

SENATE, No. 373

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator JOSEPH P. CRYAN

District 20 (Union)

SYNOPSIS

Increases sales and use tax from 6.625 percent to 7 percent for seven years, beginning July 1, 2020, and dedicates portion of sales and use tax revenue to NJT Corporation.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** providing for a temporary increase in the sales and use tax
2 to support New Jersey Transit Corporation infrastructure
3 improvements, supplementing P.L.1979, c.150 (C.27:25-1 et
4 seq.), and amending various parts of the statutory law.

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

8
9 1. (New section) The annual appropriations act for each fiscal
10 year commencing on or after July 1, 2020 but before July 1, 2027
11 shall appropriate to the New Jersey Transit Corporation an amount
12 equivalent to the annual revenue derived from a tax rate of 0.375
13 percent imposed under the “Sales and Use Tax Act,” P.L.1966, c.30
14 (C.54:32B-1 et seq.), as amended or supplemented, or any other
15 subsequent law of similar effect. Any amount appropriated
16 pursuant to this section may be utilized for any cost incurred in
17 direct or indirect support of transportation projects authorized by
18 the annual appropriations act, except that indirect costs shall not
19 include the cost of routine operations, routine maintenance, or costs
20 associated with the non-capital program of the New Jersey Transit
21 Corporation.

22
23 2. Section 3 of P.L.1966, c.30 (C.54:32B-3) is amended to read
24 as follows:

25 3. There is imposed and there shall be paid a tax of 7% on or
26 before December 31, 2016, 6.875% on and after January 1, 2017 but
27 before January 1, 2018, **【and】** 6.625% on and after January 1, 2018
28 but before July 1, 2020, 7% on and after July 1, 2020, and 6.625%
29 on and after July 1, 2027 upon:

30 (a) The receipts from every retail sale of tangible personal
31 property or a specified digital product for permanent use or less
32 than permanent use, and regardless of whether continued payment is
33 required, except as otherwise provided in P.L.1966, c.30 (C.54:32B-
34 1 et seq.).

35 (b) The receipts from every sale, except for resale, of the
36 following services:

37 (1) Producing, fabricating, processing, printing, or imprinting
38 tangible personal property or a specified digital product, performed
39 for a person who directly or indirectly furnishes the tangible
40 personal property or specified digital product, not purchased by the
41 person for resale, upon which these services are performed.

42 (2) Installing tangible personal property or a specified digital
43 product, or maintaining, servicing, or repairing tangible personal
44 property or a specified digital product not held for sale in the
45 regular course of business, whether or not the services are
46 performed directly or by means of coin-operated equipment or by
47 any other means, and whether or not any tangible personal property

EXPLANATION – Matter enclosed in bold-faced brackets **【thus】 in the above bill is not enacted and is intended to be omitted in the law.**

Matter underlined thus is new matter.

1 or specified digital product is transferred in conjunction therewith,
2 except (i) such services rendered by an individual who is engaged
3 directly by a private homeowner or lessee in or about **【his】** that
4 private homeowner's or lessee's residence and who is not in a
5 regular trade or business offering **【his】** that individual's services to
6 the public, (ii) such services rendered with respect to personal
7 property exempt from taxation hereunder pursuant to section 13 of
8 P.L.1980, c.105 (C.54:32B-8.1), (iii) (Deleted by amendment,
9 P.L.1990, c.40), (iv) any receipts from laundering, dry cleaning,
10 tailoring, weaving, or pressing clothing, and shoe repairing and
11 shoeshining, and (v) services rendered in installing property which,
12 when installed, will constitute an addition or capital improvement to
13 real property, property or land, other than landscaping services and
14 other than installing carpeting and other flooring.

15 (3) Storing all tangible personal property not held for sale in the
16 regular course of business; the rental of safe deposit boxes or
17 similar space; and the furnishing of space for storage of tangible
18 personal property by a person engaged in the business of furnishing
19 space for such storage.

20 "Space for storage" means secure areas, such as rooms, units,
21 compartments, or containers, whether accessible from outside or
22 from within a building, that are designated for the use of a customer
23 and wherein the customer has free access within reasonable
24 business hours, or upon reasonable notice to the furnisher of space
25 for storage, to store and retrieve property. Space for storage shall
26 not include the lease or rental of an entire building, such as a
27 warehouse or airplane hangar.

28 (4) Maintaining, servicing, or repairing real property, other than
29 a residential heating system unit serving not more than three
30 families living independently of each other and doing their cooking
31 on the premises, whether the services are performed in or outside of
32 a building, as distinguished from adding to or improving the real
33 property by a capital improvement, but excluding services rendered
34 by an individual who is not in a regular trade or business offering
35 **【his】** that individual's services to the public, and excluding garbage
36 removal and sewer services performed on a regular contractual
37 basis for a term not less than 30 days.

38 (5) Mail processing services for printed advertising material,
39 except for mail processing services in connection with distribution
40 of printed advertising material to out-of-State recipients.

41 (6) (Deleted by amendment, P.L.1995, c.184)

42 (7) Utility service provided to persons in this State, any right or
43 power over which is exercised in this State.

44 (8) Tanning services, including the application of a temporary
45 tan provided by any means.

46 (9) Massage, bodywork, or somatic services, except such
47 services provided pursuant to a doctor's prescription.

(10) Tattooing, including all permanent body art and permanent cosmetic make-up applications, except such services provided pursuant to a doctor's prescription in conjunction with reconstructive breast surgery.

(11) Investigation and security services.

(12) Information services.

(13) (Deleted by amendment, P.L.2017, c.27)

(14) Telephone answering services.

(15) Radio subscription services.

Wages, salaries, and other compensation paid by an employer to an employee for performing as an employee the services described in this subsection are not receipts subject to the taxes imposed under subsection (b) of this section.

Services otherwise taxable under paragraph (1) or (2) of subsection (b) of this section are not subject to the taxes imposed under this subsection, where the tangible personal property or specified digital product upon which the services were performed is delivered to the purchaser outside this State for use outside this State.

(c) (1) Receipts from the sale of prepared food in or by restaurants, taverns, or other establishments in this State, or by caterers, including in the amount of such receipts any cover, minimum, entertainment, or other charge made to patrons or customers, except for meals especially prepared for and delivered to homebound elderly, age 60 or older, and to persons with disabilities, or meals prepared and served at a group-sitting at a location outside of the home to otherwise homebound elderly persons, age 60 or older, and otherwise homebound persons with disabilities, as all or part of any food service project funded in whole or in part by government or as part of a private, nonprofit food service project available to all such elderly or persons with disabilities residing within an area of service designated by the private nonprofit organization; and

(2) Receipts from sales of food and beverages sold through vending machines, at the wholesale price of such sale, which shall be defined as 70% of the retail vending machine selling price, except sales of milk, which shall not be taxed. Nothing herein contained shall affect other sales through coin-operated vending machines taxable pursuant to subsection (a) **【above】** of this section or the exemption thereto provided by section 21 of P.L.1980, c.105 (C.54:32B-8.9).

The tax imposed by subsection (c) of this section shall not apply to food or drink which is sold to an airline for consumption while in flight.

(3) For the purposes of this subsection:

"Food and beverages sold through vending machines" means food and beverages dispensed from a machine or other mechanical device that accepts payment; and

