

**LEGISLATIVE HISTORY CHECKLIST**  
 Compiled by the NJ State Law Library

(Sales tax--reduce)

**NJSA:** 54:32B-8.4

**LAWS OF:** 1993 **CHAPTER:** 373

**BILL NO:** A893

**SPONSOR(S):** Stuhltrager and Collins

**DATE INTRODUCED:** February 13, 1992

**COMMITTEE:** **ASSEMBLY:** Economic and Community Development  
**SENATE:** Community Affairs

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

**DATE OF PASSAGE:** **ASSEMBLY:** October 29, 1992  
**SENATE:** December 16, 1993

**DATE OF APPROVAL:** January 10, 1994

**FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:**

**SPONSOR STATEMENT:** Yes

**COMMITTEE STATEMENT:** **ASSEMBLY:** Yes  
**SENATE:** Yes

**FISCAL NOTE:** Yes

**VETO MESSAGE:** No

**MESSAGE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

**REPORTS:** No

**HEARINGS:** No

[FIRST REPRINT]  
ASSEMBLY, No. 893

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 13, 1992

By Assemblymen STUHLTRAGER and COLLINS

1 AN ACT concerning the rate of taxation under the sales and use  
2 tax in certain counties, supplementing P.L.1966, c.30  
3 (C.54:32B-1 et seq.).  
4

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

7 1. Receipts of retail sales, except retail sales of motor  
8 vehicles, of alcoholic beverages as defined in the "Alcoholic  
9 beverage tax law," R.S.54:41-1 et seq., and cigarettes as defined  
10 in the "Cigarette Tax Act," P.L.1948, c.65 (C.54:40A-1 et seq.),  
11 made by a vendor from a place of business regularly operated by  
12 the vendor for the purpose of making retail sales <sup>1</sup>at which items  
13 are regularly exhibited and offered for retail sale and which is  
14 not utilized primarily for the purpose of catalogue or mail order  
15 sales<sup>1</sup>, in which county is situated an entrance to an interstate  
16 bridge or tunnel connecting New Jersey with a state that does not  
17 impose a retail sales and use tax or imposes a retail sales and use  
18 tax at a rate at least five percentage points lower than the rate  
19 in this State, are exempt to the extent of 50% of the tax imposed  
20 under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et  
21 seq.). The State Treasurer shall annually designate the county or  
22 counties in which this exemption shall apply.

23 2. This act shall take effect immediately <sup>1</sup>but section 1 shall  
24 remain inoperative until the first day of the sixth month  
25 following its enactment<sup>1</sup>.  
26  
27  
28  
29

30 Provides for reduced sales tax imposition in certain counties.

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.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Assembly AAP committee amendments adopted October 19, 1992.

ASSEMBLY, No. 893  
STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

INTRODUCED FEBRUARY 13, 1992

By Assemblymen STUHLTRAGER and COLLINS

1 AN ACT concerning the rate of taxation under the sales and use  
2 tax in certain counties, supplementing P.L.1966, c.30  
3 (C.54:32B-1 et seq.).  
4

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

7 1. Receipts of retail sales, except retail sales of motor  
8 vehicles, of alcoholic beverages as defined in the "Alcoholic  
9 beverage tax law," R.S.54:41-1 et seq., and cigarettes as defined  
10 in the "Cigarette Tax Act," P.L.1948, c.65 (C.54:40A-1 et seq.),  
11 made by a vendor from a place of business regularly operated by  
12 the vendor for the purpose of making retail sales, in which county  
13 is situated an entrance to an interstate bridge or tunnel  
14 connecting New Jersey with a state that does not impose a retail  
15 sales and use tax or imposes a retail sales and use tax at a rate at  
16 least five percentage points lower than the rate in this State, are  
17 exempt to the extent of 50% of the tax imposed under the "Sales  
18 and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.). The State  
19 Treasurer shall annually designate the county or counties in which  
20 this exemption shall apply.

21 2. This act shall take effect immediately.  
22  
23

24 STATEMENT  
25

26 This bill provides a 50% sales and use tax exemption in certain  
27 counties in the State in which there are situated an entrance to  
28 an interstate bridge or tunnel connecting New Jersey with a state  
29 that does not impose a sales and use tax or imposes a sales and  
30 use tax at a rate at least five percentage points lower than the  
31 rate in this State. Retail establishments in these counties will  
32 collect the State sales and use tax at one-half of the New Jersey  
33 sales tax rate of 7%. One of the purposes of this bill is to remove  
34 a severe border price differential that results in a disadvantage  
35 to local retail enterprises which compete with nearby retailers  
36 located in a state without a sales tax. This sales tax exemption  
37 should result in maintaining the local economic base, preserving  
38 retail establishments, and retaining jobs and sales tax revenue in  
39 this State.  
40  
41

42  
43  
44 Provides for reduced sales tax imposition in certain counties.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 893

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 19, 1992

The Assembly Appropriations Committee reports favorably Assembly Bill No. 893 with committee amendments.

