

# ASSEMBLY, No. 4208

## STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED JUNE 9, 2022

**Sponsored by:**

**Assemblywoman ELIANA PINTOR MARIN**

**District 29 (Essex)**

**Assemblywoman ANNETTE QUIJANO**

**District 20 (Union)**

**Assemblywoman SHANIQUE SPEIGHT**

**District 29 (Essex)**

**Co-Sponsored by:**

**Assemblywomen Reynolds-Jackson, McKnight and Lampitt**

**SYNOPSIS**

Provides sales and use tax exemption for certain purchases made by all supermarkets and grocery stores located within urban enterprise zones.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/29/2022)**

1 AN ACT concerning the imposition of the sales and use tax on  
2 certain supermarkets and grocery stores and amending P.L.1983,  
3 c.303.

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

7  
8 1. Section 20 of P.L.1983, c.303 (C.52:27H-79) is amended to  
9 read as follows:

10 20. a. Except as provided in subsection b. of section 11 of  
11 P.L.2021, c.197 (C.52:27H-98), receipts from the first \$100,000 of  
12 retail sales of tangible personal property (except motor vehicles and  
13 energy) and sales of services (except telecommunications services  
14 and utility services) to a qualified business for the exclusive use or  
15 consumption of such business within an enterprise zone are exempt  
16 from the taxes imposed under the "Sales and Use Tax Act,"  
17 P.L.1966, c.30 (C.54:32B-1 et seq.); provided, however, a  
18 supermarket or grocery store located in an enterprise zone or a food  
19 desert community **],** as defined in section 37 of P.L.2020, c.156  
20 (C.34:1B-305)**]** shall be eligible for such tax exemption,  
21 notwithstanding the limit imposed pursuant to this subsection.

22 b. (Deleted by amendment, P.L.2011, c.28)

23 c. As used in this section:

24 "Food desert community" means the same as the term is defined  
25 in section 37 of P.L.2020, c.156 (C.34:1B-305).

26 "Qualified business" includes a person who is certified as a  
27 qualified business by the authority and provided a UZ-5  
28 certification by the authority. A person who is certified as a  
29 qualified business may apply to the authority for a UZ-5  
30 certification provided the person owns or leases and regularly  
31 operates a place of business located in an eligible block group, as  
32 defined in subsection a. of section 12 of P.L.2021, c.197  
33 (C.52:27H-99). The Department of the Treasury shall provide to a  
34 qualified business a certificate evidencing its UZ-5 certification,  
35 which certificate shall indicate the location at which the sales tax  
36 exemption provided for in this section is available.

37 "Supermarket or grocery store" means a retail outlet with at least  
38 16,000 square feet, of which at least 80 percent is occupied by food  
39 and related products.

40 d. (Deleted by amendment, P.L.2011, c.28)

41 e. (Deleted by amendment, P.L.2021, c.197)

42 (cf: P.L.2021, c.197, s.7)

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44 2. This act shall take effect immediately.

**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.**

STATEMENT

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This bill expands the existing sales and use tax exemption for supermarkets and grocery stores located within food desert communities to include all supermarkets and grocery stores located within urban enterprise zones.

Under current law, the sales and use tax is not imposed on certain purchases made by qualified businesses for their exclusive use within an urban enterprise zone. In this circumstance, the receipts from the first \$100,000 of retail sales of tangible personal property (except motor vehicles and energy) and sales of services (except telecommunications services and utility services) are exempt from the sales and use tax. However, if a supermarket or grocery store is located within a food desert community, the business is eligible for an uncapped sales tax exemption on these purchases, including purchases in excess of the first \$100,000 in qualifying sales.

Under the bill, the uncapped sales tax exemption for supermarket and grocery stores would no longer be limited to those businesses located within food desert communities. Instead, this bill provides that the uncapped exemption would also apply to any supermarket or grocery store that is located within an urban enterprise zone. Accordingly, any supermarket or grocery store that is located within an urban enterprise zone, but not within a food desert community, would no longer be limited to a sales tax exemption on the first \$100,000 in qualifying sales.

Additionally, the bill expands the definition of “supermarket or grocery store” for the purposes of the sales tax exemption. Under the bill, this term is defined as any retail outlet with at least 16,000 square feet, of which at least 80 percent is occupied by food and related products. Under current law, this term includes retail outlets with at least 16,000 square feet, of which at least 90 percent is occupied by food and related products.