- 1 "Prepared food" means:
- 2 (i) A. food sold in a heated state or heated by the seller; or
- 3 B. two or more food ingredients mixed or combined by the
- 4 seller for sale as a single item, but not including food that is only
- 5 cut, repackaged, or pasteurized by the seller, and eggs, fish, meat,
- 6 poultry, and foods containing these raw animal foods requiring
- 7 cooking by the consumer as recommended by the Food and Drug
- 8 Administration in Chapter 3, part 401.11 of its Food Code so as to
- 9 prevent food borne illnesses; or
- 10 C. food sold with eating utensils provided by the seller,
- 11 including plates, knives, forks, spoons, glasses, cups, napkins, or
- 12 straws. A plate does not include a container or packaging used to
- 13 transport the food;
- 14 provided however, that
- 15 (ii) "prepared food" does not include the following sold without
- 16 eating utensils:
- 17 A. food sold by a seller whose proper primary NAICS
- 18 classification is manufacturing in **【section】** subsector 311, except
- 19 **【subsector】** subsubsector 3118 (bakeries);
- 20 B. food sold in an unheated state by weight or volume as a
- 21 single item; or
- 22 C. bakery items, including bread, rolls, buns, biscuits, bagels,
- 23 croissants, pastries, donuts, danish, cakes, tortes, pies, tarts,
- 24 muffins, bars, cookies, and tortillas.
- 25 (d) The rent for every occupancy of a room or rooms in a hotel
- 26 or transient accommodation in this State, except that the tax shall
- 27 not be imposed upon a permanent resident.
- 28 (e) (1) Any admission charge to or for the use of any place of
- 29 amusement in the State, including charges for admission to race
- 30 tracks, baseball, football, basketball **【or】** , exhibitions, dramatic or
- 31 musical arts performances, motion picture theaters, except charges
- 32 for admission to boxing, wrestling, kick boxing, or combative
- 33 sports exhibitions, events, performances, or contests which charges
- 34 are taxed under any other law of this State or under section 20 of
- 35 P.L.1985, c.83 (C.5:2A-20), and, except charges to a patron for
- 36 admission to, or use of, facilities for sporting activities in which the
- 37 patron is to be a participant, such as bowling alleys and swimming
- 38 pools. For any person having the permanent use or possession of a
- 39 box or seat or lease or a license, other than a season ticket, for the
- 40 use of a box or seat at a place of amusement, the tax shall be upon
- 41 the amount for which a similar box or seat is sold for each
- 42 performance or exhibition at which the box or seat is used or
- 43 reserved by the holder, licensee, or lessee, and shall be paid by the
- 44 holder, licensee, or lessee.
- 45 (2) The amount paid as charge of a roof garden, cabaret, or other
- 46 similar place in this State, to the extent that a tax upon these
- 47 charges has not been paid pursuant to subsection (c) hereof.

(f) (1) The receipts from every sale, except for resale, of intrastate, interstate, or international telecommunications services and ancillary services sourced to this State in accordance with section 29 of P.L.2005, c.126 (C.54:32B-3.4).

(2) (Deleted by amendment, P.L.2008, c.123)

(g) (Deleted by amendment, P.L.2008, c.123)

(h) Charges in the nature of initiation fees, membership fees or dues for access to or use of the property or facilities of a health and fitness, athletic, sporting, or shopping club or organization in this State, except for: (1) membership in a club or organization whose members are predominantly age 18 or under; and (2) charges in the nature of membership fees or dues for access to or use of the property or facilities of a health and fitness, athletic, sporting, or shopping club or organization that is exempt from taxation pursuant to paragraph (1) of subsection (a) of section 9 of P.L.1966, c.30 (C.54:32B-9), or that is exempt from taxation pursuant to paragraph (1) or (2) of subsection (b) of section 9 of P.L.1966, c.30 (C.54:32B-9) and that has complied with subsection (d) of section 9 of P.L.1966, c.30 (C.54:32B-9).

(i) The receipts from parking, storing, or garaging a motor vehicle, excluding charges for the following: residential parking; employee parking, when provided by an employer or at a facility owned or operated by the employer; municipal parking, storing, or garaging; receipts from charges or fees imposed pursuant to section 3 of P.L.1993, c.159 (C.5:12-173.3) or pursuant to an agreement between the Casino Reinvestment Development Authority and a casino operator in effect on the date of enactment of P.L.2007, c.105; and receipts from parking, storing, or garaging a motor vehicle subject to tax pursuant to any other law or ordinance.

For the purposes of this subsection, "municipal parking, storing, or garaging" means any motor vehicle parking, storing, or garaging provided by a municipality or county, or a parking authority thereof.

(cf: P.L.2018, c.49, s.20)

3. Section 4 of P.L.1966, c.30 (C.54:32B-4) is amended to read as follows:

4. a. For the purpose of adding and collecting the tax imposed by **【this act】** the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), or an amount equal as nearly as possible or practicable to the average equivalent thereof, to be reimbursed to the seller by the purchaser, on or before December 31, 2016 , on or after July 1, 2020 but before July 1, 2027, a seller shall use one of the two following options:

(1) a tax shall be calculated based on the following formula:

Amount of Sale	Amount of Tax
\$0.01 to \$0.10	No Tax
0.11 to 0.19	\$0.01

1	0.20 to 0.32	0.02
2	0.33 to 0.47	0.03
3	0.48 to 0.62	0.04
4	0.63 to 0.77	0.05
5	0.78 to 0.90	0.06
6	0.91 to \$1.10	0.07

7 and in addition to a tax of \$0.07 on each full dollar, a tax shall be
 8 collected on each part of a dollar in excess of a full dollar, in
 9 accordance with the above formula; or

10 (2) tax shall be calculated to the third decimal place. One-half
 11 cent (\$0.005) or higher shall be rounded up to the next cent; less
 12 than \$0.005 shall be dropped in order to round the result down.

13 Sellers may compute the tax due on a transaction on either an
 14 item or an invoice basis.

15 b. (Deleted by amendment, P.L.2008, c.123)

16 c. For the purpose of adding and collecting the tax imposed by
 17 **[this act]** the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1
 18 et seq.), or an amount equal as nearly as possible or practicable to
 19 the average equivalent thereof, to be reimbursed to the seller by the
 20 purchaser, on or after January 1, 2017 but before July 1, 2020 and
 21 on or after July 1, 2027 a seller shall use one of the two following
 22 options:

23 (1) a tax shall be calculated based on any tax collection schedule
 24 as may be prescribed by the director; or

25 (2) a tax shall be calculated to the third decimal place. One-half
 26 cent (\$0.005) or higher shall be rounded up to the next cent; less
 27 than \$0.005 shall be dropped to round the result down.

28 Sellers may compute the tax due on a transaction on either an
 29 item or an invoice basis.

30 (cf: P.L.2016, c.57, s.2)

31

32 4. Section 5 of P.L.1966, c.30 (C.54:32B-5) is amended to read
 33 as follows:

34 5. a. (1) Except as otherwise provided in **[this act]** the “Sales
 35 and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.), receipts
 36 received from all sales made and services rendered on and after
 37 January 3, 1983 but prior to July 1, 1990, are subject to the taxes
 38 imposed under subsections (a), (b), (c), and (f) of section 3 of **[this**
 39 **act]** the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et
 40 seq.) at the rate, if any, in effect for such sales and services on June
 41 30, 1990, except if the property so sold is delivered or the services
 42 so sold are rendered on or after July 1, 1990 but prior to July 1,
 43 1992, in which case the tax shall be computed and paid at the rate
 44 of 7%; provided, however, that if a service or maintenance
 45 agreement taxable under **[this act]** the “Sales and Use Tax Act,”
 46 P.L.1966, c.30 (C.54:32B-1 et seq.) covers any period commencing
 47 on or after January 3, 1983 and ending after June 30, 1990 but prior

1 to July 1, 1992, the receipts from such agreement are subject to tax
2 at the rate, if any, applicable to each period as set forth hereinabove
3 and shall be apportioned on the basis of the ratio of the number of
4 days falling within each of the said periods to the total number of
5 days covered thereby.

6 (2) Except as otherwise provided in **[this act]** the “Sales and
7 Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.), receipts
8 received from all sales made and services rendered on and after July
9 1, 1990 but prior to July 1, 1992, are subject to the taxes imposed
10 under subsections (a), (b), (c) and (f) of section 3 of **[this act]** the
11 “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.) at the
12 rate of 7%, except if the property so sold is delivered or the services
13 so sold are rendered on or after July 1, 1992 but prior to July 15,
14 2006, in which case the tax shall be computed and paid at the rate
15 of 6%, provided, however, that if a service or maintenance
16 agreement taxable under **[this act]** the “Sales and Use Tax Act,”
17 P.L.1966, c.30 (C.54:32B-1 et seq.) covers any period commencing
18 on or after July 1, 1990, and ending after July 1, 1992, the receipts
19 from such agreement are subject to tax at the rate applicable to each
20 period as set forth hereinabove and shall be apportioned on the
21 basis of the ratio of the number of days falling within each of the
22 said periods to the total number of days covered thereby.

