

CHAPTER 52

AN ACT lowering the threshold for requiring that State tax payments be made by electronic funds transfer, amending P.L.1992, c.140.

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

1. Section 1 of P.L.1992, c.140 (C.54:48-4.1) is amended to read as follows:

C.54:48-4.1 Tax payments by electronic funds transfer; definitions.

1. a. All tax payments described in subsection b. of this section, other than those payments enumerated in subsection c. of this section, shall be made by electronic funds transfer to such depositories as the State Treasurer shall designate pursuant to section 1 of P.L.1956, c.174 (C.52:18-16.1). A payment by electronic funds transfer shall be deemed to be made on the date the payment is received by the designated depository. The acceptable method of transfer; the method, form and content of the electronic funds transfer message, giving due regard to developing uniform standards for formats among the several states; the circumstances under which an electronic funds transfer shall serve as a substitute for the filing of another form of return; and the means, if any, by which taxpayers will be provided with acknowledgements of payments shall be as prescribed by the Director of the Division of Taxation in the Department of the Treasury. Notwithstanding any other law to the contrary, persons required to make payments by electronic funds transfer pursuant to subsection b. of this section shall make payments by electronic funds transfer no more frequently than once per week. The director may, by regulation, provide for less frequent payments if the director deems such action in the best interest of the State.

b. Payments subject to the electronic funds transfer requirement of subsection a. of this section are:

(1) those payments due in the first twelve calendar months for which this section is operative made by a taxpayer that had a prior year liability of \$200,000 or more;

(2) those payments due in the thirteenth through twenty-fourth calendar months for which this section is operative made by a taxpayer that had a prior year liability of \$100,000 or more;

(3) those payments due in the twenty-fifth through the thirty-sixth calendar months for which this section is operative made by a taxpayer that had a prior year liability of \$50,000 or more; and

(4) those payments due in the thirty-seventh calendar month for which this section is operative and thereafter made by a taxpayer that had a prior year liability of \$20,000 or more; and

(5) those payments due after July 1, 2004 and thereafter made by taxpayers that had a prior year liability of \$10,000 or more.

c. Subsection a. of this section shall not apply to a payment of estimated tax made pursuant to N.J.S.54A:8-5 or a payment of final taxpayer liability pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq.; provided however, that the restriction of this subsection shall not apply to payment over to the director of taxes withheld pursuant to N.J.S.54A:7-1 or section 1 of P.L.1989, c.328 (C.54A:7-1.1). Subsection a. of this section shall not apply to a payment of the transfer inheritance tax imposed pursuant to R.S.54:33-1 et seq. or to a payment of the estate tax imposed pursuant to R.S.54:38-1 et seq.

d. If the availability of funds in payment of tax required to be made through electronic funds transfer is delayed, and the delay of availability is explained to the satisfaction of the director to be due to reasons beyond the control of the taxpayer, the director shall, notwithstanding any provision of R.S.54:49-11 to the contrary, abate up to the entire amount of penalty or interest that would otherwise be assessed.

e. As used in this section:

"Electronic funds transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephone, or computer or magnetic tape for the purpose of ordering, instructing or authorizing a financial institution to debit or credit an account.

"Prior year liability" means the total liability for any tax imposed on, collected by or withheld by the taxpayer in the calendar year or the fiscal or calendar privilege period, as determined under the specific law regarding that tax, ending before the calendar year or fiscal or calendar

privilege period for which an electronic funds transfer payment is to be determined to be required pursuant to subsection b. of this section.

2. This act shall take effect immediately.

Approved June 29, 2004.