Assembly Bill No. 893, as amended, provides a 50% sales and use tax exemption in certain counties of the State in which there are situated an entrance to an interstate bridge or tunnel connecting New Jersey to a state that does not impose a sales and use tax or one that imposes a sales and use tax at a rate of at least five percentage points lower than the rate in this State. Retail establishments in these counties will collect the State sales and use tax at one-half of the regular New Jersey sales tax rate. This provision however, would not apply to the sales of motor vehicles, alcoholic beverages or cigarettes.

FISCAL IMPACT:

In the legislative fiscal estimate to this bill, the Office of Legislative Services (OLS) estimated a revenue loss in the range of \$7 million to \$11 million. However, this was based on a 7 percent sales tax rate. At the current 6 percent rate, the revenue loss is estimated to be between \$6.3 million to \$9.7 million. The OLS notes that residents of the contiguous counties would most likely make purchases in the eligible county, rather than their own county, along with Salem County residents making fewer shopping trips to Delaware; however, no data is available that would allow those future changes to be estimated at this time.

COMMITTEE AMENDMENTS:

The committee amendments clarify that the sales tax exemption shall apply only to vendors operating places of business at which items are regularly exhibited and offered for retail sale and which are not utilized primarily for the purpose of catalogue or mail order sales. The amendments also delay implementation of the exemption until the first day of the sixth month following enactment to provide time to promulgate administrative regulations.

This bill was introduced in the 1992 session pending technical review. As reported the bill includes the changes required by technical review which has been performed.

ASSEMBLY ECONOMIC AND COMMUNITY DEVELOPMENT  
AGRICULTURE AND TOURISM COMMITTEE

STATEMENT TO

ASSEMBLY, No. 893

STATE OF NEW JERSEY

DATED: JUNE 8, 1992

The Assembly Economic and Community Development, Agriculture and Tourism Committee reports favorably Assembly Bill No. 893.

As reported, this bill provides a 50% sales and use tax exemption in certain counties in the State in which there are situated an entrance to an interstate bridge or tunnel connecting New Jersey with a state that does not impose a sales and use tax or imposes a sales and use tax at a rate at least five percentage points lower than the rate in this State. Retail establishments in these counties will collect the State sales and use tax at one-half of the New Jersey sales tax rate. One of the purposes of this bill is to remove a severe border price differential that results in a disadvantage to local retail enterprises which compete with nearby retailers located in a state without a sales tax. This sales tax exemption should result in maintaining the local economic base, preserving retail establishments, and retaining jobs and sales tax revenue in this State.

SENATE COMMUNITY AFFAIRS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

ASSEMBLY, No. 893

STATE OF NEW JERSEY

DATED: JANUARY 25, 1993

The Senate Community Affairs Committee reports without recommendation Assembly Bill No. 893 (1R).

Assembly Bill No. 893 (1R) provides a 50% sales and use tax exemption in certain counties of the State in which there is situated an entrance to an interstate bridge or tunnel connecting New Jersey to a state that does not impose a sales and use tax or one that imposes a sales and use tax at a rate of at least five percentage points lower than the rate in this State. Retail establishments in these counties will collect the State sales and use tax at one-half of the regular New Jersey sales tax rate. This provision, however, would not apply to the sales of motor vehicles, alcoholic beverages or cigarettes and would apply only to retail establishments at which items are regularly exhibited and offered for sale and which are not utilized primarily for the purpose of catalogue or mail order sales.

This bill would apply only to Salem County.

This bill is identical to Senate committee substitute for Senate Bill Nos. 180 and 1399, which was also reported by this committee on January 25, 1993.

LEGISLATIVE FISCAL ESTIMATE TO  
ASSEMBLY, No. 893

STATE OF NEW JERSEY

DATED: April 29, 1992

Assembly Bill No. 893 of 1992 provides a 50 percent sales and use tax exemption in certain counties in the State in which there is situated an entrance to an interstate bridge or tunnel connecting New Jersey to a state without a sales and use tax or one which imposes a sales and use tax at a rate of at least 5 percentage points lower than the rate in this State. This provision would not apply to the sales of motor vehicles, alcoholic beverages and cigarettes.

The Division of Taxation and the Department of Treasury have not provided any fiscal information on this bill. The Office of Legislative Services (OLS) indicates that without any specific county data on sales tax collection, it is not possible to accurately determine the potential loss of revenue to the State. The OLS estimates, however, an approximate revenue loss between \$7 million to \$11 million. This range is based on the amount of retail sales in Salem County as a percentage of retail sales in the State. The base numbers, as reported in the 1987 Census of Retail Trade - New Jersey published by the U.S. Department of Commerce, were reduced by amounts for the sales which are not to be exempt from 50 percent of the sales tax. However, the intent of this sales tax exemption should result in helping the local economic base, preserving retail establishments, retain jobs and possibly reduce the initial State revenue loss as more consumer purchases occur after enactment of this bill.

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.