

SENATE, No. 1601

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

Senator RICHARD J. CODEY

District 27 (Essex and Morris)

SYNOPSIS

Requires suspension of driver's license for gross income tax deficiency under certain circumstances.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning driver's licenses and supplementing Title 39 of
2 the Revised Statutes.

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

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7 1. a. The Chief Administrator of the New Jersey Motor
8 Vehicle Commission, in conjunction with the Director of the
9 Division of Taxation in the Department of the Treasury, shall
10 implement a program to improve the collection of gross income tax
11 deficiencies pursuant to the "New Jersey Gross Income Tax Act,"
12 N.J.S.54A:1-1 et seq. through the suspension of driver's licenses
13 issued pursuant to R.S.39:3-10. The provisions of this act shall not
14 apply to a commercial driver's license.

15 b. Under the program, a taxpayer's driver's license shall be
16 suspended if the taxpayer has \$5,000 or more in gross income tax
17 deficiency pursuant to the provisions of the "New Jersey Gross
18 Income Tax Act," N.J.S.54A:1-1 et seq., except that the taxpayer's
19 driver's license shall not be suspended if there is an equitable
20 reason for the taxpayer's failure to pay or the license suspension
21 would result in significant hardship, as determined by the director
22 pursuant to the provisions of paragraphs (6) or (7) of subsection c.
23 of section 2 of P.L. , c. (C.) (pending before the Legislature
24 as this bill). If a taxpayer fails to comply with the terms of an
25 installment payment plan, as approved by the director, more than
26 once in a 12 month period, the taxpayer's driver's license shall be
27 suspended.

28 If a taxpayer does not have a driver's license, the taxpayer shall
29 be prohibited from obtaining a driver's license.

30
31 2. a. The Director of the Division of Taxation shall send a
32 written notice to the taxpayer by regular and certified mail, at the
33 taxpayer's last known address, advising the taxpayer that the
34 taxpayer's driver's license may be suspended unless, within 60 days
35 of the postmark date of the notice, the taxpayer pays the full amount
36 of the gross income tax deficiency or enters into an installment
37 payment plan, as approved by the director. A notice shall not be
38 sent to a taxpayer whose wages are being garnished by the division
39 for the payment of a gross income tax deficiency or garnished for
40 child support arrears or child support and spousal support arrears.

41 b. If the taxpayer fails, within 60 days, to pay the full amount
42 of the deficiency or enter into an installment payment plan pursuant
43 to the provisions of subsection a. of this section or to challenge the
44 driver's license suspension pursuant to the provisions of subsection
45 c. of this section, the division shall notify the New Jersey Motor
46 Vehicle Commission that the taxpayer's driver's license shall be
47 suspended.

1 The taxpayer's driver's license shall continue to be suspended
2 until the gross income tax deficiency is paid in full or the taxpayer
3 enters into an installment payment plan, as approved by the
4 director.

5 c. Notwithstanding any provision of law to the contrary and
6 except as provided in this section, a taxpayer shall have no right to
7 commence any legal action or proceeding or to any other legal
8 recourse against the division or the commission regarding the
9 issuance of a notice or the suspension of a driver's license under
10 this act. In addition, a taxpayer shall not have a right to a hearing
11 or an appeal with the New Jersey Motor Vehicle Commission
12 regarding the suspension of the taxpayer's driver's license pursuant
13 to this act.

14 A taxpayer may only challenge a driver's license suspension
15 imposed under this act on the grounds that:

16 (1) the individual to whom the notice was provided is not the
17 taxpayer at issue;

18 (2) the gross income tax deficiency was satisfied;

19 (3) the taxpayer's wages are being garnished by the division for
20 the payment of the gross income tax deficiency at issue or garnished
21 for child support arrears or child support and spousal support
22 arrears;

23 (4) the taxpayer's driver's license is a commercial driver's
24 license;

25 (5) the division incorrectly found that the taxpayer failed to
26 comply with the terms of an installment payment plan for the gross
27 income tax deficiency more than once in a 12 month period;

28 (6) there is an equitable reason, such as involuntary
29 unemployment or disability for the taxpayer's failure to pay, as
30 determined by the director; or

31 (7) the license suspension would result in a significant hardship
32 to the taxpayer, as determined by the director.

