

CHAPTER 411

AN ACT extending the recovery and refund periods for the sales and use tax refunds for flood victims of Hurricane Floyd, amending P.L.1999, c.365.

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

1. Section 1 of P.L.1999, c.365 is amended to read as follows:

1. a. Receipts from sales made during the recovery period of replacement motor vehicles, household goods, home repair materials including but not limited to sheet rock and lumber, heating and cooling systems and appliances, to victims of Hurricane Floyd residing in disaster areas, and sales of replacement motor vehicles purchased to replace motor vehicles damaged in flood waters caused by Hurricane Floyd within the federally designated disaster areas but owned by any resident of the State, are, subject to the conditions and limitations of subsection e. of this section, exempt from the tax imposed under the "Sales and Use Tax Act."

b. Receipts for services to install, replace or repair household goods, home repair materials, heating and cooling systems and appliances rendered during the recovery period for victims of Hurricane Floyd residing in disaster areas, and receipts for services to repair motor vehicles damaged by flood waters within the disaster areas are, subject to the conditions and limitations of subsection e. of this section, exempt from the tax imposed under the "Sales and Use Tax Act."

c. Notwithstanding the provisions of subsections a. and b. of this section, the vendor shall charge and collect from the purchaser on such sales and charges at the rate then in effect, and the tax shall be refunded to the purchaser by the filing of a claim on or before September 30, 2001, with the New Jersey Division of Taxation for a refund of sales and use taxes paid for the replacement or servicing of items damaged or destroyed by Hurricane Floyd. No refunds shall be made on claims filed after September 30, 2001.

d. (1) Except as to the motor vehicles owned by those who reside outside the disaster areas discussed in paragraph (2) of this subsection, proof of claim for refund shall be demonstrated by an approved Federal Emergency Management Agency application for disaster assistance, by insurance claim, or by such information deemed necessary by the director, including but not limited to proof of tax paid, for a prompt refund to be given to disaster victims for sales taxes paid to replace or service items damaged or destroyed in flood waters of Hurricane Floyd as the Director of the Division of Taxation shall prescribe by regulation.

(2) Proof of claim for refund for a motor vehicle damaged in flood waters caused by Hurricane Floyd within the disaster areas but owned by those outside the disaster areas shall be demonstrated by insurance claim or, if the vehicle was not covered by comprehensive insurance, by such other information or documentation as the director shall prescribe.

(3) Notwithstanding any provisions of P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the director may adopt, immediately upon filing with the Office of Administrative Law, such regulations, including but not limited to terms and conditions governing application for and payment of refunds, as the director deems necessary to implement the provisions of this section, which regulations shall be effective for a period not to exceed 180 days from the date of filing. Such regulations may thereafter be amended, adopted or readopted by the director as the director deems necessary in accordance with the requirements of P.L.1968, c.410. The director shall, after receipt of appropriate forms and supporting documentation, refund the taxes paid by residents of the State.

e. (1) Determination of the refund amount from sales of home repair materials exempted by subsection a. of this section shall be based on the separately stated cost of the materials to the customer, or, if no cost for those materials is separately stated on the customer's contract, bill or invoice by the contractor, the exemption shall be based on fifty percent of the total amount of the sales price.

(2) Determination of the refund amount for sales of motor vehicles exempted by subsection a. of this section shall be based on the amount actually paid for the replacement motor vehicle, net of any credit for property of the same kind traded-in, up to the average retail value of the vehicle being replaced, as reported in the current National Automobile Dealers Association Guide, or \$2,000, whichever is greater.

f. For the purposes of this section:

"Disaster areas" means the counties designated as disaster areas pursuant to the President's

September 19, 1999 declaration of a major disaster in this State; and
"Recovery period" means September 17, 1999 through March 31, 2001.

2. This act shall take effect immediately.

Approved January 8, 2002.