23 (3) Except as otherwise provided in **[this act]** the “Sales and
24 Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.), receipts
25 received from all sales made and services rendered on and after July
26 1, 1992 but prior to July 15, 2006, are subject to the taxes imposed
27 under subsections (a), (b), (c), (f) and (g) of section 3 of
28 P.L.1966, c.30 (C.54:32B-3) at the rate of 6%, except if the
29 property so sold is delivered or the services so sold are rendered on
30 or after July 15, 2006 but prior to January 1, 2017, in which case
31 the tax shall be computed and paid at the rate of 7%, provided,
32 however, that if a service or maintenance agreement taxable under
33 **[this act]** the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1
34 et seq.) covers any period commencing on or after July 1, 1992, and
35 ending after July 15, 2006 but prior to January 1, 2017, the receipts
36 from such agreement are subject to tax at the rate applicable to each
37 period as set forth hereinabove and shall be apportioned on the
38 basis of the ratio of the number of days falling within each of the
39 said periods to the total number of days covered thereby; provided
40 however, if a service or maintenance agreement in effect on July 14,
41 2006 covers billing periods ending after July 15, 2006 but prior to
42 January 1, 2017, the seller shall charge and collect from the
43 purchaser a tax on such sales at the rate of 6%, unless the billing
44 period starts on or after July 15, 2006 but prior to January 1, 2017
45 in which case the seller shall charge and collect a tax at the rate of
46 7%.

1 (4) Except as otherwise provided in **【this act】** the “Sales and
2 Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.), receipts
3 received from all sales made and services rendered on or after July
4 15, 2006 but prior to January 1, 2017, are subject to the taxes
5 imposed under subsections (a), (b), (c), (f), and (i) of section 3 of
6 P.L.1966, c.30 (C.54:32B-3) at the rate of 7%, except if the
7 property so sold is delivered or the services so sold are rendered on
8 or after January 1, 2017 but prior to January 1, 2018, in which case
9 the tax shall be computed and paid at the rate of 6.875%; provided,
10 however, that if a service or maintenance agreement taxable under
11 **【this act】** the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1
12 et seq.) covers any period commencing on or after July 15, 2006
13 and ending after January 1, 2017 but prior to January 1, 2018, the
14 receipts from such agreement are subject to tax at the rate
15 applicable to each period as set forth hereinabove and shall be
16 apportioned on the basis of the ratio of the number of days falling
17 within each of the said periods to the total number of days covered
18 thereby; provided, further, if a service or maintenance agreement in
19 effect on December 31, 2016 covers billing periods ending after
20 January 1, 2017 but prior to January 1, 2018, the seller shall charge
21 and collect from the purchaser a tax on such sales at the rate of 7%,
22 unless the bill for such service or maintenance agreement is
23 rendered on or after January 1, 2017 but prior to January 1, 2018 in
24 which case the seller shall charge and collect a tax at a rate of
25 6.875%.

26 (5) Except as otherwise provided in **【this act】** the “Sales and
27 Use Tax Act,” P.L.1966. c.30 (C.54:32B-1 et seq.), receipts
28 received from all sales made and services rendered on or after
29 January 1, 2017 but prior to January 1, 2018, are subject to the taxes
30 imposed under subsections (a), (b), (c), (f), and (i) of section 3 of
31 P.L.1966, c.30 (C.54:32B-3) at the rate of 6.875%, except if the
32 property so sold is delivered or the services so sold are rendered on
33 or after January 1, 2018 but prior to July 1, 2020, in which case the
34 tax shall be computed and paid at the rate of 6.625%; provided,
35 however, that if a service or maintenance agreement taxable under
36 **【this act】** the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1
37 et seq.) covers any period commencing on or after January 1, 2017
38 and ending after January 1, 2018 but prior to July 1, 2020, the
39 receipts from such agreement are subject to tax at the rate
40 applicable to each period as set forth hereinabove and shall be
41 apportioned on the basis of the ratio of the number of days falling
42 within each of the said periods to the total number of days covered
43 thereby; provided, further, if a service or maintenance agreement in
44 effect on December 31, 2017 covers billing periods ending after
45 January 1, 2018 but prior to July 1, 2020, the seller shall charge and
46 collect from the purchaser a tax on such sales at the rate of 6.875%,
47 unless the bill for such service or maintenance agreement is
48 rendered on or after January 1, 2018 but prior to July 1, 2020 in

1 which case the seller shall charge and collect a tax at a rate of
2 6.625%.

3 (6) Except as otherwise provided in the “Sales and Use Tax
4 Act,” P.L.1966, c.30 (C.54:32B-1 et seq.), receipts received from
5 all sales made and services rendered on or after January 1, 2018 but
6 prior to July 1, 2020, are subject to the taxes imposed under
7 subsections (a), (b), (c), (f), and (i) of section 3 of P.L.1966, c.30
8 (C.54:32B-3) at the rate of 6.625%, except if the property so sold is
9 delivered or the services so sold are rendered on or after July 1,
10 2020, in which case the tax shall be computed and paid at the rate
11 of 7%; provided, however, that if a service or maintenance
12 agreement taxable under the “Sales and Use Tax Act,”
13 P.L.1966, c.30 (C.54:32B-1 et seq.) covers any period commencing
14 on or after January 1, 2018 and ending after July 1, 2020, the
15 receipts from such agreement are subject to tax at the rate
16 applicable to each period as set forth hereinabove and shall be
17 apportioned on the basis of the ratio of the number of days falling
18 within each of the said periods to the total number of days covered
19 thereby; provided, further, if a service or maintenance agreement in
20 effect on June 30, 2020 covers billing periods ending after July, 1
21 2020, the seller shall charge and collect from the purchaser a tax on
22 such sales at the rate of 6.625%, unless the bill for such service or
23 maintenance agreement is rendered on or after July 1, 2020 but
24 prior to July 1, 2027 in which case the seller shall charge and
25 collect a tax at a rate of 7%.

26 (7) Except as otherwise provided in the “Sales and Use Tax
27 Act,” P.L.1966, c.30 (C.54:32B-1 et seq.), receipts received from
28 all sales made and services rendered on or after July 1, 2020 but
29 prior to July 1, 2027, are subject to the taxes imposed under
30 subsections (a), (b), (c), (f), and (i) of section 3 of P.L.1966, c.30
31 (C.54:32B-3) at the rate of 7%, except that if the property so sold is
32 delivered or the services so sold are rendered on or after July 1,
33 2027, in which case the tax shall be computed and paid at the rate
34 of 6.625%; provided, however that if a service or maintenance
35 agreement taxable under the “Sales and Use Tax Act,”
36 P.L.1966, c.30 (C.54:32B-1) covers any period commencing on or
37 after after July 1, 2020 and ending after July 1, 2027, the receipts
38 from such agreement are subject to tax at the rate applicable to each
39 period as set forth hereinabove and shall be apportioned on the
40 basis of the ratio of the number of days falling within each of the
41 said periods to the total number of days covered thereby; provided,
42 further, that if a service or maintenance agreement in effect on June
43 30, 2027 covers billing periods ending after July 1, 2027, the seller
44 shall charge and collect from the purchaser a tax on such sales at
45 the rate of 7%, unless the bill for such service or maintenance
46 agreement is rendered on or after July 1, 2027 in which case the
47 seller shall charge and collect a tax at a rate of 6.625%.

1 b. (1) The tax imposed under subsection (d) of section 3 of
2 the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-3) shall be
3 paid at the rate of 7% upon any occupancy on and after July 1, 1990
4 but prior to July 1, 1992, although such occupancy is pursuant to a
5 prior contract, lease or other arrangement. If an occupancy, taxable
6 under **【this act】** the “Sales and Use Tax Act,” P.L.1966, c.30
7 (C.54:32B-1 et seq.), covers any period on or after January 3, 1983
8 but prior to July 1, 1990, the rent for the period of occupancy prior
9 to July 1, 1990 shall be taxed at the rate of 6%. If rent is paid on a
10 weekly, monthly or other term basis, the rent applicable to each
11 period as set forth hereinabove shall be apportioned on the basis of
12 the ratio of the number of days falling within each of the said
13 periods to the total number of days covered thereby.

14 (2) The tax imposed under subsection (d) of section 3 of the
15 “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-3) shall be
16 paid at the rate of 6% upon any occupancy on and after July 1, 1992
17 but prior to July 15, 2006, although such occupancy is pursuant to a
18 prior contract, lease or other arrangement. If an occupancy, taxable
19 under **【this act】** the “Sales and Use Tax Act,” P.L.1966, c.30
20 (C.54:32B-1 et seq.), covers any period on or after July 1, 1990 but
21 prior to July 1, 1992, the rent for the period of occupancy prior to
22 July 1, 1992 shall be taxed at the rate of 7%. If rent is paid on a
23 weekly, monthly or other term basis, the rent applicable to each
24 period as set forth hereinabove shall be apportioned on the basis of
25 the ratio of the number of days falling within each of the said
26 periods to the total number of days covered thereby.

