

SENATE ECONOMIC GROWTH COMMITTEE

STATEMENT TO

SENATE, No. 3740

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 15, 2021

The Senate Economic Growth Committee reports favorably and with committee amendments Senate Bill No. 3740.

As amended and reported, this bill provides a sales and use tax exemption for purchases made by a small business during a brief period of time when purchases enabled the business to conduct its normal indoor operations outdoors. The bill targets relief to small businesses that incurred costs for having to establish or expand outdoor operations during the fall and winter seasons due to the COVID-19 pandemic. A small business is to be entitled to a refund equal to the amount of sales tax paid for each qualified item purchased or service rendered.

Under the bill, a small business that employs fewer than 20 full-time employees, is eligible to apply for a sales and use tax exemption for purchases made or services rendered to winterize the business, for purchases or services made or rendered between September 1, 2020 and March 31, 2021. In order to claim the exemption, the business must file its application within 60 days of the enactment of this bill. The exemption applies to items purchased or services rendered to a small business that enabled the business to conduct business outdoors during the fall and winter seasons due to the COVID-19 pandemic. This exemption covers purchases of products to melt or remove snow and ice, as well as tents, and space heaters.

The committee amended the bill to extend the application deadline to 60 days following the enactment of this bill. The original application deadline had already passed.

As amended and reported, Senate Bill No. 3740 is identical to Assembly Bill No. 4958, which was also amended and reported by the committee on this date.