

CHAPTER 136

AN ACT exempting rentals between certain closely related business entities from the sales and use tax, supplementing P.L.1966, c.30 (C.54:32B-1 et seq.).

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

C.54:32B-8.53 Rentals between certain closely related business entities, exemption.

1. a. Receipts from the rental of tangible personal property, on which sales tax was paid or use tax obligations have been satisfied, between related persons, not engaged in the regular trade or business of renting that property to other persons, are exempt from the tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

b. For the purposes of this section, "related persons" means persons that are 80% or more owned by each other or that are 80% or more owned by the same third parties.

2. This act shall take effect immediately but remain inoperative until the first day of the third month following enactment.

Approved August 1, 2003.