ASSEMBLY, No. 1168

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
Assemblyman ROY FREIMAN
District 16 (Hunterdon, Mercer, Middlesex and Somerset)
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District 7 (Burlington)
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District 37 (Bergen)

Co-Sponsored by:
Assemblyman Calabrese and Assemblywoman Reynolds-Jackson

SYNOPSIS

Prohibits tax preparation software companies from charging fee for electronically filing State tax returns.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

(Sponsorship Updated As Of: 12/6/2021)

AN ACT prohibiting tax preparation software companies from charging a fee for electronically filing State tax returns and supplementing Title 56 of the Revised Statutes.

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

1. a. As used in this act:

"Director" means the Director of the Division of Taxation in the Department of Treasury.

"Electronic filing" means filing a tax document by the use of computer technology, including transmission through the internet.

"Taxpayer" means any person owing or liable to pay any State tax or any person deemed by the director to be so owing or liable.

"Tax preparation software company" means a developer or vendor of any computer software program intended for tax return preparation purposes, including an off-the-shelf software program loaded onto a taxpayer's computer or an online tax preparation application.

"Tax return" means a tax document which the director has authorized to be filed electronically.

b. It shall be an unlawful practice for a tax preparation software company to charge a taxpayer a fee for the electronic filing of a tax return.

c. A violation of subsection b. of this section shall be an unlawful practice pursuant to P.L.1960, c.39 (C.56:8-1 et seq.)

2. This act shall take effect immediately and apply to tax returns due on the first day of the fourth month beginning after the date of enactment.

STATEMENT

This bill prohibits tax preparation software companies from charging a fee for the electronic filing of State tax returns. Tax preparation software includes any computer program intended for tax return preparation, such as an off-the-shelf software program loaded onto a taxpayer's computer or an online tax preparation application.

A violation of the bill's provisions is an unlawful practice under the consumer fraud act, P.L.1960, c.39 (C.56:8-1 et seq.). An unlawful practice is punishable by a monetary penalty of not more than $10,000 for a first offense and not more than $20,000 for any subsequent offense. In addition, a violation can result in cease and desist orders issued by the Attorney General, the assessment of punitive damages, and the awarding of treble damages and costs to the injured. The bill applies to State tax returns due on the first day of the fourth month after the date of enactment. The bill is based on a 2010 New York statute.