

SENATE, No. 3514

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 24, 2024

Sponsored by:

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

SYNOPSIS

Phases out sales and use tax exemption on zero emission vehicles; repeals annual sales tax holiday for certain school supplies and sport or recreational equipment.

CURRENT VERSION OF TEXT

As introduced.



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1 AN ACT concerning sales and use tax exemptions, amending
2 P.L.2003, c.266 and P.L.2015, c.24, and repealing P.L.2022,
3 c.21.

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

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8 1. Section 11 of P.L.2003, c.266 (C.54:32B-8.55) is amended
9 to read as follows:

10 11. a. (1) Receipts from sales of zero emission vehicles sold on
11 or after the first day of the fourth month following the effective date
12 of P.L.2003, c.266 (C.26:2C-8.15 et al.) and before October 1, 2024
13 are exempt from the tax imposed under the "Sales and Use Tax
14 Act," P.L.1966, c.30 (C.54:32B-1 et seq.);

15 (2) There is imposed and there shall be paid a tax of 3.3125
16 percent on the receipts from sales of zero emission vehicles sold on
17 or after October 1, 2024 but before July 1, 2025; and

18 (3) There is imposed and there shall be paid a tax at the rate set
19 forth in section 3 of P.L.1966, c.30 (C.54:32B-3) on the receipts
20 from sales of zero emission vehicles sold on or after July 1, 2025.

21 b. The Commissioner of Environmental Protection shall certify
22 to the State Treasurer the make and model of those motor vehicles
23 that are zero emission vehicles and eligible for the exemption
24 provided pursuant to subsection a. of this section.

25 c. As used in this section, "zero emission vehicle" means a
26 vehicle certified as a zero emission vehicle pursuant to the
27 California Air Resources Board zero emission vehicle standards for
28 the applicable model year, but shall not include any other type of
29 vehicle that may be delivered by a manufacturer for sale or lease to
30 satisfy the zero emission vehicle requirement established by the
31 California Air Resources Board in lieu of a vehicle that qualifies as
32 a pure zero emission vehicle.

33 (cf: P.L.2003, c.266, s.11)

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35 2. Section 7 of P.L.2015, c.24 (C.54:32B-8.55a) is amended to
36 read as follows:

37 7. Before March 1 annually, all motor vehicle franchisors and
38 motor vehicle franchisees in the State, as defined pursuant to
39 section 1 of P.L.1985, c.361 (C.56:10-26), shall report to the
40 Division of Taxation the number of zero emission vehicles sold in
41 the State each calendar year and **【exempt】** the amounts remitted
42 from the tax imposed under the "Sales and Use Tax Act," P.L.1966,
43 c.30 (C.54:32B-1 et seq.) **【pursuant to section 11 of P.L.2003, c.266**
44 **(C.54:32B-8.55)】** on such vehicles.

45 (cf: P.L.2015, c.24, s.7)

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.

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1 3. P.L.2022, c.21 (C.54:32B-8.21a and C.54:32B-8.21b) is
2 repealed.

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4 4. This act shall take effect immediately.

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STATEMENT

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9 This bill eliminates the sales and use tax exemptions provided
10 under current law for the sales of zero emission vehicles, as well as
11 the sales of certain products during the State's annual sales tax
12 holiday.

13 Specifically, the bill phases out the sales and use tax exemption
14 currently provided for sales of zero emission vehicles as follows:
15 (1) a tax rate of 3.3125 percent would be imposed on the sale of
16 zero emission vehicles from October 2024 through June 2025; and
17 (2) beginning on July 1, 2025, the sales and use tax would be
18 imposed at the statutory rate authorized in the "Sales and Use Tax
19 Act," which is currently 6.625 percent.

20 The bill also repeals the annual sales tax holiday established by
21 P.L.2022, c.21 for retail sale of computers, school computer
22 supplies, school supplies, school instructional materials, and sport
23 or recreational equipment. Under current law, the sales tax holiday
24 is in effect during the ten-day period up to and including the first
25 Monday in September.

26 This bill implements certain proposals concerning the sales and
27 use tax that were included in the Governor's Fiscal Year 2025
28 budget recommendations.