

54:10A-3

LEGISLATIVE FACT SHEET

ON Corp. Business Tax - amendment

N.J.R.S. 54:10A-3

(1967 Amendment)

LAWS OF 1967

CHAPTER 4.8 5/15/67

SENATE

ASSEMBLY 386

INTRODUCED Jan. 16, 1967

BY Tangman and Wilentz

STATEMENT

YES NO

AMENDED DURING PASSAGE

YES NO

HEARING

VETO

STATEMENT. to A386

When the Corporation Business Tax Act was enacted in 1945, it provided an exemption for corporations subject to certain gross receipts taxes then in effect. The Legislature has just enacted a retail gross receipts tax (chapter 133, laws of 1966) as part of the "Chapter 51 Replacement" package. This bill is designed to eliminate any possible ambiguity and to make clear that a corporation which becomes liable to the Retail Gross Receipts Tax Act will not thereby acquire immunity from the corporation business tax.

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ASSEMBLY, No. 386

STATE OF NEW JERSEY

INTRODUCED JANUARY 16, 1967

By Assemblymen TANZMAN and WILENTZ

(Without Reference)

AN ACT to amend the "Corporation Business Tax Act (1945)," approved April 13, 1945 (P. L. 1945, c. 162).

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

1 1. Section 3 of the act of which this act is amendatory is amended to
2 read as follows:

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

5 (a) corporations subject to a tax under the provisions of article 2 of
6 chapter 13 of Title 54 of the Revised Statutes, or to a tax assessed upon the
7 basis of gross receipts other than the [tax levied by the veterans bonus tax
8 law] *Retail Gross Receipts Tax Act*, or insurance premiums collected;

9 (b) railroad, canal or banking corporations, savings banks, production
10 credit associations organized under the Farm Credit Act of 1933, agricul-
11 tural co-operative associations incorporated or domesticated under or sub-
12 ject to chapter 13 of Title 4 of the Revised Statutes and exempt under Sub-
13 title A, Chapter 1 F Part III Section 521 of the Federal Internal Revenue
14 Code, or building and loan or savings and loan associations;

15 (c) cemetery corporations not conducted for pecuniary profit of any
16 private shareholder or individual;

17 (d) nonprofit corporations, associations or organizations established,
18 organized or chartered, without capital stock, under the provisions of Titles
19 15, 16 or 17 of the Revised Statutes, or under a special charter or under any
20 similar general or special law of this or any other State, and not conducted
21 for pecuniary profit of any private shareholder or individual;

22 (e) corporations subject to a tax under the provisions of chapter 4 of
23 the laws of 1940, or chapter 5 of the laws of 1940, or any statute or law
24 imposing a similar tax or taxes;

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

25 (f) nonstock corporations organized under the laws of this State or of
26 any other State of the United States to provide mutual ownership housing
27 under Federal law by tenants, provided, however, that the exemption here-
28 under shall continue only so long as the corporations remain subject to
29 rules and regulations of the Federal Housing Authority and the Commis-
30 sioner of the Federal Housing Authority holds membership certificates in
31 the corporations and the corporate property is encumbered by a mortgage
32 deed or deed of trust insured under the National Housing Act (48 Stat.
33 1246) as amended by subsequent Acts of Congress. In order to be exempted
34 under this subsection, corporations shall annually file a report on or before
35 August 15 with the commissioner, in the form required by the commissioner,
36 to claim such exemption, and shall pay a filing fee of \$25.00.

1 2. This act shall take effect immediately **and shall be applicable to*
2 *all corporations on and after January 1, 1967**.

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16 private shareholder or individual;

17 (d) nonprofit corporations, associations or organizations established,
18 organized or chartered, without capital stock, under the provisions of Titles
19 15, 16 or 17 of the Revised Statutes, or under a special charter or under any
20 similar general or special law of this or any other State, and not conducted
21 for pecuniary profit of any private shareholder or individual;

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23 the laws of 1940, or chapter 5 of the laws of 1940, or any statute or law
24 imposing a similar tax or taxes;

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

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STATEMENT

When the Corporation Business Tax Act was enacted in 1945, it provided an exemption for corporations subject to certain gross receipts taxes then in effect. The Legislature has just enacted a retail gross receipts tax (chapter 133, laws of 1966) as part of the "Chapter 51 Replacement" package. This bill is designed to eliminate any possible ambiguity and to make clear that a corporation which becomes liable to the Retail Gross Receipts Tax Act will not thereby acquire immunity from the corporation business tax.

SENATE COMMITTEE AMENDMENT TO

ASSEMBLY, No. 386

STATE OF NEW JERSEY

ADOPTED APRIL 3, 1967

Amend page 2, section 2, line 1, after the word "immediately", insert "and shall be applicable to all corporations on and after January 1, 1967".