

54:32B-10

LEGISLATIVE HISTORY CHECKLIST

NJSA 54:32B-10 (Sales tax--boats & aircraft-- exempt sales to non-residents)

LAWS 1981 CHAPTER 332

Bill No. S 413

Sponsor(s) J. Russo

Date Introduced Pre-filed

Committee: Assembly Revenue, Finance and Appropriations

Senate Revenue, Finance and Appropriations

Amended during passage Yes ~~XXX~~

Amendments during passage denoted by asterisks

Date of Passage: Assembly Nov. 30, 1981

Senate June 22, 1981

Date of approval Dec. 14, 1981

Following statements are attached if available:

Sponsor statement Yes ~~XXX~~

Committee Statement: Assembly Yes ~~XXX~~ No

Senate Yes ~~XXX~~

Fiscal Note Yes ~~XXX~~ No

Veto Message Yes ~~XXX~~ No

Message on signing Yes ~~XXX~~ No

Following were printed:

Reports Yes ~~XXX~~ No

Hearings Yes ~~XXX~~ No

D. J. ...

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SENATE, No. 413

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1980 SESSION

By Senator J. RUSSO

AN ACT to amend the "Sales and Use Tax Act," approved April 27, 1966 (P. L. 1966, c. 30).

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

1 1. Section 10 of P. L. 1966, c. 30 (C. 54:32B-10) is amended
2 to read as follows:

3 10. Certain sales of motor vehicles, *aircraft and boats and other*
4 *vessels.*—(a) Receipts from any sale of a motor vehicle, *an aircraft*
5 *or a boat or other vessel* shall not be subject to the retail sales tax
6 imposed under subsection (a) of section 3, despite the taking of
7 physical possession by the purchaser within this State, provided
8 that the purchaser, at the time of taking delivery:

9 (1) is a nonresident of this State,

10 (2) has no permanent place of abode in this State,

11 (3) is not engaged in carrying on in this State any employment,
12 trade, business or profession in which the motor vehicle, *aircraft*
13 *or boat or other vessel* will be used in this State, ***[and]***

14 (4) prior to taking delivery, furnishes to the vendor: any affidavit,
15 statement or additional evidence, documentary or otherwise, which
16 the director may require to assure proper administration of the
17 tax imposed upon subsection (a) of section 3***[.]*** *, and*

17A *(5) *will not house, moor, base or otherwise place the aircraft,*
17B *boat or other vessel in this State for use on other than a transient*
17C *basis or for repairs at any time within 12 months from the date of*
17D *purchase. In the event that any of the conditions specified in this*
17E *subsection (a) have not been met, the exemption herein granted*
17F *shall not be applicable and the purchaser shall be liable for the*
17G *payment of the sales tax.**

18 (b) A vendor shall not be liable for failure to collect tax on
19 receipts from any sale of a motor vehicle, *an aircraft or a boat or*
20 *other vessel* provided that the vendor prior to making delivery

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

21 obtains and keeps available for inspection by the director any
22 affidavit, statement or additional evidence, documentary or other-
23 wise, as may be required to be furnished under subsection (a)
24 above; provided, that such affidavit, statement or additional evi-
25 dence is not known by the vendor, prior to making physical delivery
26 of the motor vehicle, *aircraft or boat or other vessel*, to be false.

1 2. This act shall take effect 60 days after enactment.

STATEMENT

This bill will extend to nonresident purchasers of aircraft and boats and other vessels the same exemption from sales tax that is presently provided to purchasers of motor vehicles.

This exemption, which would encourage and expand out-of-state business, is conditioned upon the purchaser submitting an affidavit of nonresidence and a statement that the vehicle will not be used in furtherance of a business carried on in this State.

S# 1111

SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO
SENATE, No. 413
with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 15, 1981

Senate Bill No. 413 Sca amends the "Sales and Use Tax Act." It exempts from the provisions of the Sales Tax the purchase of aircraft, boats and other vessels purchased in New Jersey if the purchaser:

- is a nonresident of New Jersey
- has no permanent place of abode in New Jersey; and
- is not engaged in a business in New Jersey in which the aircraft, boat or other vessel will be used in New Jersey.

The purchaser must provide to the vendor evidence that he meets the above criteria in order to be exempt from paying the New Jersey Sales Tax.

The committee amended the bill to provide that any aircraft, boat or other vessel exempt from the Sales Tax pursuant to this act may not be based or moored in New Jersey, other than on a transient basis or for repairs, at any time within 12 months from the date of purchase.

FISCAL IMPACT

The Division of Taxation indicated there would be no revenue loss as boats and aircraft purchased by nonresidents are usually delivered to the customer by the dealer.