

54:32B-8.16a

LEGISLATIVE HISTORY CHECKLIST

Compiled by the NJ State Law Library

(Sales & use tax)

NJSA: 54:32B-8.16a

LAWS OF: 1997 CHAPTER: 293

BILL NO: S1248

SPONSOR(S): Zane

DATE INTRODUCED: June 3, 1996

COMMITTEE: ASSEMBLY: Appropriations

SENATE: Senior Citizens; Budget

AMENDED DURING PASSAGE: Yes Amendments during passage denoted
First reprint enacted by superscript numbers

DATE OF PASSAGE: ASSEMBLY: December 4, 1997

SENATE: June 19, 1997

DATE OF APPROVAL: January 8, 1998

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes

SENATE: Yes 9-19-96 & 6-5-97

FISCAL NOTE: Yes

VE TO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:
REPORTS: No

HEARINGS: No

KBP:pp

P.L. 1997, CHAPTER 293, *approved January 8, 1998*
Senate, No. 1248 (*First Reprint*)

1 AN ACT concerning the "Sales and Use Tax Act," and amending and
2 supplementing P.L.1980, c.105.

3

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

6

7 1. Section 28 of P.L.1980, c.105 (C.54:32B-8.16) is amended to
8 read as follows:

9 28. Receipts from sales of tangible personal property (except
10 automobiles, and except property incorporated in a building or
11 structure) for use and consumption directly and **[exclusively]** primarily
12 in the production for sale of tangible personal property on farms,
13 including stock, dairy, poultry, fruit, fur-bearing animals, and truck
14 farms, ranches, nurseries, greenhouses or other similar structures used
15 primarily for the raising of agricultural or horticultural commodities,
16 and orchards are exempt from the tax imposed under the Sales and
17 Use Tax Act.

18 (cf: P.L.1980, c.105, s.28)

19

20 2. (New section) The director shall adopt, pursuant to the
21 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq),
22 regulations concerning the implementation of section 1 of ¹[P.L.199...,
23 C. ... (C. ...) (before the Legislature as this bill.)] P.L. ... c. (C. ...
24) (now before the Legislature as this bill).¹

25

26 3. This act shall take effect immediately.

27

28

29

30 Exempts tangible personal property used directly and primarily on
31 farms from "Sales and Use Tax Act."

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SSV committee amendments adopted September 19, 1996.

SENATE, No. 1248

STATE OF NEW JERSEY

INTRODUCED JUNE 3, 1996

By Senator ZANE

1 AN ACT concerning the "Sales and Use Tax Act," and amending and
2 supplementing P.L.1980, c.105.

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

6
7 1. Section 28 of P.L.1980, c.105 (C.54:32B-8.16) is amended to
8 read as follows:

9 28. Receipts from sales of tangible personal property (except
10 automobiles, and except property incorporated in a building or
11 structure) for use and consumption directly and **[exclusively]**
12 primarily in the production for sale of tangible personal property on
13 farms, including stock, dairy, poultry, fruit, fur-bearing animals, and
14 truck farms, ranches, nurseries, greenhouses or other similar
15 structures used primarily for the raising of agricultural or horticultural
16 commodities, and orchards are exempt from the tax imposed under the
17 Sales and Use Tax Act.
18 (cf: P.L.1980, c.105, s.28)

19
20 2. (New section) The director shall adopt, pursuant to the
21 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq),
22 regulations concerning the implementation of section 1 of P.L.199...,
23 C. ... (C. ...) (before the Legislature as this bill.)

24
25 3. This act shall take effect immediately.

26
27
28 STATEMENT

29
30 This bill would exempt receipts from sales of tangible personal
31 property for use and consumption directly and primarily in the
32 production for sale of tangible personal property on farms from the tax
33 imposed under the "Sales and Use Tax Act." Current law exempts
34 tangible personal property used directly and exclusively on farms.

EXPLANATION - Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

[Passed Both Houses]

[First Reprint]

SENATE, No. 1248

STATE OF NEW JERSEY

INTRODUCED JUNE 3, 1996

By Senators ZANE, Matheussen, Assemblymen LeFevre,
Blee and Garrett

1 AN ACT concerning the "Sales and Use Tax Act," and amending and
2 supplementing P.L.1980, c.105.

3

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

6

7 1. Section 28 of P.L.1980, c.105 (C.54:32B-8.16) ~~is~~ amended to
8 read as follows:

9 28. Receipts from sales of tangible personal property (except
10 automobiles, and except property incorporated in a building or
11 structure) for use and consumption directly and **[exclusively]**
12 primarily in the production for sale of tangible ~~personal~~ property on
13 farms, including stock, dairy, poultry, fruit, fur-bearing animals, and
14 truck farms, ranches, nurseries, greenhouses or other similar
15 structures used primarily for the raising of agricultural ~~or~~ horticultural
16 commodities, and orchards are exempt from the tax imposed under the
17 Sales and Use Tax Act.