27 (3) The tax imposed under subsection (d) of section 3 of the
28 “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-3) shall be paid
29 at the rate of 7% upon any occupancy on and after July 15, 2006 but
30 prior to January 1, 2017, although such occupancy is pursuant to a
31 prior contract, lease or other arrangement. If an occupancy, taxable
32 under **【this act】** the “Sales and Use Tax Act,” P.L.1966, c.30
33 (C.54:32B-1 et seq.), covers any period on or after July 1, 1992 but
34 prior to July 15, 2006, the rent for the period of occupancy prior to
35 July 15, 2006 shall be taxed at the rate of 6%. If rent is paid on a
36 weekly, monthly or other term basis, the rent applicable to each
37 period as set forth hereinabove shall be apportioned on the basis of
38 the ratio of the number of days falling within each of the said
39 periods to the total number of days covered thereby.

40 (4) The tax imposed under subsection (d) of section 3 of the
41 “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-3) shall be paid
42 at the rate of 6.875% upon any occupancy on or after January 1,
43 2017 but prior to January 1, 2018, although such occupancy is
44 pursuant to a prior contract, lease, or other arrangement. If an
45 occupancy, taxable under **【this act】** the “Sales and Use Tax Act,”
46 P.L.1966, c.30 (C.54:32B-1 et seq.), covers any period on or after
47 July 15, 2006 but prior to January 1, 2017, the rent for the period of
48 occupancy prior to January 1, 2017 shall be taxed at the rate of 7%.

1 If rent is paid on a weekly, monthly, or other term basis, the rent
2 applicable to each period as set forth hereinabove shall be
3 apportioned on the basis of the ratio of the number of days falling
4 within each of the said periods to the total number of days covered
5 thereby.

6 (5) The tax imposed under subsection (d) of section 3 of the
7 “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-3) shall be paid
8 at the rate of 6.625% upon any occupancy on or after January 1,
9 2018 but prior to July 1, 2020, although such occupancy is pursuant
10 to a prior contract, lease, or other arrangement. If an occupancy,
11 taxable under **【this act】** the “Sales and Use Tax Act,”
12 P.L.1966, c.30 (C.54:32B-1 et seq.), covers any period on or after
13 January 1, 2017 but prior to January 1, 2018, the rent for the period
14 of occupancy prior to January 1, 2018 shall be taxed at the rate of
15 6.875%. If rent is paid on a weekly, monthly, or other term basis,
16 the rent applicable to each period as set forth hereinabove shall be
17 apportioned on the basis of the ratio of the number of days falling
18 within each of the said periods to the total number of days covered
19 thereby.

20 (6) The tax imposed under subsection (d) of section 3 of the
21 “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-3) shall be paid
22 at the rate of 7% upon any occupancy on or after July 1, 2020 but
23 prior to July 1, 2027, although such occupancy is pursuant to a prior
24 contract, lease, or other arrangement. If an occupancy, taxable
25 under the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et
26 seq.), covers any period on or after January 1, 2018 but prior to July
27 1, 2020, the rent for the period of occupancy prior to July 1, 2020
28 shall be taxed at the rate of 6.625%. If rent is paid on a weekly,
29 monthly, or other term basis, the rent applicable to each period as
30 set forth hereinabove shall be apportioned on the basis of the ratio
31 of the number of days falling within each of the said periods to the
32 total number of days covered thereby.

33 (7) The tax imposed under subsection (d) of section 3 of the
34 “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-3) shall be paid
35 at the rate of 6.625% upon any occupancy on or after July 1, 2027,
36 although such occupancy is pursuant to a prior contract, lease, or
37 other arrangement. If an occupancy, taxable under the “Sales and
38 Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.), covers any
39 period on or after July 1, 2020 but prior to July 1, 2027, the rent for
40 the period of occupancy prior to July 1, 2027 shall be taxed at the
41 rate of 7%. If rent is paid on a weekly, monthly, or other term
42 basis, the rent applicable to each period as set forth hereinabove
43 shall be apportioned on the basis of the ratio of the number of days
44 falling within each of the said periods to the total number of days
45 covered thereby.

46 c. (1) Except as otherwise hereinafter provided, the tax
47 imposed under subsection (e) of section 3 of the “Sales and Use Tax
48 Act,” P.L.1966, c.30 (C.54:32B-3) shall be applicable at the rate of

1 7% to any admission to or for the use of facilities of a place of
2 amusement occurring on or after July 1, 1990 but prior to July 1,
3 1992, whether or not the admission charge has been paid prior to
4 July 1, 1990, unless the tickets were actually sold and delivered,
5 other than for resale, prior to July 1, 1990 and the tax imposed
6 under **【this act】** the “Sales and Use Tax Act,” P.L.1966, c.30
7 (C.54:32B-1 et seq.) during the period January 3, 1983 through June
8 30, 1990 shall have been paid.

9 (2) Except as otherwise hereinafter provided, the tax imposed
10 under subsection (e) of section 3 of the “Sales and Use Tax Act,”
11 P.L.1966, c.30 (C.54:32B-3) shall be applicable at the rate of 6% to
12 any admission to or for the use of facilities of a place of amusement
13 occurring on or after July 1, 1992 but prior to July 15, 2006,
14 whether or not the admission charge has been paid prior to July 1,
15 1992, unless the tickets were actually sold and delivered, other than
16 for resale, prior to July 1, 1992 and the tax imposed under **【this act】**
17 the “Sales and Use Tax Act,” P.L.1966. c.30 (C.54:32B-1 et seq.)
18 during the period July 1, 1990 through December 31, 1990 shall
19 have been paid.

20 (3) Except as otherwise hereinafter provided, the tax imposed
21 under subsection (e) of section 3 of the “Sales and Use Tax Act,”
22 P.L.1966, c.30 (C.54:32B-3) shall be applicable at the rate of 7% to
23 any admission to or for the use of facilities of a place of amusement
24 occurring on or after July 15, 2006 but prior to January 1, 2017,
25 whether or not the admission charge has been paid prior to July 15,
26 2006, unless the tickets were actually sold and delivered, other than
27 for resale, prior to July 15, 2006 and the tax imposed under **【this**
28 **act】** the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et
29 seq.) during the period July 1, 1992 through July 14, 2006 shall
30 have been paid.

31 (4) Except as otherwise hereinafter provided, the tax imposed
32 under subsection (e) of section 3 of the “Sales and Use Tax Act,”
33 P.L.1966, c.30 (C.54:32B-3) shall be applicable at the rate of
34 6.875% to any admission to or for the use of facilities of a place of
35 amusement occurring on or after January 1, 2017 but prior to
36 January 1, 2018, whether or not the admission charge has been paid
37 prior to January 1, 2017, unless the tickets were actually sold and
38 delivered, other than for resale, prior to January 1, 2017 and the tax
39 imposed under **【this act】** the “Sales and Use Tax Act,”
40 P.L.1966, c.30 (C.54:32B-1 et seq.) during the period July 15, 2006
41 through December 31, 2016 shall have been paid.

42 (5) Except as otherwise hereinafter provided, the tax imposed
43 under subsection (e) of section 3 of the “Sales and Use Tax Act,”
44 P.L.1966, c.30 (C.54:32B-3) shall be applicable at the rate of
45 6.625% to any admission to or for the use of facilities of a place of
46 amusement occurring on or after January 1, 2018 but prior to July 1,
47 2020, whether or not the admission charge has been paid prior to

1 **【that date】** January 1, 2018, unless the tickets were actually sold
2 and delivered, other than for resale, prior to January 1, 2018 and the
3 tax imposed under **【this act】** the “Sales and Use Tax Act,”
4 P.L.1966, c.30 (C.54:32B-1 et seq.) during the period January 1,
5 2017 through December 31, 2017 shall have been paid.

6 (6) Except as otherwise hereinafter provided, the tax imposed
7 under subsection (e) of section 3 of the “Sales and Use Tax Act,”
8 P.L.1966, c.30 (C.54:32B-3) shall be applicable at the rate of 7% to
9 any admission to or for the use of facilities as a place of amusement
10 occurring on or after July 1, 2020 but prior to July 1, 2027, whether
11 or not the admission charge has been paid prior to July 1, 2020,
12 unless the tickets were actually sold and delivered, other than for
13 resale, prior to July 1, 2020 and the tax imposed under the “Sales
14 and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.) during the
15 period January 1, 2018 through June 30, 2020 shall have been paid.

