

54A:8-1

LEGISLATIVE HISTORY CHECKLIST
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(Gross income tax--signatures)

NJSA: 54A:8-1

LAWS OF: 1996 CHAPTER: 10

BILL NO: S489

SPONSOR(S): Kenny

DATE INTRODUCED: January 22, 1996

COMMITTEE: ASSEMBLY: Appropriations
SENATE: Budget

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

DATE OF PASSAGE: ASSEMBLY: February 29, 1996
SENATE: February 5, 1996

DATE OF APPROVAL: March 28, 1996

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes
SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBP:pp

P.L. 1996, CHAPTER 10, *approved March 28, 1996*
Senate No. 489 (*First Reprint*)

1 AN ACT concerning taxpayers' signature requirements on gross income
2 tax returns, amending N.J.S.54A:8-1.

3

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

6

7 1. N.J.S.54A:8-1 is amended to read as follows:

8 54A:8-1. Payment of tax; returns; extension of time. With respect
9 to each taxpayer, the tax imposed by this act shall be due and payable
10 annually, hereafter, in the manner provided in this section:

11 a. Every taxpayer shall annually pay the tax imposed by this act
12 with respect to all or any part of each of his fiscal or calendar
13 accounting years beginning on and after July 1, 1976, to be computed
14 as in this act provided, for such fiscal or calendar accounting year or
15 part thereof, on a return which shall be filed, in the case of a taxpayer
16 reporting on a calendar year basis, on or before April 15 following the
17 close of such calendar year, or, in the case of a taxpayer reporting on
18 a fiscal year basis, on or before the fifteenth day of the fourth month
19 following the close of such fiscal year, and the full amount of the tax
20 shall be due and payable on or before the date prescribed herein for
21 the filing of the return.

22 In the case of a taxable year which ends on or after July 1, 1976,
23 and prior to December 31, 1976, an income tax return for such
24 taxable year shall be filed on or before April 15, 1977.

25 b. Each return shall carry a [certificate signed] signature by the
26 taxpayer [to the effect] ¹certifying¹ that all statements contained
27 therein are true, under the same penalties as for perjury committed.
28 The director is authorized to promulgate regulations and procedures
29 setting forth the manner in which a taxpayer may satisfy the signature
30 requirement. Blank forms of return shall be furnished on application,
31 but failure to secure the form shall not relieve any taxpayer of the
32 obligation of making any return herein required. Subject to regulations
33 under this act and in such form as may be indicated thereby, taxpayers
34 whose net income taxable under this act is or may be subject to tax
35 under a similar law of another jurisdiction may be permitted to file a
36 simple, short form return attached to a copy of his return as filed or
37 about to be filed by him in such other jurisdiction.

38 Subject to regulations under this act, reasonable extensions of time
39 for good cause shown, may be granted for not more than 6 months
40 unless exceptional circumstances justify a longer period, within which

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 SBA committee amendments adopted January 29, 1996.

1 returns may be filed.

2 In addition, persons in active service with the Armed Forces of the
3 United States, who may be prevented by distance or injury or
4 hospitalization arising out of such service, may be allowed such
5 extension of time for the filing of returns, without interest or penalty,
6 as may be fixed by regulations under this act.

7 (cf: N.J.S.54A:8-1)

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9 2. This act shall take effect immediately ¹and apply to returns filed
10 on and after January 1, 1996¹ .

11

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13

14

15 _____
16 Permits the Director of the Division of Taxation in the Department of
17 the Treasury to establish the manner in which the taxpayer signature
requirement on gross income tax returns may be satisfied.

[First Reprint]
SENATE, No. 489

STATE OF NEW JERSEY

INTRODUCED JANUARY 22, 1996

By Senator KENNY

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2 tax returns, amending N.J.S.54A:8-1.

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5 of New Jersey:

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9 to each taxpayer, the tax imposed by this act shall be due and payable
10 annually, hereafter, in the manner provided in this section:

11 a. Every taxpayer shall annually pay the tax imposed by this act
12 with respect to all or any part of each of his fiscal or calendar
13 accounting years beginning on and after July 1, 1976, to be computed
14 as in this act provided, for such fiscal or calendar accounting year or
15 part thereof, on a return which shall be filed, in the case of a taxpayer
16 reporting on a calendar year basis, on or before April 15 following the
17 close of such calendar year, or, in the case of a taxpayer reporting on
18 a fiscal year basis, on or before the fifteenth day of the fourth month
19 following the close of such fiscal year, and the full amount of the tax
20 shall be due and payable on or before the date prescribed herein for
21 the filing of the return.