18 (cf: P.L.1980, c.105, s.28)

19

20 2. (New section) The director shall adopt, pursuant to the
21 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq),
22 regulations concerning the implementation of section 1 of
23 ¹**[P.L.199..., C. ... (C. ...) (before the Legislature as this bill.)]** P.L.
24 c. (C. ...) (now before the Legislature as this bill).¹

25

26 3. This act shall take effect immediately

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SSV committee amendments adopted September 19, 1996.

S1248 [1R]

2

1

2

3 Exempts tangible personal property used directly and primarily on

4 farms from "Sales and Use Tax Act."

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 1248

STATE OF NEW JERSEY

DATED: NOVEMBER 6, 1997

The Assembly Appropriations Committee reports favorably Senate Bill No. 1248 (1R).

Senate Bill No. 1248 (1R) exempts from the tax imposed under the "Sales and Use Tax Act" those receipts realized from sales of tangible personal property purchased by farmers for use and consumption directly and primarily in the production of agricultural and horticultural commodities. Under current law, the exemption only applies for tangible personal property used directly and exclusively on farms.

As reported, this bill is identical to Assembly Bill No. 2942 (LeFevre/Blee).

FISCAL IMPACT:

In a fiscal estimate prepared by the Office of Legislative Services (OLS), the OLS notes that there are no data available to estimate the precise cost to the State of the broadened exemption. The data that are available suggest the change would have a negligible impact on sales tax revenue. Based on a number of assumptions concerning farm equipment purchases used more than 50 percent but less than 100 percent of the time in agricultural production, the annual sales tax loss at any given time may range between \$300,000 and \$600,000.

SENATE SENIOR CITIZENS, VETERANS' AFFAIRS AND
AGRICULTURE COMMITTEE

STATEMENT TO

SENATE, No. 1248

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 19, 1996

The Senate Senior Citizens, Veterans' Affairs and Agriculture Committee favorably reports Senate Bill No. 1248 with committee amendments.

This bill would exempt receipts from sales of tangible personal property for use and consumption directly and primarily in the production for sale of tangible personal property on farms from the tax imposed under the "Sales and Use Tax Act." Current law exempts tangible personal property used directly and exclusively on farms.

Committee amendments would correct a reference in the bill.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 1248

STATE OF NEW JERSEY

DATED: JUNE 5, 1997

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1248 (1R).

Senate Bill No. 1248 (1R) exempts from the tax imposed under the "Sales and Use Tax Act" those receipts realized from sales of tangible personal property purchased by farmers for use and consumption directly and primarily in the production of agricultural and horticultural commodities. Under current law, the exemption only applies for tangible personal property used directly and exclusively on farms.

As reported, this bill is identical to Assembly Bill No. 2942 (LeFevre/Blee).

FISCAL IMPACT:

In a fiscal estimate prepared by the Office of Legislative Services (OLS), the OLS notes that there are no data available to estimate the precise cost to the State of the broadened exemption. The data that are available suggest the change would have a negligible impact on sales tax revenue. Based on a number of assumptions concerning farm equipment purchases used over 50 percent but less than 100 percent of the time in agricultural production, the annual sales tax loss at any given time may range between \$300,000 and \$600,000.

LEGISLATIVE FISCAL ESTIMATE TO

[First Reprint]
SENATE, No. 1248

STATE OF NEW JERSEY

DATED: OCTOBER 18, 1996

Senate Bill No. 1248 (1R) of 1996 would replace the word "exclusively" with the word "primarily" in the section of the Sales Tax Act granting an exemption to farmers in the purchase of tangible personal property that is to be used in the production of agricultural and horticultural commodities.

The Office of Legislative Services (OLS) observes the proposed change to the agricultural exemption in the sales tax would bring the section into conformity with other sales tax exemptions concerning business machinery and equipment purchases used in manufacturing, energy production and the provision of telephony. The OLS notes there are no data available to estimate the precise cost to the State of the broadened exemption. The data that are available suggest the change would have a negligible impact on sales tax revenue. Based on a number of assumptions concerning farm equipment purchases used over 50 percent but less than 100 percent of the time in agricultural production, the annual sales tax loss at any given time might range between \$300,000 and \$600,000.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

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