16 (7) Except as otherwise hereinafter provided, the tax imposed
17 under subsection (e) of section 3 of the “Sales and Use Tax Act,”
18 P.L.1966, c.30 (C.54:32B-3) shall be applicable at the rate of
19 6.625% to any admission to or for the use of facilities as a place of
20 amusement occurring on or after July 1, 2027, whether or not the
21 admission charge has been paid prior to that date, unless the tickets
22 were actually sold and delivered, other than for resale, prior to July
23 1, 2027, and the tax imposed under the “Sales and Use Tax Act,”
24 P.L.1966, c.30 (C.54:32B-1 et seq.) during the period July 1, 2020
25 through June 30, 2027 shall have been paid.

26 d. (1) Sales made on and after July 1, 1990 but prior to July
27 1, 1992 to contractors, subcontractors or repairmen of materials,
28 supplies, or services for use in erecting structures for others, or
29 building on, or otherwise improving, altering or repairing real
30 property of others shall be subject to the taxes imposed by
31 subsections (a) and (b) of section 3 and section 6 **【hereof】** of the
32 “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-3 and
33 C.54:32B-6) at the rate of 7%; provided, however, that if such sales
34 are made for use in performance of a contract which is either of a
35 fixed price not subject to change or modification, or entered into
36 pursuant to the obligation of a formal written bid which cannot be
37 altered or withdrawn, and, in either case, such contract was entered
38 into or such bid was made on or after January 3, 1983 but prior to
39 July 1, 1990, such sales shall be subject to tax at the rate of 6%, but
40 the vendor shall charge and collect from the purchaser a tax on such
41 sales at the rate of 7%.

42 (2) Sales made on or after July 1, 1992 but prior to July 15,
43 2006 to contractors, subcontractors or repairmen of materials,
44 supplies, or services for use in erecting structures for others, or
45 building on, or otherwise improving, altering or repairing real
46 property of others shall be subject to the taxes imposed by
47 subsections (a) and (b) of section 3 and section 6 **【hereof】** of the

1 “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-3 and
2 C.54:32B-6) at the rate of 6%; provided, however, that if such sales
3 are made for use in performance of a contract which is either of a
4 fixed price not subject to change or modification, or entered into
5 pursuant to the obligation of a formal written bid which cannot be
6 altered or withdrawn, and, in either case, such contract was entered
7 into or such bid was made on or after July 1, 1990, but prior to July
8 1, 1992, such sales shall be subject to tax at the rate of 7%.

9 (3) Sales made on or after July 15, 2006 but prior to January 1,
10 2017 to contractors, subcontractors or repairmen of materials,
11 supplies, or services for use in erecting structures for others, or
12 building on, or otherwise improving, altering or repairing real
13 property of others shall be subject to the taxes imposed by
14 subsections (a) and (b) of section 3 and section 6 **【hereof】** of the
15 “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-3 and
16 C.54:32B-6) at the rate of 7%; provided, however, that if such sales
17 are made for use in performance of a contract which is either of a
18 fixed price not subject to change or modification, or entered into
19 pursuant to the obligation of a formal written bid which cannot be
20 altered or withdrawn, and, in either case, such contract was entered
21 into or such bid was made on or after July 1, 1992, but prior to July
22 15, 2006, such sales shall be subject to tax at the rate of 6%, but the
23 seller shall charge and collect from the purchaser a tax on such sales
24 at the rate of 7%.

25 (4) Sales made on or after January 1, 2017 but prior to January
26 1, 2018 to contractors, subcontractors, or repairmen of materials,
27 supplies, or services for use in erecting structures for others, or
28 building on, or otherwise improving, altering or repairing real
29 property of others shall be subject to the taxes imposed by
30 subsections (a) and (b) of section 3 and section 6 **【hereof】** of the
31 “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-3 and
32 C.54:32B-6) at the rate of 6.875%; provided, however, that if such
33 sales are made for use in the performance of a contract which is
34 either of a fixed price not subject to change or modification, or
35 entered into pursuant to the obligation of a formal written bid which
36 cannot be altered or withdrawn, and, in either case, such contract
37 was entered into or such bid was made on or after July 15, 2006, but
38 prior to January 1, 2017, such sales shall be subject to tax at the rate
39 of 7%.

40 (5) Sales made on or after January 1, 2018 but prior to July 1,
41 2020 to contractors, subcontractors, or repairmen of materials,
42 supplies, or services for use in erecting structures for others, or
43 building on, or otherwise improving, altering or repairing real
44 property of others shall be subject to the taxes imposed by
45 subsections (a) and (b) of section 3 and section 6 **【hereof】** of the
46 “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-3 and
47 C.54:32B-6) at the rate of 6.625%; provided, however, that if such
48 sales are made for use in the performance of a contract which is

1 either of a fixed price not subject to change or modification, or
2 entered into pursuant to the obligation of a formal written bid which
3 cannot be altered or withdrawn, and, in either case, such contract
4 was entered into or such bid was made prior to January 1, 2018,
5 such sales shall be subject to tax at the rate in effect during the time
6 period in which such contract was entered into or such bid was
7 made.

8 (6) Sales made on or after July 1, 2020 but prior to July 1, 2027
9 to contractors, subcontractors, or repairmen of materials, supplies,
10 or services for use in erecting structures for others, or building on,
11 or otherwise improving, altering, or repairing real property of
12 others, shall be subject to the taxes imposed by subsections (a) and
13 (b) of section 3 and section 6 of the "Sales and Use Tax Act,"
14 P.L.1966, c.30 (C.54:32B-3 and C.54:32B-6) at the rate of 7%;
15 provided, however, that if such sales are made for use in the
16 performance of a contract which is either of a fixed price not
17 subject to change or modification, or entered into pursuant to the
18 obligation of a formal written bid which cannot be altered or
19 withdrawn, and, in either case, such contract was entered into or
20 such bid was made prior to July 1, 2020, such sales shall be subject
21 to tax at the rate in effect during the time period in which such
22 contract was entered into or such bid was made.

23 (7) Sales made on or after July 1, 2027 to contractors,
24 subcontractors, or repairmen of materials, supplies, or services for
25 use in erecting structures for others, or building on, or otherwise
26 improving, altering, or repairing real property of others shall be
27 subject to the taxes imposed by subsections (a) and (b) of section 3
28 and section 6 of the "Sales and Use Tax Act," P.L.1966, c.30
29 (C.54:32B-3 and C.54:32B-6) at the rate of 6.625%; provided,
30 however, that if such sales are made for use in the performance of a
31 contract which is either of a fixed price not subject to change or
32 modification, or entered into pursuant to the obligation of a formal
33 written bid which cannot be altered or withdrawn, and, in either
34 case, such contract was entered into or such bid was made prior to
35 July 1, 2027, such sales shall be subject to tax at the rate in effect
36 during the time period in which such contract was entered into or
37 such bid was made.

38 e. (1) As to sales other than those referred to in subsection
39 d. **above** of this section, the taxes imposed under subsections (a)
40 and (b) of section 3 and section 6 **hereof** of the "Sales and Use
41 Tax Act," P.L.1966, c.30 (C.54:32B-3 and C.54:32B-6), and the
42 taxes imposed under subsection (f) of section 3 and section 6
43 **hereof** of the "Sales and Use Tax Act," P.L.1966, c.30
44 (C.54:32B-3 and C.54:32B-6), upon receipts received on or after
45 July 1, 1990 and on or before December 31, 1990, shall be at the
46 rate in effect on June 30, 1990, in case of sales made or services
47 rendered pursuant to a written contract entered on or after January
48 3, 1983 but prior to July 1, 1990, and accompanied by a deposit or

1 partial payment of the contract price, except in the case of a
2 contract which, in the usage of trade, is not customarily
3 accompanied by a deposit or partial payment of the contract price,
4 but the vendor shall charge and collect from the purchaser on such
5 sales at the rate of 7%, which tax shall be reduced to the rate, if any,
6 in effect on June 30, 1990, only by a claim for refund filed by the
7 purchaser with the director within 90 days after receipt of said
8 receipts and otherwise pursuant to the provisions of section 20 of
9 P.L.1966, c.30 (C.54:32B-20). A claim for refund shall not be
10 allowed if there has been no deposit or partial payment of the
11 contract price unless the claimant shall establish by clear and
12 convincing evidence that, in the usage of trade, such contracts are
13 not customarily accompanied by a deposit or partial payment of the
14 contract price.