33 d. Nothing in this act shall limit a taxpayer from establishing
34 that the enforcement of the underlying gross income tax deficiency
35 has been stayed by the filing of a petition under the Bankruptcy
36 Code pursuant to Title 11 of the United States Code.

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38 3. The New Jersey Motor Vehicle Commission and the
39 Division of Taxation shall be permitted to share necessary
40 information for the proper identification of a taxpayer for the
41 purpose of suspending the taxpayer's driver's license.

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43 4. The provisions of this act shall not limit, restrict, or impair
44 the Division of Taxation from exercising any other authority to
45 collect or enforce gross income tax deficiencies.

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47 5. The Chief Administrator of the New Jersey Motor Vehicle
48 Commission in conjunction with the Director of the Division of

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1 Taxation, pursuant to the “Administrative Procedure Act,”
2 P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt rules and
3 regulations necessary to effectuate the provisions of this act.

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5 6. This act shall take effect on the first day of the seventh
6 month following enactment, but the Chief Administrator of the New
7 Jersey Motor Vehicle Commission and the Director of the Division
8 of Taxation may take such administrative action in advance of the
9 effective date as may be necessary.

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STATEMENT

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14 This bill requires the suspension of a driver’s license for a gross
15 income tax deficiency under certain circumstances. Specifically,
16 under the provisions of this bill the Chief Administrator of the New
17 Jersey Motor Vehicle Commission (MVC), in conjunction with the
18 Director of the Division of Taxation, is required to implement a
19 program to improve the collection of gross income tax deficiencies.
20 The provisions of the program would not apply to commercial
21 driver’s licenses.

22 Under the program, a taxpayer’s driver’s license is required to be
23 suspended if the taxpayer has \$5,000 or more in gross income tax
24 deficiency, except that the taxpayer’s driver’s license is not to be
25 suspended if there is an equitable reason, such as involuntary
26 unemployment or disability for the taxpayer’s failure to pay, or the
27 license suspension would result in significant hardship to the
28 taxpayer, as determined by the director. In addition, if a taxpayer
29 fails to comply with the terms of an installment payment plan that
30 has been approved by the division more than once in a 12 month
31 period, the taxpayer’s driver’s license is to be suspended. The bill
32 provides that if the taxpayer does not have a driver’s license, the
33 taxpayer is prohibited from obtaining one.

34 In addition, under the bill, the director is required to send a
35 written notice to the taxpayer advising the taxpayer that his or her
36 driver’s license may be suspended unless, within 60 days of the date
37 of the notice, the taxpayer pays the full amount of the gross income
38 tax deficiency or enters into an installment payment plan. However,
39 a notice is not to be sent to a taxpayer whose wages are being
40 garnished by the division for the payment of a gross income tax
41 deficiency or being garnished for child support arrears or child
42 support and spousal support arrears.

43 If the taxpayer fails to pay the full amount, enter into an
44 installment payment plan, or challenge the suspension, as provided
45 for in the bill, within 60 days, the division is required to provide
46 notification to the MVC that the taxpayer’s license is to be
47 suspended. Under the bill, the suspension will continue until the

1 taxpayer pays the full amount of the deficiency or enters into an
2 installment payment plan.

3 The bill further provides that a taxpayer does not have a right to
4 commence any legal action against the division or the commission
5 regarding the issuance of a notice or suspension of a driver's license
6 under the bill. In addition, under the bill, a taxpayer does not have
7 a right to a hearing or an appeal with the MVC regarding the license
8 suspension.

9 The bill further provides that a taxpayer may only challenge a
10 driver's license suspension imposed under the bill on certain
11 grounds, including that the individual to whom the notice was
12 provided is not the taxpayer or that the gross income tax deficiency
13 was already satisfied. However, a person is not prohibited from
14 establishing that the enforcement of the underlying gross income
15 tax deficiency has been stayed by the filing of a bankruptcy
16 petition.

17 Finally, the MVC and the division are permitted to share
18 necessary information for the proper identification of a taxpayer for
19 the purpose of suspending the taxpayer's driver's license.