

SENATE, No. 763

STATE OF NEW JERSEY
219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator VIN GOPAL

District 11 (Monmouth)

SYNOPSIS

Directs sales tax revenue in claiming race to special fund; establishes fund to care for retired horses and improve track safety.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



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

b. Upon the establishment of the Retired Horses and Track Safety Fund, there shall be established two subaccounts therein as the thoroughbred subaccount for retired horses and track safety and the standardbred subaccount for retired horses and track safety. Any sales tax revenue in each calendar year from the sale of a thoroughbred horse at a claiming race shall be deposited into the thoroughbred subaccount. Any sales tax revenue in each calendar year from the sale of a standardbred horse at a claiming race shall be deposited into the standardbred subaccount.

38 2. This act shall take effect immediately.

Under current law, P.L.1993, c.226 (C.54:32B-7.1), the State of New Jersey collects a 6.625 percent sales tax on the initial “claim” or sale of a racehorse at a “claiming” race in a calendar year. Thereafter, for horses subsequently claimed within that calendar year, the purchaser of the horse pays a 6.625 percent sales tax each time the horse is claimed, but is entitled to a refund from the State

1 so that the tax is effectively applied only on the portion of the sales
2 price that exceeds the highest of any prior sales price paid for the
3 same horse that year.

4 This bill establishes a special, nonlapsing fund to be known as
5 the “Retired Horses and Track Safety Fund” in the Department of
6 the Treasury. The fund will be a repository for any sales tax
7 revenue in each calendar year from the sale of certain horses at a
8 claiming race. The claiming sales tax revenue in each calendar year
9 will continue to be deposited into the General Fund. However, the
10 tax revenue amounts will be held by the State Treasurer and made
11 available to the New Jersey Racing Commission.

12 The Retired Horses and Track Safety Fund will consists of two
13 subaccounts, the thoroughbred subaccount for retired horses and
14 track safety and the standardbred subaccount for retired horses and
15 track safety. Any sales tax revenue in each calendar year from the
16 sale of a thoroughbred horse at a claiming race will be deposited
17 into the thoroughbred subaccount and any sales tax revenue in each
18 calendar year from the sale of a standardbred horse at a claiming
19 race will be deposited into the standardbred subaccount. Fifty
20 percent of the amounts in each subaccount would be expended by
21 the commission exclusively for the care of retired horses and 50
22 percent for any measures, as defined by the commission, to improve
23 the health and safety of horses, standardbred drivers, and
24 thoroughbred jockeys at a racetrack.