15 (2) As to sales other than those referred to in subsection d.
16 【above】 of this section, the taxes imposed under subsections (a) and
17 (b) of section 3 and section 6 【hereof】 of the “Sales and Use Tax
18 Act,” P.L.1966, c.30 (C.54:32B-3 and C.54:32B-6), and the taxes
19 imposed under subsections (f) and (g) of section 3 and section 6
20 【hereof】 of the “Sales and Use Tax Act,” P.L.1966, c.30
21 (C.54:32B-3 and C.54:32B-6), upon receipts received on or after
22 July 15, 2006 and on or before December 31, 2006, shall be at the
23 rate in effect on July 14, 2006, in case of sales made or services
24 rendered pursuant to a written contract entered on or after July 1,
25 1992 but prior to July 15, 2006, and accompanied by a deposit or
26 partial payment of the contract price, except in the case of a
27 contract which, in the usage of trade, is not customarily
28 accompanied by a deposit or partial payment of the contract price,
29 but the seller shall charge and collect from the purchaser on such
30 sales at the rate of 7%, which tax shall be reduced to the rate, if any,
31 in effect on July 14, 2006, only by a claim for refund filed by the
32 purchaser with the director within 90 days after receipt of said
33 receipts and otherwise pursuant to the provisions of section 20 of
34 P.L.1966, c.30 (C.54:32B-20). A claim for refund shall not be
35 allowed if there has been no deposit or partial payment of the
36 contract price unless the claimant shall establish by clear and
37 convincing evidence that, in the usage of trade, such contracts are
38 not customarily accompanied by a deposit or partial payment of the
39 contract price.

40 (3) As to sales other than those referred to in subsection d. of
41 this section, the taxes imposed under subsections (a) and (b) of
42 section 3 and section 6 of the “Sales and Use Tax Act,”
43 P.L.1966, c.30 (C.54:32B-3 and C.54:32B-6), and the taxes
44 imposed under subsections (f) and (g) of section 3 and section 6 of
45 the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-3 and
46 C.54:32B-6), upon receipts received on or after July 1, 2018 and on
47 or before December 31, 2020, shall be at the rate in effect on June
48 30, 2020, in case of sales made or services rendered pursuant to a

1 written contract entered into on or after January 1, 2018 but prior to
2 July 1, 2020, and accomplished by a deposit or partial payment of
3 the contract price, except in the case of a contract which, in the
4 usage of trade, is not customarily accompanied by a deposit or
5 partial payment of the contract price, but the seller shall charge and
6 collect from the purchaser on such sales at the rate of 7%, which tax
7 shall be reduced to the rate, if any, in effect on June 30, 2020, only
8 by a claim for refund filed by the purchaser with the director within
9 90 days after receipt of said receipts and otherwise pursuant to the
10 provisions of section 20 of P.L.1966, c.30 (C.54:32B-20). A claim
11 for refund shall not be allowed if there has been no deposit or
12 partial payment of the contract price unless the claimant shall
13 establish by clear and convincing evidence that, in the usage of
14 trade, such contracts are not customarily accompanied by a deposit
15 or partial payment of the contract price.

16 f. (1) The taxes imposed under subsections (a), (b), (c) and
17 (f) of section 3 of the "Sales and Use Tax Act," P.L.1966, c.30
18 (C.54:32B-3) upon receipts received on or after July 1, 1990 but
19 prior to July 1, 1992 shall be at the rate, if any, in effect on June 30,
20 1990 in the case of sales made or services rendered, if delivery of
21 the property which was the subject matter of the sale has been
22 completed or such services have been entirely rendered prior to July
23 1, 1990.

24 (2) The taxes imposed under subsections (a), (b), (c) and (f) of
25 section 3 of the "Sales and Use Tax Act," P.L.1966, c.30
26 (C.54:32B-3) upon receipts received on or after July 1, 1992 but
27 prior to July 15, 2006 shall be at the rate of 7% in the case of sales
28 made or services rendered, where delivery of the property which
29 was the subject matter of the sale has been completed or such
30 services have been entirely rendered on or after July 1, 1990 but
31 prior to July 1, 1992.

32 (3) The taxes imposed under subsections (a), (b), (c), (f) and (g)
33 of section 3 of the "Sales and Use Tax Act," P.L.1966, c.30
34 (C.54:32B-3) upon receipts received on or after July 15, 2006 shall
35 be at the rate of 6% in the case of sales made or services rendered,
36 where delivery of the property which was the subject matter of the
37 sale has been completed or such services have been entirely
38 rendered on or after July 1, 1992 but prior to July 15, 2006.

39 (4) The taxes imposed under subsections (a), (b), (c), (f), and (i)
40 of section 3 of the "Sales and Use Tax Act," P.L.1966, c.30
41 (C.54:32B-3) upon receipts received on or after January 1, 2017
42 shall be at the rate of 7% in the case of sales made or services
43 rendered, where delivery of the property which was the subject
44 matter of the sale has been completed or such services have been
45 entirely rendered on or after July 15, 2006 but prior to January 1,
46 2017.

1 (5) The taxes imposed under subsections (a), (b), (c), (f), and (i)
2 of section 3 of the “Sales and Use Tax Act,” P.L.1966, c.30
3 (C.54:32B-3) upon receipts received on or after January 1, 2018
4 shall be at the rate of 6.875% in the case of sales made or services
5 rendered, where delivery of the property which was the subject
6 matter of the sale has been completed or such services have been
7 entirely rendered on or after January 1, 2017 but prior to January 1,
8 2018.

9 (6) The taxes imposed under subsections (a), (b), (c), (f), and (i)
10 of section 3 of the “Sales and Use Tax Act,” P.L.1966, c.30
11 (C.54:32B-3) upon receipts received on or after July 1, 2020 shall
12 be at the rate of 6.625% in the case of sales made or services
13 rendered, where delivery of the property which was the subject
14 matter of the sale has been completed or such services have been
15 entirely rendered on or after January 1, 2018 but prior to July 1,
16 2020.

17 (7) The taxes imposed under subsections (a), (b), (c), (f), and (i)
18 of section 3 of the “Sales and Use Tax Act,” P.L.1966, c.30
19 (C.54:32B-3) upon receipts received on or after July 1, 2027 shall
20 be at the rate of 7% in the case of sales made or services rendered,
21 where delivery of the property which was the subject matter of the
22 sale has been completed or such services have been entirely
23 rendered on or after July 1, 2020 but prior to July 1, 2027.

24 g. (1) Except as otherwise hereinafter provided, the taxes
25 imposed by subsection (h) of section 3 of P.L.1966, c.30
26 (C.54:32B-3) and clause (J) of section 6 of P.L.1966, c.30
27 (C.54:32B-6) shall be imposed and paid at the rate of 6.875% upon
28 all charges in the nature of initiation fees, membership fees, or dues
29 paid on or after January 1, 2017 but before January 1, 2018. All
30 charges in the nature of initiation fees, membership fees, or dues
31 paid on or after October 1, 2006 but before January 1, 2017 shall be
32 imposed and paid at the rate of 7%; provided, however, that any
33 charges in the nature of membership fees and dues paid on or after
34 October 1, 2006 but before January 1, 2017 that allow a member
35 access to or use of the property or facilities of a health and fitness,
36 athletic, sporting, or shopping club or organization in this State for
37 any period beginning on or after October 1, 2006 but before January
38 1, 2017 and ending on or after January 1, 2017 but before January
39 1, 2018 shall be subject to tax at the rate applicable to each period
40 as set forth hereinabove and shall be apportioned on the basis of the
41 ratio of the number of days falling within each of the said periods to
42 the total number of days covered thereby.

43 (2) Except as otherwise hereinafter provided, the taxes imposed
44 by subsection (h) of section 3 of P.L.1966, c.30 (C.54:32B-3) and
45 clause (J) of section 6 of P.L.1966, c.30 (C.54:32B-6) shall be
46 imposed and paid at the rate of 6.625% upon all charges in the
47 nature of initiation fees, membership fees, or dues paid on or after
48 January 1, 2018 but before July 1, 2020. All charges in the nature

1 of initiation fees, membership fees, or dues paid on or after January
2 1, 2017 but before January 1, 2018 shall be imposed and paid at the
3 rate of 6.875%; provided, however, that any charges in the nature of
4 membership fees and dues paid on or after January 1, 2017 but
5 before January 1, 2018 that allow a member access to or use of the
6 property or facilities of a health and fitness, athletic, sporting, or
7 shopping club or organization in this State for any period beginning
8 on or after January 1, 2017 but before January 1, 2018 and ending
9 on or after January 1, 2018 but before July 1, 2020 shall be subject
10 to tax at the rate applicable to each period as set forth hereinabove
11 and shall be apportioned on the basis of the ratio of the number of
12 days falling within each of the said periods to the total number of
13 days covered thereby.

