

ASSEMBLY, No. 2724

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

Assemblyman BRIAN BERGEN

District 25 (Morris and Somerset)

Assemblyman HAROLD "HAL" J. WIRTHS

District 24 (Morris, Sussex and Warren)

SYNOPSIS

Establishes credit under sales and use tax for certain small businesses that collect and remit sales and use tax.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/20/2020)

1 AN ACT establishing a credit under the sales and use tax for certain
2 small businesses that collect and remit sales and use tax,
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. A seller that is a small business shall be entitled to claim
9 a credit against remittances of sales and use tax equal to 10 percent
10 of the seller's monthly remittance or \$100 per month, whichever
11 amount is less. The credit shall be provided to the seller at such
12 time a return is filed and payment is made to the director pursuant
13 to sections 17 and 18 of P.L.1966, c.30 (C.54:32B-17 and
14 C.54:32B-18).

15 b. The director may require a seller to submit such
16 documentation, records, and other information as deemed necessary
17 to verify that the seller claiming the credit provided in subsection a.
18 of this section meets the criteria set forth in this section to be
19 deemed a small business.

20 c. If a seller willfully and knowingly falsifies any document,
21 record, or other information required by the director to claim the
22 credit provided in subsection a. of this section, that seller shall be
23 subject to a penalty of \$100 for a first offense and \$200 for each
24 subsequent offense thereafter.

25 d. As used in this section:

26 "Small business" means any business that is independently
27 owned and operated and employs fewer than 20 full-time
28 employees.
29

30 2. This act shall take effect immediately; provided however,
31 that section 1 shall apply to sales and use tax collections remitted to
32 the State on or after the first day of the sixth month next following
33 the date of enactment.
34
35

36 STATEMENT 37

38 This bill provides a credit against a seller's remittance of sales
39 and use tax if that seller is deemed a small business pursuant to the
40 definition set forth in the bill. The credit is equal to 10 percent of a
41 seller's monthly remittance or \$100 per month, whichever amount
42 is less. The credit is provided to a seller at the time the seller files
43 their sales and use tax return.

44 The Director of the Division of Taxation can require a seller to
45 submit any documentation, records, and other information as
46 deemed necessary to verify that the seller is a small business. The
47 bill defines small business as a business that is independently
48 owned and operated and employs fewer than 20 full-time

1 employees. If a seller willfully and knowingly falsifies any
2 document, record, or other information required by the director to
3 claim the credit, that seller is subject to a penalty of \$100 for a first
4 offense and \$200 for each subsequent offense thereafter.

5 The bill takes effect immediately and applies to sales and use tax
6 collections remitted to the State on or after the first day of the sixth
7 month next following the date of enactment.