22 In the case of a taxable year which ends on or after July 1, 1976,
23 and prior to December 31, 1976, an income tax return for such
24 taxable year shall be filed on or before April 15, 1977.

25 b. Each return shall carry a **[certificate signed]** signature by the
26 taxpayer **[to the effect]** ¹certifying¹ that all statements contained
27 therein are true, under the same penalties as for perjury committed.
28 The director is authorized to promulgate regulations and procedures
29 setting forth the manner in which a taxpayer may satisfy the signature
30 requirement. Blank forms of return shall be furnished on application,
31 but failure to secure the form shall not relieve any taxpayer of the

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 SBA committee amendments adopted January 29, 1996.

1 obligation of making any return herein required. Subject to regulations
2 under this act and in such form as may be indicated thereby, taxpayers
3 whose net income taxable under this act is or may be subject to tax
4 under a similar law of another jurisdiction may be permitted to file a
5 simple, short form return attached to a copy of his return as filed or
6 about to be filed by him in such other jurisdiction.

7 Subject to regulations under this act, reasonable extensions of time
8 for good cause shown, may be granted for not more than 6 months
9 unless exceptional circumstances justify a longer period, within which
10 returns may be filed.

11 In addition, persons in active service with the Armed Forces of the
12 United States, who may be prevented by distance or injury or
13 hospitalization arising out of such service, may be allowed such
14 extension of time for the filing of returns, without interest or penalty,
15 as may be fixed by regulations under this act.

16 (cf: N.J.S.54A:8-1)

17

18 2. This act shall take effect immediately ¹and apply to returns filed
19 on and after January 1, 1996¹ .

20

21

22

23

24 _____
25 Permits the Director of the Division of Taxation in the Department of
26 the Treasury to establish the manner in which the taxpayer signature
requirement on gross income tax returns may be satisfied.

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2 short form return attached to a copy of his return as filed or about to
3 be filed by him in such other jurisdiction.

4 Subject to regulations under this act, reasonable extensions of time
5 for good cause shown, may be granted for not more than 6 months
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9 United States, who may be prevented by distance or injury or
10 hospitalization arising out of such service, may be allowed such
11 extension of time for the filing of returns, without interest or penalty,
12 as may be fixed by regulations under this act.

13 (cf: N.J.S.54A:8-1)

14

15 2. This act shall take effect immediately.

16

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18 STATEMENT

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20 Under current law, taxpayers are required to certify the accuracy of
21 gross income tax returns by signing their name under penalty of
22 perjury. This signature represents the taxpayer's oath that the
23 information contained in the gross income tax return is accurate and
24 that no intentional attempt has been made to defraud the State.

25 At present, taxpayers can only certify the accuracy of a tax return
26 by written signature. This bill permits the Director of the Division of
27 Taxation to promulgate regulations that allow the use of voice
28 signatures and other technologies, as they evolve, to satisfy the
29 signature requirements of the gross income tax.

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34 _____
35 Permits the Director of the Division of Taxation in the Department of
36 the Treasury to establish the manner in which the taxpayer signature
requirement on gross income tax returns may be satisfied.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 489

STATE OF NEW JERSEY

DATED: FEBRUARY 22, 1996

The Assembly Appropriations Committee reports favorably Senate Bill No. 489 (1R).

Senate Bill No. 489 (1R), as amended, changes current law concerning the written verification of gross income tax returns so that such returns may be filed by telephone using a touch-tone telephone keypad.

Current law requires a gross income tax filer to certify the accuracy of the gross income tax return by signing his or her name under penalty of perjury. This signature represents the taxpayer's oath that the information contained in the return is accurate and that no intentional attempt has been made to defraud the State.

The purpose of this bill is to permit the Director of the Division of Taxation to promulgate regulations that will allow the use of voice signatures and other technologies, as they evolve, to satisfy the signature requirements of the gross income tax.

