SENATE, No. 3302

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED DECEMBER 18, 2020

Sponsored by:
Senator JOSEPH P. CRYAN
District 20 (Union)

Co-Sponsored by:
Senator A.M.Bucco

SYNOPSIS

Allows temporary deduction of certain alcohol and food industry sellers' taxable sales with resulting sales tax retained by those sellers.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 12/21/2020)

AN ACT allowing for a temporary deduction of certain alcohol and food industry sellers' taxable sales, and supplementing P.L.1966, c.30 (C.54:32B-1 et seq.).

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

1. a. A seller that operates a business in the alcoholic beverages drinking places industry or restaurant and other eating places industry may deduct from gross taxable sales for each month of the relief period the lesser of taxable sales made during the month or $30,000.

b. The deduction from gross taxable sales allowed pursuant to subsection a. of this section shall be available for each month in the relief period and shall not exceed $90,000 for the entire relief period; provided, however, that a seller shall be allowed the deduction for up to five places of business that are properly registered and authorized to collect sales tax in this State.

c. The deduction allowed pursuant to this section may be taken on a seller's monthly or quarterly return required to be filed pursuant to section 17 of P.L.1966, c.30 (C.54:32B-17) and the resulting sales tax collected from those taxable sales during the relief period shall be retained by the seller.

d. There shall be appropriated from the State General Fund such funds as are necessary to implement the provisions and to effectuate the purposes of this act.

e. As used in this section:

"Alcoholic beverages drinking places industry" means a business primarily engaged in preparing and serving alcoholic beverages for immediate, on-premises consumption, but are also permitted to prepare and serve meals on-premises, and that are open to the public, including, but not limited to, bars, taverns, brew pubs, nightclubs. "Alcoholic beverages drinking places industry" shall not include breweries, distilleries, wineries, and retail liquor establishments that offer tastings.

"Relief period" means taxable sales made in January 2021, February 2021, and March 2021, for which monthly and quarterly returns are filed in either February 2021, March 2021, or April 2021.

"Restaurant and other eating places industry" means a business that sells or provides food for consumption on or off the premises, and includes, but is not limited to, any restaurant, café, delicatessen, coffee shop, vending truck or cart, food truck, movie theater or entertainment venue, caterers or other food service contractors, or private business or institutional cafeterias, including those operated by or on behalf of any governmental entity, university, or hospital.

2. This act shall take effect immediately.

STATEMENT

The bill allows a seller that is in the alcoholic beverages drinking places industry or in the restaurant and other eating places industry to deduct from gross taxable sales for each month of the relief period the lesser of taxable sales made during the month or $30,000. The deduction from gross taxable sales is available for each month in the relief period and is capped at $90,000 for the entire relief period, which covers January 2021 through March 2021. A seller is allowed the deduction for up to five places of business that are physically located and properly registered and authorized to collect sales tax in this State. The resulting sales tax collected from those taxable sales that are deducted is retained by the seller.

As defined in the bill, alcoholic beverages drinking places industry means a business primarily engaged in preparing and serving alcoholic beverages for immediate, on-premises consumption, but are also permitted to prepare and serve meals on-premises, and that are open to the public, including, but not limited to, bars, taverns, brew pubs, nightclubs. Breweries, distilleries, wineries, and retail liquor establishments that offer tastings are excluded.

Likewise, the bill defines restaurant and other eating places industry as a business that sells or provides food for consumption on or off the premises, and includes, but is not limited to, any restaurant, café, delicatessen, coffee shop, vending truck or cart, food truck, movie theater or entertainment venue, caterers or other food service contractors, or private business or institutional cafeterias, including those operated by or on behalf of any governmental entity, university, or hospital.