## ASSEMBLY, No. 4702 STATE OF NEW JERSEY 221st LEGISLATURE

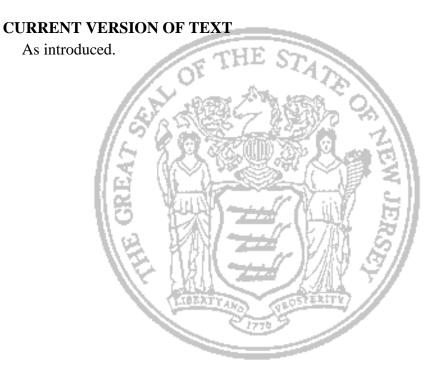
INTRODUCED JUNE 26, 2024

Sponsored by: Assemblywoman ELIANA PINTOR MARIN District 29 (Essex and Hudson) Assemblyman BENJIE E. WIMBERLY District 35 (Bergen and Passaic) Senator PAUL A. SARLO District 36 (Bergen and Passaic)

Co-Sponsored by: Assemblywomen Reynolds-Jackson and Speight

## **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.



(Sponsorship Updated As Of: 6/28/2024)

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AN ACT concerning sales and use tax exemptions, amending 1 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: 7 1. Section 11 of P.L.2003, c.266 (C.54:32B-8.55) is amended 8 9 to read as follows: 10 11. a. (1) Receipts from sales of zero emission vehicles sold on or after the first day of the fourth month following the effective date 11 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 percent on the receipts from sales of zero emission vehicles sold on 16 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 forth in section 3 of P.L.1966, c.30 (C.54:32B-3) on the receipts 19 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 that are zero emission vehicles and eligible for the exemption 23 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 satisfy the zero emission vehicle requirement established by the 30 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) 34 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 motor vehicle franchisees in the State, as defined pursuant to 38 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, c.30 (C.54:32B-1 et seq.) [pursuant to section 11 of P.L.2003, c.266 43 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 <u>thus</u> 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. 3 4 4. This act shall take effect immediately. 5 6 7 **STATEMENT** 8 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.