

ASSEMBLY, No. 2723

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

Assemblywoman JOANN DOWNEY

District 11 (Monmouth)

SYNOPSIS

Exempts from sales tax for two years certain highly fuel efficient vehicles and energy efficient appliances.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** exempting from the sales and use tax certain highly fuel
2 efficient vehicles and energy efficient appliances, and
3 supplementing P.L.1966, c.30 (C.54:32B-1 et seq.).
4

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*
7

8 1. a. Receipts from the retail sale of a motor vehicle capable
9 of attaining average fuel economy of at least 40 miles per gallon,
10 with a sales price of \$40,000 or less, shall be exempt from the tax
11 imposed under the "Sales and Use Tax Act," P.L.1966, c.30
12 (C.54:32B-1 et seq.). Receipts from the retail sale of any motor
13 vehicle capable of attaining an average fuel economy of at least 40
14 miles per gallon, with a sales price greater than \$40,000, shall be
15 exempt from the tax imposed under the "Sales and Use Tax Act"
16 only for the first \$40,000 of the sales price.

17 b. The State Treasurer, in consultation with the Department of
18 Environmental Protection, the Department of Transportation, and
19 the New Jersey Motor Vehicle Commission, shall adopt any rules
20 and regulations necessary to implement this section.

21 c. As used in this section, "average fuel economy" means the
22 average of the city and highway miles per gallon estimates provided
23 by automobile manufacturers and printed on the fuel economy label
24 affixed to a window on the motor vehicle, pursuant to 40 C.F.R.
25 s.600.302-12, which shall be calculated by the seller.
26

27 2. a. Receipts from the retail sale of any qualified product
28 bearing the Energy Star label shall be exempt from the tax imposed
29 under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et
30 seq.).

31 b. For the purposes of this section, "Energy Star label" means
32 the label granted to certain products that meet the energy efficiency
33 criteria of the federal Energy Star program administered by the
34 United States Environmental Protection Agency in collaboration
35 with the United States Department of Energy and established
36 pursuant to 42 U.S.C. s.6294a.
37

38 3. The Department of Environmental Protection, in
39 consultation with the Department of the Treasury, shall prepare and
40 submit a report to the Governor and, pursuant to section 2 of
41 P.L.1991, c.164 (C.52:14-19.1), to the Legislature, within three
42 months after the expiration of the exemption from the tax imposed
43 under the "Sales and Use Tax Act," pursuant to sections 1 and 2 of
44 this act. The report shall include any findings and conclusions
45 concerning the effectiveness of the program and shall make
46 recommendations regarding the continuation or permanent
47 expiration of the exemption, and may propose changes if
48 appropriate. Copies of the report shall be posted on the Internet

1 websites of the Department of Environmental Protection and the
2 Department of the Treasury.

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4 4. This act shall take effect on the 90th day after the date of
5 enactment and shall expire two years after the effective date.

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STATEMENT

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10 This bill would exempt for two years the retail sale of a motor
11 vehicle capable of attaining an average fuel economy of at least 40
12 miles per gallon, of which the sales price is \$40,000 or less, from
13 the tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30
14 (C.54:32B-1 et seq.). The bill exempts the retail sale of those
15 vehicles for which the sales price is greater than \$40,000 from the
16 tax imposed under the "Sales and Use Tax Act" only for the first
17 \$40,000 of the sales price.

18 The bill would also exempt for two years the retail sale of
19 qualified products bearing the federal Energy Star label from the tax
20 imposed under the "Sales and Use Tax Act." The federal Energy
21 Star program is administered by the Environmental Protection
22 Agency in collaboration with the Department of Energy.