

## CHAPTER 156

AN ACT phasing out the petroleum products gross receipts tax for fuel used to generate certain electricity, supplementing P.L.1990, c.42 (C.54:15B-1 et seq.).

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

C.54:15B-2.2 Definitions; phase out of petroleum products gross receipts tax.

1. a. "Gross receipts" shall not include that percent of receipts, as provided in subsection b. of this section, from sales of petroleum products used by a utility, a co-generation facility or a wholesale generation facility to generate electricity that is sold for resale or to an end user other than the end user upon whose property is located the co-generation facility that generated the electricity or upon the property purchased or leased from the end user by the person owning the co-generation facility if such property is contiguous to the user's property and is the property upon which is located a co-generation facility that generated the electricity.

b. (1) For the first twelve calendar months in which this section shall apply, "gross receipts" from sales of petroleum products as described in subsection a. of this section made in those months shall not include 25% of those receipts;

(2) For the thirteenth through twenty-fourth calendar months in which this section shall apply, "gross receipts" from sales of petroleum products as described in subsection a. of this section made in those months shall not include 50% of those receipts;

(3) For the twenty-fifth through the thirty-sixth calendar months in which this section shall apply, "gross receipts" from sales of petroleum products as described in subsection a. of this section made in those months shall not include 75% of those receipts; and

(4) After the last day of the thirty-sixth calendar month in which this section shall apply, "gross receipts" from sales of petroleum products as described in subsection a. of this section made after that date shall not include any of those receipts.

c. For the purposes of P.L.1990, c.42 (C.54:15B-1 et seq.):

"Co-generation facility" means a facility the primary purpose of which is the sequential production of electricity and steam or other forms of useful energy that are used for industrial or commercial heating or cooling purposes and which is designated by the Federal Energy Regulatory Commission, or its successor, as a "qualifying facility" pursuant to the provisions of the "Public Utility Regulatory Policies Act of 1978," Pub.L. 95-617.

"Wholesale generation facility" means a facility the primary purpose of which is the sequential production of electricity to be sold exclusively at wholesale as determined by the Federal Energy Regulatory Commission, or its successor, as an "exempt wholesale generator" pursuant to the provisions of section 32 of the "Public Utility Holding Company Act of 1935," (15 U.S.C.s.79z-5a).

2. This act shall take effect January 1, 2001.

Approved November 16, 2000.