

54:30A-50

LEGISLATIVE HISTORY CHECKLIST

NJSA: 54:30A-50 (Public utility gross receipts tax--exempt natural gas sales to cogeneration separately metered facility)

LAWS OF: 1985 CHAPTER: 359

BILL NO: S2531

Sponsor(s): Dalton

Date Introduced: December 13, 1984

Committee: Assembly: Revenue, Finance and Appropriations
Senate: Energy and Environment

Amended during passage: Yes Substituted for A2861 (not attached since identical to S2531). Amendments during passage denoted by asterisks.

Date of Passage: Assembly: September 12, 1985
Senate: June 17, 1985

Date of Approval: November 12, 1985

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly Yes
Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

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SENATE, No. 2531

STATE OF NEW JERSEY

INTRODUCED DECEMBER 13, 1984

By Senator DALTON

Referred to Committee on Revenue, Finance and Appropriations

AN ACT concerning the taxation of sales of natural gas by public utilities to cogenerators, and amending P. L. 1940, c. 5.

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

1 1. Section 2 of P. L. 1940, c. 5 (C. 54:30A-50) is amended to
2 read as follows:

3 2. Definitions: As used in this act—unless the context otherwise
4 requires:

5 (a) "Taxpayer" means any corporation subject to taxation
6 under the provisions of this act. A person or business entity own-
7 ing or operating a cogeneration facility as defined in subsection
8 (j) of this section shall not be deemed a corporation subject to
9 taxation under this act unless it shall be a public utility as specifi-
10 cally enumerated in sections 1 and 6 of P. L. 1940, c. 5 (C. 54:30A-49
11 and C. 54:30A-54).

12 (b) "Real estate" means lands and buildings, but it does not
13 include railways, tracks, ties, lines, wires, cables, poles, pipes,
14 conduits, bridges, viaducts, dams and reservoirs (except that the
15 lands upon which dams and reservoirs are situated are real estate),
16 machinery, apparatus and equipment, notwithstanding any attach-
17 ment thereof to lands or buildings.

18 (c) "Gross receipts" means all receipts from the taxpayer's
19 business over, in, through or from the whole of its lines or mains
20 but does not include any sum or sums of money received by the
21 taxpayer in payment for gas or electrical energy or water sold
22 and furnished to another public utility which is also subject to the
23 payment of a tax based upon its gross receipts, nor any sum or

**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 printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

***—Senate committee amendment adopted February 25, 1985.**

24 sums of money received by the taxpayer from a cogenerator in
 25 payment for cogenerated electrical energy resold by the taxpayer
 26 to the producing cogenerator where produced, *nor any sum or sums*
 27 *of money received by the taxpayer from a cogenerator in payment*
 28 *for natural gas sold by the taxpayer to the cogenerator *and sepa-*
 29 *rately metered* for use in a cogeneration facility, nor in the case*
 30 *of a street railway or traction corporation the receipts from the*
 31 *operation of autobuses or vehicles of the character described in*
 32 *R. S. 48:15-41 through R. S. 48:15-56, inclusive, nor in the case*
 33 *of a sewerage corporation an amount equal to any sum or sums of*
 34 *money payable by such sewerage corporation to any board, com-*
 35 *mission, department, branch, agency or authority of the State or*
 36 *of any county or municipality, for the treatment, purification or*
 37 *disposal of sewage or other wastes, nor in the case of a water pur-*
 38 *veyor, the amount which represents the water tax imposed by sec-*
 39 *tion 11 of P. L. 1983, c. 443 (C. 58:12A-21) [(now pending before*
 40 *the Legislature as Assembly Committee Substitute for Assembly*
 41 *Bill No. 280 of 1982)] and which is included in the tariff altered*
 42 *pursuant to section 6 of P. L. 1983, c. 443 (C. 58:12A-17) [(now*
 43 *pending before the Legislature as Assembly Committee Substitute*
 44 *for Assembly Bill No. 280 of 1982)].*

45 (d) "Scheduled property" means only those classes or types of
 46 property of a taxpayer set forth in section 10 of this act and which
 47 are to be used in computing the apportionment value as herein
 48 defined.

49 (e) "Unit value" means the value set forth in section 10 of this
 50 act to be uniformly applied to each of the several classes or types
 51 of scheduled property in computing the apportionment value.

52 (f) "Apportionment value" or "apportionment valuation"
 53 means the result obtained by multiplying the quantities of each class
 54 or type of scheduled property of a taxpayer by the applicable unit
 55 value, and the addition of such results.

56 (g) "Public street, highway, road or other public place," in-
 57 cludes any street, highway, road or other public place which is open
 58 and used by the public, even though the same has not been formally
 59 accepted as a public street, highway, road, or other public place.

60 (h) "Service connections" means the wires or pipes connecting
 61 the building or place where the service or commodity supplied by
 62 the taxpayer is used or delivered, or is made available for use or
 63 delivery, with a supply line or supply main in the street, highway,
 64 road, or other public place, or with such supply line or supply main
 65 on private property.

66 (i) "State Tax Commissioner" or "director" means the Di-
67 rector of the Division of Taxation in the Department of the
68 Treasury.

69 (j) "Cogenerator" means a person or business entity which
70 owns or operates a cogeneration facility in the State of New Jersey
71 which facility is a plant, installation or other structure whose
72 primary purpose is the sequential production of electricity and
73 steam or other forms of useful energy which are used for industrial,
74 commercial, heating or cooling purposes; and which is designated
75 by the federal Energy Regulatory Commission, or its successor,
76 as a "qualifying facility" pursuant to the provisions of the "Public
77 **Utilities** *Utility* Regulatory Policies Act of 1978," Pub. L. 95-617.

1 2. This act shall take effect immediately.

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77 **[Utilities]** Utility Regulatory Policies Act of 1978," Pub. L. 95-617.

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STATEMENT

S 2531 (1984)

This bill would exempt from the tax imposed on the gross receipts of public utilities pursuant to P. L. 1940, c. 5 (C. 54:30A-49 et seq.) any receipts for the sale of natural gas to a cogenerator for use at a cogeneration facility. This exemption will decrease the cost of natural gas to cogenerators by approximately 13%, and will thus serve as an incentive to the development of cogeneration in New Jersey.

ASSEMBLY REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO
SENATE, No. 2531

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STATE OF NEW JERSEY

DATED: SEPTEMBER 9, 1985

Senate Bill No. 2531 (OCR) exempts the receipts from sales of natural gas to cogeneration facilities by public utilities from the public utilities gross receipts and franchise tax (P. L. 1940, c. 5). Separate metering is required to qualify for this exemption and simplify verification.

This bill is identical to Assembly Bill No. 2861 (OCR), as amended, by this committee.

The committee favorably reports this bill.

SENATE ENERGY AND ENVIRONMENT COMMITTEE

STATEMENT TO

SENATE, No. 2531

STATE OF NEW JERSEY

DATED: FEBRUARY 25, 1985

Senate Bill No. 2531 would exempt from the tax imposed on the gross receipts of public utilities pursuant to P. L. 1940, c. 5 (C. 54:30A-49 et seq.) any receipts for the sale of natural gas to a cogenerator for use at a cogeneration facility. This exemption will decrease the cost of natural gas to cogenerators by approximately 13%, and will thus serve as an incentive to the development of cogeneration in New Jersey. Cogeneration systems and facilities produce electricity and thermal energy in a single process, and, through an efficient use of fuel, achieve significant energy savings. The committee amended Senate Bill No. 2531 to provide that to qualify for this exemption, sales of natural gas must be made through a separate meter to the cogeneration facility.