14 (3) Except as otherwise hereinafter provided, the taxes imposed
15 by subsection (h) of section 3 of P.L.1966, c.30 (C.54:32B-3) and
16 clause (J) of section 6 of P.L.1966, c.30 (C.54:32B-6) shall be
17 imposed and paid at the rate or 7% upon all charges in the nature of
18 initiation fees, membership fees, or dues paid on or after July 1,
19 2020. All charges in the nature of initiation fees, membership fees,
20 or dues paid on or after January 1, 2018 but before July 1, 2020
21 shall be imposed and paid at the rate of 6.625%; provided, however,
22 that any charges in the nature of membership fees and dues paid on
23 or after January 1, 2018 but before July 1, 2020 that allow a
24 member access to or use of the property or facilities of a health and
25 fitness, athletic, sporting, or shopping club or organization in this
26 State for any period beginning on or after January 1, 2018 but
27 before July 1, 2020 and ending on or after July 1, 2020 but before
28 July 1, 2027 shall be subject to tax at the rate applicable to each
29 period as set forth hereinabove and shall be apportioned on the
30 basis of the ratio of the number of days falling within each of the
31 said periods to the total number of days covered thereby.

32 (4) Except as otherwise herein provided, the taxes imposed by
33 subsection (h) of section 3 of P.L.1966, c.30 (C.54:32B-3) and
34 clause (J) of section 6 of P.L.1966, c.30 (C.54:32B-6) shall be
35 imposed and paid at the rate of 6.625% upon all charges in the
36 nature of initiation fees, membership fees, or dues paid on or after
37 July 1, 2027. All charges in the nature of initiation fees,
38 membership fees, or dues paid on or after July 1, 2020 but before
39 July 1, 2027 shall be imposed and paid at the rate of 7%; provided,
40 however, that any charges in the nature of membership fees and
41 dues paid on or after July 1, 2020 but before July 1, 2027 that allow
42 a member access to or use of the property or facilities of a health
43 and fitness, athletic, sporting, or shopping club or organization in
44 this State for any period beginning on or after July 1, 2020 but
45 before July 1, 2027 and ending after July 1, 2027 shall be subject to
46 tax at the rate applicable to each period as set forth hereinabove and
47 shall be apportioned on the basis of the ratio of the number of days

1 falling within each of the said periods to the total number of days
2 covered thereby.

3 (cf: P.L.2016, c.57, s.3)

4
5 5. Section 6 of P.L.1966, c.30 (C.54:32B-6) is amended to read
6 as follows:

7 6. Unless property or services have already been or will be
8 subject to the sales tax under P.L.1966, c.30 (C.54:32B-1 et seq.),
9 there is hereby imposed on and there shall be paid by every person a
10 use tax for the use within this State of 7% on or before December
11 31, 2016, 6.875% on and after January 1, 2017 but before January
12 1, 2018, **and** 6.625% on and after January 1, 2018 but before July
13 1, 2020, and 7% on and after July 1, 2020 and 6.625% on an after
14 July 1, 2027, except as otherwise exempted under P.L.1966, c.30
15 (C.54:32B-1 et seq.), (A) of any tangible personal property or
16 specified digital product purchased at retail, including energy,
17 provided however, that electricity consumed by the generating
18 facility that produced it shall not be subject to tax, (B) of any
19 tangible personal property or specified digital product
20 manufactured, processed, or assembled by the user, if items of the
21 same kind of tangible personal property or specified digital
22 products are offered for sale by **him** the user in the regular course
23 of business, or if items of the same kind of tangible personal
24 property are not offered for sale **by him** the user in the regular
25 course of business and are used as such or incorporated into a
26 structure, building, or real property, (C) of any tangible personal
27 property or specified digital product, however acquired, where not
28 acquired for purposes of resale, upon which any taxable services
29 described in paragraphs (1) and (2) of subsection (b) of section 3 of
30 P.L.1966, c.30 (C.54:32B-3) have been performed, (D) of intrastate,
31 interstate, or international telecommunications services described in
32 subsection (f) of section 3 of P.L.1966, c.30 (C.54:32B-3), (E)
33 (Deleted by amendment, P.L.1995, c.184), (F) of utility service
34 provided to persons in this State for use in this State, provided
35 however, that utility service used by the facility that provides the
36 service shall not be subject to tax, (G) of mail processing services
37 described in paragraph (5) of subsection (b) of section 3 of
38 P.L.1966, c.30 (C.54:32B-3), (H) (Deleted by amendment,
39 P.L.2008, c.123), (I) of any services subject to tax pursuant to
40 subsection (11), (12), (14), or (15) of subsection (b) of section 3 of
41 P.L.1966, c.30 (C.54:32B-3), and (J) of access to or use of the
42 property or facilities of a health and fitness, athletic, sporting, or
43 shopping club or organization in this State.

44 For purposes of clause (A) of this section, the tax shall be at the
45 applicable rate, as set forth hereinabove, of the consideration given
46 or contracted to be given for the property or for the use of the
47 property including delivery charges made by the seller, but
48 excluding any credit for property of the same kind accepted in part

1 payment and intended for resale. For the purposes of clause (B) of
2 this section, the tax shall be at the applicable rate, as set forth
3 hereinabove, of the price at which items of the same kind of
4 tangible personal property or specified digital products are offered
5 for sale by the user, or if items of the same kind of tangible personal
6 property are not offered for sale by the user in the regular course of
7 business and are used as such or incorporated into a structure,
8 building, or real property the tax shall be at the applicable rate, as
9 set forth hereinabove, of the consideration given or contracted to be
10 given for the tangible personal property manufactured, processed,
11 or assembled by the user into the tangible personal property the use
12 of which is subject to use tax pursuant to this section, and the mere
13 storage, keeping, retention, or withdrawal from storage of tangible
14 personal property or specified digital products by the person who
15 manufactured, processed, or assembled the property shall not be
16 deemed a taxable use by **him** that person. For purposes of clause
17 (C) of this section, the tax shall be at the applicable rate, as set forth
18 hereinabove, of the consideration given or contracted to be given
19 for the service, including the consideration for any tangible personal
20 property or specified digital product transferred in conjunction with
21 the performance of the service, including delivery charges made by
22 the seller. For the purposes of clause (D) of this section, the tax
23 shall be at the applicable rate on the charge made by the
24 telecommunications service provider; provided however, that for
25 prepaid calling services and prepaid wireless calling services the tax
26 shall be at the applicable rate on the consideration given or
27 contracted to be given for the prepaid calling service or prepaid
28 wireless calling service or the recharge of the prepaid calling
29 service or prepaid wireless calling service. For purposes of clause
30 (F) of this section, the tax shall be at the applicable rate on the
31 charge made by the utility service provider. For purposes of clause
32 (G) of this section, the tax shall be at the applicable rate on that
33 proportion of the amount of all processing costs charged by a mail
34 processing service provider that is attributable to the service
35 distributed in this State. For purposes of clause (I) of this section,
36 the tax shall be at the applicable rate on the charge made by the
37 service provider. For purposes of clause (J) of this section, the tax
38 shall be at the applicable rate on the charges in the nature of
39 initiation fees, membership fees or dues.

40 (cf: P.L.2017, c.27, s.2)

41
42 6. Section 31 of P.L.1980, c.105 (C.54:32B-8.19) is amended
43 to read as follows:

44 31. Receipts from sales of tangible personal property and
45 services taxable under any municipal ordinance which was adopted
46 pursuant to P.L.1947, c.71 (C.40:48-8.15 et seq.) and was in effect
47 on April 27, 1966 are exempt from the tax imposed under the Sales
48 and Use Tax Act, subject to the following conditions:

1 a. To the extent that the tax that is or would be imposed under
2 section 3 of P.L.1966, c.30 (C.54:32B-3) is greater than the tax
3 imposed by such ordinance, such sales shall not be exempt under
4 this section; and

5 b. Irrespective of the rate of tax imposed by such ordinance,
6 such sales shall be exempt only to the extent that the rate of taxation
7 imposed by the ordinance exceeds 6%, except that the combined
8 rate of taxation imposed under the ordinance and under this section
9 shall not exceed 13% on or before December 31, 2016, 12.875% on
10 and after January 1, 2017 but before January 1, 2018, **【and】**
11 12.625% on and after January 1, 2018 but before July 1, 2020, 13%
12 on and after July 1, 2020 but before July 1, 2027, and 12.625% on
13 and after July 1, 2027.