The division has already embarked on a pilot program for which approximately 275,000 taxpayers in 12 counties have been selected to file their 1995 gross income tax returns by telephone between January 16 and April 15, 1996. Using a touch tone telephone and following the recorded instructions, a selected taxpayer may enter the necessary information and have the tax automatically calculated by computer. A taxpayer using this system may receive a refund more quickly than if a paper return had been filed. The division anticipates that approximately 1.3 million taxpayers may be afforded an opportunity next year to file their tax returns in this manner.

This bill is identical to A-181 as amended and reported by this committee.

FISCAL IMPACT:

The fiscal impact of this bill cannot be estimated at this time; however, the Division of Taxation may incur some additional expenses for the conversion from the current method of processing gross income tax returns to a telephone filing system. In the long term, the division may experience a reduction in processing costs as more taxpayers are permitted to change their method of filing from paper returns to telephone or other electronic means.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 489

with Senate committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 29, 1996

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 489 with amendments.

Senate Bill No. 489, as amended, changes current law concerning the written verification of gross income tax returns so that such returns may be filed by telephone using a touch-tone telephone keypad.

Current law requires a gross income tax filer to certify the accuracy of the gross income tax return by signing his or her name under penalty of perjury. This signature represents the taxpayer's oath that the information contained in the return is accurate and that no intentional attempt has been made to defraud the State.

The purpose of this bill is to permit the Director of the Division of Taxation to promulgate regulations that will allow the use of voice signatures and other technologies, as they evolve, to satisfy the signature requirements of the gross income tax.

The division has already embarked on a pilot program for which approximately 275,000 taxpayers in 12 counties have been selected to file their 1995 gross income tax returns by telephone between January 16 and April 15, 1996. Using a touch tone telephone and following the recorded instructions, a selected taxpayer may enter the necessary information and have the tax automatically calculated by computer. A taxpayer using this system may receive a refund more quickly than if a paper return had been filed. The division anticipates that approximately 1.3 million taxpayers may be afforded an opportunity next year to file their tax returns in this manner.

COMMITTEE AMENDMENTS

The committee amended the bill to make it retroactive to January 1, 1996, so that there would be no question as to the legality or accuracy of 1995 gross income tax returns filed by telephone under the pilot program already begun by the Division of Taxation. In addition, the committee amended the bill to emphasize that the signature of a tax filer, whether in writing or by telephonic or electronic means, is needed to certify to the truth of the contents of a tax return.

The Division of Taxation supports the amendment.

FISCAL IMPACT

The fiscal impact of this bill cannot be estimated at this time; however, the Division of Taxation may incur some additional expenses for the conversion from the current method of processing gross income tax returns to a telephone filing system. In the long term, the division may experience a reduction in processing costs as more taxpayers are permitted to change their method of filing from paper returns to telephone or other electronic means.

Gov. Whitman signed into law **A-879/S-668**, sponsored by Assemblypersons Francis Blee (R- Atlantic) and John Gibson (R- Cape May/Atlantic/Cumberland). This bill is intended to discourage the filing of frivolous civil actions by inmates confined in state and county correctional institutions. The bill allows for the Attorney General or County Counsel to recover costs where they are representing the defendant in a frivolous lawsuit brought forward by an inmate.

The bill allows the Commissioner of the Department of Corrections to develop regulations providing for the forfeiture of "good time" credits when a lawsuit by an inmate has been found to be frivolous and filed to intimidate another or disrupt the operation of the correctional facility. Additionally, the measure establishes a procedure requiring an inmate to pay at least a partial fee for filing a civil action.

This legislation also provides that if an inmate is awarded a money judgment in a civil action, the award will be deposited into the inmate's institutional account. This account is to be used to meet any court-imposed fines, restitution or penalties the inmate has not paid. These funds will also be available to satisfy any medical costs for which the state or county is entitled to a reimbursement.

Gov. Whitman also signed into law **S-489/A-181**, sponsored by Senators Bernard Kenny, Jr. (D-Hudson) and Joseph Palaia (R-Monmouth). This legislation will allow the Department of Taxation in the Department of the Treasury to establish alternatives for satisfying the signature requirement on gross income tax returns.

This legislation will allow for the verification of gross income tax returns, previously accepted only in writing, by telephone using a touch-tone keypad. It also permits the Director of the Division of Taxation to develop regulations which will allow the use of voice signatures, and other technologies, as they evolve, to satisfy the signature requirements of the gross income tax.