

CORRECTED COPY

**SENATE BILL NO. 2784
(First Reprint)**

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 2784 (First Reprint) with my recommendations for reconsideration.

This bill would establish a maximum sales tax imposition on the purchase of boats and other vessels in the amount of \$20,000. Additionally, this bill would establish a grace period against the imposition of the compensating use tax for vessels that are used within the State for less than 90 days in a calendar year. Lowering taxes on New Jersey residents and supporting the continued economic growth of our shore communities following the impact of Superstorm Sandy are laudable goals. However, I do not believe this bill goes far enough in accomplishing these goals.

This bill would only provide a tax cut to those individuals who are purchasing high-end boats and vessels that would have been subjected to a sales tax burden over \$20,000. It provides no relief to other individuals, including middle-class citizens, who purchase smaller boats. Accordingly, I propose a fifty percent reduction in the Sales and Use Tax on all boats and other vessels sold in New Jersey. Also, to ensure that the imposition of the use tax on boats is enforceable, I am recommending that the grace period for the use tax exemption be lowered from 90 to 30 days.

Accordingly, I herewith return Senate Bill No. 2784 (First Reprint) and recommend that it be amended as follows:

Page 2, Title, Line 1: After "providing a" insert "partial exemption and a"

Page 2, Section 1, Line 11: After "contrary," insert "receipts from the sale of a boat or other vessel are exempt to the extent of 50

percent of the tax imposed under section 3 of the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-3) and"

Page 2, Section 2, Line 18:

Delete "90" and insert "30"

Page 2, Section 2, Lines 21-23:

Delete in their entirety

Page 2, Section 2, Line 24:

Delete "(2)" and insert "(1)"

Page 2, Section 2, Line 28:

Delete "(3)" and insert "(2)"

Respectfully,

[seal]

/s/ Chris Christie

Governor

Attest:

/s/ Thomas P. Scrivo

Chief Counsel to the Governor