of amusement in  
89 the State, including charges for admission to race tracks, baseball,  
90 football, basketball or exhibitions, dramatic or musical arts per-  
91 formances, motion picture theatres, except charges to a patron for  
92 admission to, or use of, facilities for sporting activities in which  
93 such patron is to be a participant, such as bowling alleys and swim-  
94 ming pools. For any person having the permanent use or posses-  
95 sion of a box or seat or a lease or a license, other than a season  
96 ticket, for the use of a box or seat at place of amusement, the tax  
97 shall be upon the amount for which a similar box or seat is sold for  
98 each performance or exhibition at which the box or seat is used  
99 or reserved by the holder, licensee or lessee, and shall be paid by  
100 the holder, licensee or lessee.

101 (2) The amount paid as charge of a roof garden, cabaret or  
102 other similar place in this State, to the extent that a tax upon such  
103 charges has not been paid pursuant to subsection (c) hereof.

1 2. This act shall take effect immediately.

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#### STATEMENT

This legislation is intended to exempt from the sales tax, municipal and nonprofit organizations that prepare and deliver food to the homebound elderly and the disabled, and includes, but is not limited to, such organizations as the "meals on wheels" and "mobile meals" programs.

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FISCAL NOTE TO  
**ASSEMBLY, No. 1457**

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**STATE OF NEW JERSEY**

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DATED: JUNE 4, 1974

Assembly Bill No. 1457 would exempt from the sales tax, municipal and nonprofit organizations that prepare and deliver food to the home-bound elderly and the disabled, and includes, but is not limited to, such organizations as the "meals on wheels" and "mobile meals" programs.

The Division of Taxation states that as nonprofit organizations of a charitable nature are exempt under the law today, it is thought that enactment of this legislation would cause no significant revenue loss, if any.

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In compliance with written request received, there is hereby submitted a fiscal estimate for the above bill, pursuant to P. L. 1962, c. 27.