

[First Reprint]

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)

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District 29 (Essex)

Senator M. TERESA RUIZ

District 29 (Essex)

Senator NILSA I. CRUZ-PEREZ

District 5 (Camden and Gloucester)

Co-Sponsored by:

Assemblywomen Reynolds-Jackson, McKnight, Lampitt, Senators Turner and Pou

SYNOPSIS

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

CURRENT VERSION OF TEXT

As amended by the Senate on June 29, 2022.



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

1 AN ACT concerning the imposition of the sales and use tax ¹【on
 2 certain supermarkets and grocery stores】¹ and amending
 3 P.L.1983, c.303 ¹and P.L.2021, c.197¹.
 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. ¹(1)¹ 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 ¹annual¹ retail sales of tangible personal property (except motor
 13 vehicles and energy) and sales of services (except
 14 telecommunications services and utility services) to a qualified
 15 business for the exclusive use or consumption of such business
 16 within an enterprise zone are ¹annually¹ exempt from the taxes
 17 imposed under the "Sales and Use Tax Act," P.L.1966, c.30
 18 (C.54:32B-1 et seq.); provided, however, a supermarket or grocery
 19 store ¹【located in an enterprise zone or a food desert community】
 20 that meets the criteria set forth in paragraph (2) of this subsection¹
 21 **【**, as defined in section 37 of P.L.2020, c.156 (C.34:1B-305)**】** shall
 22 be eligible for such tax exemption, notwithstanding the limit
 23 imposed pursuant to this subsection.

24 ¹(2) The annual limitation imposed under paragraph (1) of this
 25 subsection shall not apply to any supermarket or grocery store that
 26 is:

27 (a) located in a food desert community; or

28 (b) located in an enterprise zone and received an annual
 29 certification of eligibility from the department pursuant to
 30 paragraph (3) of this subsection.

31 (3) A supermarket or grocery store that is located in an
 32 enterprise zone, but outside of a food desert community, may apply
 33 to the department for an annual certification of eligibility for the
 34 unlimited tax exemption provided under this section. The
 35 certification shall remain in effect for the 12-month period
 36 immediately following the date of approval by the department. To
 37 qualify for the annual certification, the supermarket or grocery store
 38 shall demonstrate to the department that during the 12-month period
 39 immediately preceding the date of application:

40 (a) not less than 30 percent of the employees hired by the
 41 supermarket or grocery store were comprised of any combination of
 42 the following: (i) persons who were unemployed for not less than
 43 three consecutive months immediately preceding the date of
 44 employment; or (ii) persons with a disability; or

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate floor amendments adopted June 29, 2022.

(b) not less than 35 percent of the employees hired by the supermarket or grocery store are residents of a municipality in which the enterprise zone has been established, and the supermarket or grocery store actively participated with one or more One Stop Career Centers in the recruitment of unemployed persons and persons with a disability, except that the One Stop Career Centers shall provide written documentation to the department attesting to the actions of the supermarket or grocery store.

(4) Within 30 days of the effective date of P.L. , c. (pending before the Legislature as this bill), and annually thereafter, the department, in consultation with the Department of Labor and Workforce Development, shall provide written notice to each:

(a) supermarket or grocery store located in an enterprise zone concerning the requirements of this section, which notice shall include contact information for each One Stop Career Center located in the State; and

(b) One Stop Career Center located in the State concerning the requirements of subparagraph (b) of paragraph (3) of this subsection.¹

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

c. As used in this section:

¹“Department” means the Department of Community Affairs.

“Disability” means the same as that term is defined in subsection q. of section 5 of P.L.1975, c.169 (C.10:5-5).¹

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

¹“One Stop Career Center” means the same as that term is defined in section 3 of P.L.1992, c.43 (C.34:15D-3).¹

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

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

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

e. (Deleted by amendment, P.L.2021, c.197)
(cf: P.L.2021, c.197, s.7)

¹2. Section 8 of P.L.2021, c.197 (C.52:27H-79.1) is amended to read as follows:

1 8. a. Receipts from the first \$100,000 of annual retail sales of
2 materials, supplies, and services for the exclusive use of erecting
3 structures or buildings on, or improving, altering or repairing the
4 real property of a qualified business, or a contractor hired by the
5 qualified business to make such improvements, alterations, or
6 repairs, are annually exempt from the taxes imposed under the
7 "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.);
8 provided, however, receipts from retail sales of materials, supplies,
9 and services for the exclusive use of erecting new structures or
10 buildings on, or substantially improving, altering or repairing the
11 real property of a qualified business shall be eligible for such tax
12 exemption notwithstanding the limit imposed pursuant to this
13 subsection.

14 b. As used in this section:

15 "Qualified business" includes a person who is certified as a
16 qualified business by the authority and provided a UZ-4
17 certification by the authority. A person who is certified as a
18 qualified business may apply to the authority for a UZ-4
19 certification provided that the person owns or leases and regularly
20 operates a place of business located in an eligible block group, as
21 defined in subsection a. of section 12 of P.L.2021, c.197
22 (C.52:27H-99). The Department of the Treasury shall provide to a
23 qualified business a certificate evidencing its UZ-4 certification,
24 which certificate shall indicate the location at which the sales tax
25 exemption provided for in this section is available.

26 "Substantially improving, altering, or repairing" means any
27 reconstruction, rehabilitation, addition, or other improvement to a
28 structure, of which the total cost equals to or exceeds 50 percent of
29 the market value of the structure before the start of construction of
30 the improvement. The UEZ Authority may, from time to time, alter
31 this definition through regulation to respond to changing market
32 conditions.¹

33 (cf: P.L.2021, c.197, s.8)

34

35 ¹**[2.] 3.**¹ This act shall take effect immediately.