14 (cf: P.L.2016, c.57, s.5)

15
16 7. Section 1 of P.L.2003, c.114 (C.54:32D-1) is amended to
17 read as follows:

18 1. a. In addition to any other tax, assessment or use fee
19 authorized by law, there is imposed and shall be paid a hotel and
20 motel occupancy fee of 7% for occupancies on and after August 1,
21 2003 but before July 1, 2004, and of 5% for occupancies on and
22 after July 1, 2004, upon the rent for every occupancy of a room or
23 rooms in a hotel or transient accommodation subject to taxation
24 pursuant to subsection (d) of section 3 of P.L.1966, c.30 (C.54:32B-
25 3), which every person required to collect tax shall collect from the
26 customer when collecting the rent to which it applies; provided
27 however, that on and after the tenth day following a certification by
28 the Director of the Division of Budget and Accounting in the
29 Department of the Treasury pursuant to subsection d. of section 2 of
30 P.L.2003, c.114 (C.54:32D-2), no such fee shall be paid or
31 collected; and provided further that:

32 (1) the combined rates of the fee imposed under this section,
33 plus the tax imposed under the "Sales and Use Tax Act",
34 P.L.1966, c.30 (C.54:32B-1 et seq.), plus any tax imposed under
35 P.L.1947, c.71 (C.40:48-8.15 et seq.), shall not exceed a total rate
36 of 14% on or before December 31, 2016, 13.875% on and after
37 January 1, 2017 but before January 1, 2018, **【and】** 13.625% on and
38 after January 1, 2018 but before July 1, 2020, 14% on and after July
39 1, 2020 but before July 1, 2027, and 13.625% on and after July 1,
40 2027, and to the extent that the total combined rate of taxation for
41 the listed fees and taxes would exceed 14% on or before December
42 31, 2016, 13.875% on and after January 1, 2017 but before January
43 1, 2018, **【and】** 13.625% on and after January 1, 2018 but before
44 July 1, 2020, 14% on and after July 1, 2020 but before July 1, 2027,
45 and 13.625% on and after July 1, 2027, the fee imposed under this
46 section shall be reduced so that the total combined rate equals 14%
47 on or before December 31, 2016, 13.875% on and after January 1,
48 2017 but before January 1, 2018, **【and】** 13.625% on and after

- 1 January 1, 2018 but before July 1, 2020, 14% on and after July 1,
2 2020 but before July 1, 2027, and 13.625% on and after July 1,
3 2027;
- 4 (2) the combined rates of the fee imposed under this section,
5 plus the tax imposed under the "Sales and Use Tax Act",
6 P.L.1966, c.30 (C.54:32B-1 et seq.), plus any tax and assessment
7 imposed under section 4 of P.L.1992, c.165 (C.40:54D-4), shall not
8 exceed a total rate of 14% on or before December 31, 2016,
9 13.875% on and after January 1, 2017 but before January 1, 2018,
10 **【and】** 13.625% on and after January 1, 2018 but before July 1,
11 2020, 14% on and after July 1, 2020 but before July 1, 2027, and
12 13.625% on and after July 1, 2027, and to the extent that the total
13 combined rate of taxation for the listed fees and taxes would exceed
14 14% on or before December 31, 2016, 13.875% on and after
15 January 1, 2017 but before January 1, 2018,**【and】** 13.625% on and
16 after January 1, 2018 but before July 1 2020, 14% on and after July
17 1, 2020 but before July 1, 2027, and 13.625% on and after July, 1
18 2027, the fee imposed under this section shall be reduced so that the
19 total combined rate equals 14% on or before December 31, 2016,
20 13.875% on and after January 1, 2017 but before January 1, 2018,
21 **【and】** 13.625% on and after January 1, 2018 but before July 1,
22 2020, and 14% on and after July 1, 2020 but before July 1, 2027,
23 and 13.625% on and after July 1, 2027; and
- 24 (3) the fee imposed under this section shall be at the rate of 1%
25 in a city in which the tax authorized under P.L.1981, c.77
26 (C.40:48E-1 et seq.) is imposed.
- 27 b. The hotel and motel occupancy fee imposed by subsection a.
28 of this section shall not be imposed on the rent for an occupancy if
29 the purchaser, user or consumer is an entity exempt from the tax
30 imposed on an occupancy under the "Sales and Use Tax Act"
31 pursuant to subsection (a) of section 9 of P.L.1966, c.30 (C.54:32B-
32 9).
- 33 c. Terms used in this section shall have the meaning given
34 those terms pursuant to section 2 of P.L.1966, c.30 (C.54:32B-2).
35 (cf: P.L.2018, c.49, s.22)
- 36
- 37 8. Section 19 of P.L.2016, c.57 (C.52:18A-257) is amended to
38 read as follows:
- 39 19. a. The State Treasurer, and the Legislative Budget and
40 Finance Officer, together with a third public member who shall be
41 jointly selected thereby, shall constitute the review council.
- 42 b. The review council shall, on or before January 15, 2020,
43 provide the Governor and the Legislature with an advisory report of
44 their consensus estimate of the increase or decrease in State
45 revenues pursuant to each section of P.L.2016, c.57 (C.54:15B-13 et
46 al.), and pursuant to this act as a whole, during the preceding three
47 State fiscal years, including a comparison of those estimates to the
48 legislative fiscal estimate or fiscal note published contemporaneous

1 with the enactment of this act prepared pursuant to P.L.1980, c.67
2 (C.52:13B-6 et seq.).

3 c. (1) The review council shall conduct an ongoing review of
4 the application of each section of P.L.2016, c.57 (C.54:15B-13 et
5 al.).

6 **【The】** (2) Unless exempted by subsection d. of this section,
7 the review council shall, not later than five days after 【any】
8 Legislative action that halts, delays, or reverses the implementation
9 of those sections as scheduled on the date of enactment of
10 P.L.2016, c.57 (C.54:15B-13 et al.), certify for the purposes of
11 subparagraph (h) of paragraph (1) of subsection a. of section 3 of
12 P.L.1990, c.42 (C.54:15B-3) to the Director of the Division of
13 Taxation that the scheduled implementation of P.L.2016, c.57
14 (C.54:15B-13 et al.) had been impeded.

15 d. For purposes of this section and subparagraph (h) of
16 paragraph (1) of subsection a. of section 3 of P.L.1990, c.42
17 (C.54:15B-3), P.L. , c. (C.) (pending before the Legislature
18 as this bill) shall not cause or otherwise be a basis for the review
19 council to certify to the Director of the Division of Taxation that the
20 scheduled implementation of P.L.2016, c.57 (C.54:15B-13 et al.)
21 has been impeded.

22 (cf: P.L.2016, c.57, s.19)

23
24 9 This act shall take effect immediately.

25 26 STATEMENT

27
28 This bill provides for temporary increase in the sales and use tax
29 rate, from 6.625 percent to 7 percent, and dedicates sales tax
30 revenue equal to a 0.375 percent sales tax rate to the New Jersey
31 Transit Corporation for infrastructure improvements. The bill
32 increases the sales and use tax rate to 7 percent effective July 1,
33 2020 through June 30, 2027. The rate reverts back to 6.625 percent
34 beginning July 1, 2027.

35 The bill also amends tax rates relative to: (1) the hotel and motel
36 occupancy fee; and (2) certain retail sales for which a municipality
37 may levy additional taxes in order to account for the increased sales
38 and use tax rate when either of these local taxes, plus the sales and
39 use tax, are jointly levied. Additionally, the bill describes the
40 correct sales and use tax rate for instances in which provisions of
41 goods or services extends over the date on which the rate changes
42 become effective.

43 Finally, the bill revises certain procedures related to the review
44 council established pursuant to P.L.2016, c.57. The changes to the
45 sales and use tax per this bill are not intended to and should not be a
46 basis for the review council to take steps that may hinder the ability
47 of the State to receive revenue under the petroleum products gross
48 receipts tax.