

54:10A-3

**LEGISLATIVE HISTORY CHECKLIST**  
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(Insurance companies--exempt  
from corporation Business Tax Act)

**NJSA:** 54:10A-3  
**LAWS OF:** 1993 **CHAPTER:** 338  
**BILL NO:** S2047  
**SPONSOR(S)** Cardinale  
**DATE INTRODUCED:** August 16, 1993  
**COMMITTEE:** **ASSEMBLY:** ---  
**SENATE:** Commerce  
**AMENDED DURING PASSAGE:** No  
**DATE OF PASSAGE:** **ASSEMBLY:** December 16, 1993  
**SENATE:** December 2, 1993  
**DATE OF APPROVAL:** December 27, 1993

**FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:**

**SPONSOR STATEMENT:** Yes  
**COMMITTEE STATEMENT:** **ASSEMBLY:** No  
**SENATE:** Yes  
**FISCAL NOTE:** No  
**VETO MESSAGE:** No  
**MESSAGE ON SIGNING:** No  
**FOLLOWING WERE PRINTED:**  
**REPORTS:** No  
**HEARINGS:** No

KBG:pp

P.L.1993, CHAPTER 338, approved December 27, 1993  
 1993 Senate No. 2047

1 **AN ACT** concerning exemptions from certain taxes and amending  
 2 P.L.1945, c.162.

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

6 1. Section 3 of P.L.1945, c.162 (C.54:10A-3) is amended to  
 7 read as follows:

8 3. The following corporations shall be exempt from the tax  
 9 imposed by this act:

10 (a) Corporations subject to a tax assessed upon the basis of  
 11 gross receipts [other than the Retail Gross Receipts Tax Act], or  
 12 insurance premiums collected;

13 (b) Corporations which operate regular route autobus service  
 14 within this State under operating authority conferred pursuant to  
 15 R.S.48:4-3, provided, however, that such corporations shall not be  
 16 exempt from the tax on net income imposed by section 5(c) of  
 17 P.L.1945, c.162 (C.54:10A-5);

18 (c) Railroad, canal corporations, savings banks, production  
 19 credit associations organized under the Farm Credit Act of 1933,  
 20 agricultural cooperative associations incorporated or  
 21 domesticated under or subject to chapter 13 of Title 4 of the  
 22 Revised Statutes and exempt under Subtitle A, Chapter 1F, Part  
 23 IV, Section 521 of the federal Internal Revenue Code [26 U.S.C.  
 24 §521], or building and loan or savings and loan associations;

25 (d) Cemetery corporations not conducted for pecuniary profit  
 26 or any private shareholder or individual;

27 (e) Nonprofit corporations, associations or organizations  
 28 established, organized or chartered, without capital stock, under  
 29 the provisions of Titles 15, 16 or 17 of the Revised Statutes, Title  
 30 15A of the New Jersey Statutes or under a special charter or  
 31 under any similar general or special law of this or any other  
 32 State, and not conducted for pecuniary profit of any private  
 33 shareholders or individual;

34 (f) Corporations subject to a tax under the provisions of  
 35 P.L.1940, c.4 [C.54:30A-16 et seq.], P.L.1940, c.5 [C.54:30A-49  
 36 et seq.], or P.L.1991, c.184 (C.54:30A-18.6 et al.) or any statute  
 37 or law imposing a similar tax or taxes;

38 (g) Nonstock corporations organized under the laws of this  
 39 State or of any other state of the United States to provide mutual  
 40 ownership housing under federal law by tenants, provided,  
 41 however, that the exemption hereunder shall continue only so  
 42 long as the corporations remain subject to rules and regulations  
 43 of the Federal Housing Authority and the Commissioner of the  
 44 Federal Housing Authority holds membership certificates in the

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.

1 corporations and the corporate property is encumbered by a  
2 mortgage deed or deed of trust insured under the National  
3 Housing Act (48 Stat. 1248) as amended by subsequent Acts of  
4 Congress. In order to be exempted under this subsection,  
5 corporations shall annually file a report on or before August 15  
6 with the commissioner, in the form required by the commissioner,  
7 to claim such exemption, and shall pay a filing fee of \$25.00;

8 (h) Corporations not for profit organized under any law of this  
9 State where the primary purpose thereof is to provide for its  
10 shareholders or members housing in a retirement community as  
11 same as defined under the provisions of the "Retirement  
12 Community Full Disclosure Act," [(P.L.1969, c.215)] P.L.1969,  
13 c.215 (C.45:22A-1 et seq.); and

14 (i) Corporations which are licensed as insurance companies  
15 under the laws of another state, including corporations which are  
16 surplus lines insurers declared eligible by the Commissioner of  
17 Insurance pursuant to section 11 of P.L.1960, c.32 (C.17:22-6.45)  
18 to insure risks within this State.

19 (cf: P.L.1991, c.184, s.22)

20 2. This act shall take effect immediately, and shall apply to  
21 fiscal or calendar accounting years commencing after December  
22 31, 1960.

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#### STATEMENT

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27 This bill clarifies that corporations which are licensed as  
28 insurance companies under the laws of another state, including  
29 eligible surplus lines insurers, are exempt from taxation under the  
30 Corporation Business Tax Act (1945). It is retroactive to taxable  
31 calendar or fiscal accounting years commencing after  
32 December 31, 1960. The current exemption for insurance  
33 companies under the Corporation Business Tax Act (1945) was  
34 intended to apply to all insurance companies doing any kind of  
35 business in this State.

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40 Clarifies that certain insurance companies are exempt from the  
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SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 2047

STATE OF NEW JERSEY

DATED: NOVEMBER 22, 1993

The Senate Commerce Committee reports favorably Senate Bill No. 2047.

This bill clarifies that corporations which are licensed as insurance companies under the laws of another state, including eligible surplus lines insurers, are exempt from taxation under the Corporation Business Tax Act (1945). It is retroactive to taxable calendar or fiscal accounting years commencing after December 31, 1960. The current exemption for insurance companies under the Corporation Business Tax Act (1945) was intended to apply to all insurance companies doing any kind of business in this State.