

## CHAPTER 322

AN ACT concerning certain equipment, amending P.L.1981, c.546.

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

1. Section 1 of P.L.1981, c.546 (C.54:32B-8.36) is amended to read as follows:

C.54:32B-8.36 Recycling, effluent treatment, conveyance equipment; exemption from sales and use tax.

1. a. Receipts from the sales of recycling equipment are exempt from the tax imposed under the "Sales and Use Tax Act." For purposes of this subsection "recycling equipment" means any equipment which is used exclusively to sort and prepare solid waste for recycling or in the recycling of solid waste. "Recycling equipment" does not include conventional motor vehicles, or any equipment used in a process after the first marketable product is produced, or in the case of recycling iron or steel, any equipment used to reduce the waste to molten state and in any process thereafter.

b. (1) Receipts from the sales of treatment equipment or conveyance equipment are exempt from the tax imposed under the "Sales and Use Tax Act," provided that the Commissioner of the Department of Environmental Protection has determined that the operation of the system in which the equipment is being or is to be used, and the reuse of wastewater effluent that results from that operation, are or will be beneficial to the environment. For purposes of this subsection, "treatment equipment" means any equipment that is used exclusively to treat effluent from a primary wastewater treatment facility, which effluent would otherwise have been discharged into the waters of the State, for purposes of reuse in an industrial process thereafter, and "conveyance equipment" means any equipment that is used exclusively to transport that effluent to the facility in which the treatment equipment has been or is to be installed and to transport the product of that further treatment to the site of that reuse.

(2) Notwithstanding the provisions of paragraph (1) of this subsection, the vendor shall charge and collect the tax from the purchaser on such sales at the rate then in effect, and the tax shall be refunded to the purchaser by the filing of a claim, within three years of the date of purchase, with the New Jersey Division of Taxation for a refund of sales or use tax paid. Proof of claim for refund shall be demonstrated by a copy of a determination of environmental benefit issued to the purchaser by the Commissioner of the Department of Environmental Protection pursuant to section 1 of P.L.2001, c.321 (C.54:10A-5.31), and by any additional information as the director may require, including but not limited to proof of tax paid.

2. This act shall take effect immediately and apply to sales made after enactment

Approved January 4, 2002.