

54:11B-25

LEGISLATIVE HISTORY CHECKLIST

NJSA 54:11B-25

Laws of 1975 Chapter 391

Bill No. A3645

Sponsor(s) Hamilton & 17 others

Date Introduced August 1, 1975

Committee: Assembly -

Senate Revenue, Finance & Appropriations

Amended during passage Yes ~~No~~ Amendments during passage denoted by asterisks.

Date of passage: Assembly September 29, 1975

Senate December 15, 1975

Date of approval March 3, 1976

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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ASSEMBLY, No. 3645

STATE OF NEW JERSEY

INTRODUCED AUGUST 1, 1975

By Assemblymen HAMILTON, LEFANTE, FORAN, GALLO, VAN WAGNER, JACKMAN, KEAN, CHINNICI, CALI, MCCARTHY, BORNHEIMER, ESPOSITO, GARRUBBO, GREGORIO, DEVERIN, NEWMAN, WEIDEL and ADUBATO

(Without Reference)

AN ACT to amend "A supplement to the 'Unincorporated Business Tax Act,' approved June 17, 1966 (P. L. 1966, c. 137) now pending before the Legislature as Assembly Bill No. 3627 (P. L. 1975, c. ....).

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

1 1. Section 2 of P. L. 1975, c. .... is amended to read as follows:

2 2. a. The tax imposed by this supplementary act shall be ap-  
3 plicable with respect to gross receipts received or accrued on and  
4 after January 1, 1975, and shall be applicable to taxpayers report-  
5 ing on the basis of the calendar year 1975 and fiscal years ending  
6 on and after December 31, 1974 and not later than June 30, 1976.

7 b. In calculating the \***[amount of]**\* \*gross receipts on which\*  
8 tax \*is\* due under the "Unincorporated Business Tax Act" (P. L.  
9 1966, c. 137, C. 54:11B-1 et seq.), as amended and supplemented,  
10 retail dealers of motor fuels shall be entitled to a deduction of 100%  
11 of the amount of Federal and New Jersey motor fuel taxes which  
12 were paid on motor fuel purchased by said dealers and which were  
13 included in the cost to the retail dealers on the purchase of said  
14 motor fuel.

1 2. This act shall take effect upon the enactment of Assembly Bill  
2 No. 3627 (now pending before the Legislature), but if said bill has  
3 already been enacted, this act shall take effect immediately.

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

NEW JERSEY COPY  
1975

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STATE OF NEW JERSEY

INTRODUCED AUGUST 1, 1975

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5 ing on the basis of the calendar year 1975 and fiscal years ending on  
6 and after December 31, 1974 and not later than June 30, 1976.

7 b. In calculating the amount of tax due under the "Unincor-  
8 porated Business Tax Act" (P. L. 1966, c. 137, C. 54:11B-1 et seq.),  
9 as amended and supplemented, retail dealers of motor fuels shall  
10 be entitled to a deduction of 100% of the amount of Federal and  
11 New Jersey motor fuel taxes which were paid on motor fuel pur-  
12 chased by said dealers and which were included in the cost to the  
13 retail dealers on the purchase of said motor fuel.

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2 No. 3627 (now pending before the Legislature), but if said bill has  
3 already been enacted, this act shall take effect immediately.

STATEMENT

This bill is a companion bill to Assembly Bill No. 3627 and provides that in calculating the unincorporated business tax, retail dealers of motor fuels shall be entitled to a deduction of 100% of the amount of Federal and other State taxes imposed and paid.

SENATE REVENUE, FINANCE AND  
APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3645

STATE OF NEW JERSEY

DATED: NOVEMBER 24, 1975

The "Unincorporated Business Tax Act" was supplemented by P. L. 1975, chapter 178, the effect of which was to increase from  $\frac{1}{4}$  of 1% to  $\frac{3}{8}$  of 1% the tax rate on gross receipts of unincorporated businesses. This rate increase expires on June 30, 1976.

Assembly Bill No. 3645 proposes an amendment to that temporary act providing that retail dealers in motor fuels are entitled to a deduction of 100% of Federal and State motor fuels taxes paid when calculating the tax liability under the "Unincorporated Business Tax Act."

In that Assembly Bill No. 3645 amends a temporary act, an act scheduled to expire on June 30, 1976, the deduction is applicable to tax returns filed in the 1 year for which the tax rate increase is effective. This is not a permanent amendment of the "Unincorporated Business Tax Act."

The committee finds a technical amendment to be required. The wording in the bill is sufficiently unclear as to whether the deduction is to be used in adjusting gross receipts or as a direct deduction against tax liability. Use of the word deduction rather than credit in the bill implies an adjustment to gross receipts. The committee amendments explicitly provide that the deduction is an adjustment to gross receipts.

FISCAL NOTE TO  
**ASSEMBLY, No. 3645**

**STATE OF NEW JERSEY**

DATED: NOVEMBER 10, 1975

Assembly Bill No. 3645 would permit 100% deduction of the amount of Federal and New Jersey motor fuel taxes paid by retail dealers in calculating their tax under the Unincorporated Business Tax N. J. S. A. 54:11B-1 et seq. This is a companion bill to Assembly Bill No. 3627.

The Division of Taxation estimates that enactment of Assembly Bill No. 3645 would reduce the revenues of the State by \$960,000.00 in fiscal 1975-76 and by \$640,000.00 in fiscal 1976-77.

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The fiscal note is based on an estimate of costs rather than actual cost information.

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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.