

## CHAPTER 41

**AN ACT** imposing a gross receipts tax on the retail sale of fur clothing in this State and a use tax on the use of certain fur clothing in this State for which a tax has not been paid, and supplementing Title 54 of the Revised Statutes.

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

C.54:32G-1 Retail sales of fur clothing, gross receipts tax, use tax imposed.

1. a. (1) There is imposed on a person making retail sales of fur clothing a tax at the rate of 6% of the gross receipts from retail sales of fur clothing in this State.

(2) Gross receipts from retail sales of fur clothing in this State shall not include receipts from retail sales of fur clothing which the seller delivers to a common carrier for delivery outside this State, places in the United States mail or parcel post directed to the purchaser outside this State, or delivers to the purchaser outside this State by means of the seller's own delivery vehicles, and which is not returned to a point within this State, except in the course of interstate commerce.

b. (1) A person that receives fur clothing for use in this State other than from a person that paid the tax under subsection a. of this section is subject to tax at the rate imposed under subsection a. of this section, measured by the consideration given or contracted to be given for the fur clothing including delivery charges made by the seller but excluding any credit for property of the same kind accepted in part payment and intended for resale.

(2) The use of fur clothing in this State shall not be subject to the tax imposed pursuant to paragraph (1) of this subsection in respect of the use of fur clothing purchased by the user while a nonresident of this State and in respect of the use of fur clothing to the extent that a gross receipts, retail sales or use tax was legally due and paid thereon, without any right to a refund or credit thereof, to any other state or jurisdiction within any other state; provided however, that to the extent that the tax imposed by this section is at a higher rate than the rate of tax in the first taxing jurisdiction, this exemption shall be inapplicable and the tax imposed by paragraph (1) of this subsection shall apply to the extent of the difference in such rates.

c. As used in this section, "fur clothing" means an article exempt from the tax imposed pursuant to the "Sales and Use Tax Act" pursuant to section 16 of P.L.1980, c.105 (C.54:32B-8.4) that is made of fur on the hide or pelt of an animal or animals and that fur is the component material of chief value of the article. Other terms have the meaning given those terms pursuant to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

d. The Director of the Division of Taxation shall collect and administer the tax imposed pursuant to this section. In carrying out the provisions of this section, the director shall have all of the powers and authority granted in P.L.1966, c.30 (C.54:32B-1 et seq.). The tax shall be reported and paid to the director on a quarterly basis in a manner prescribed by the Director of the Division of Taxation.

e. The tax imposed pursuant to this section shall be governed by the provisions of the State Uniform Tax Procedure Law, R.S.54:48-1 et seq.

f. Notwithstanding any provision 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 as the director deems necessary to implement the provisions of this act, which shall be effective for a period not to exceed 180 days following enactment of P.L.2006, c.41 (C.54:32G-1) and may thereafter be amended, adopted or readopted by the director in accordance with the requirements of P.L.1968, c.410.

2. This act shall take effect July 15, 2006 and apply to gross receipts from sales made on and after that date.

Approved July 8, 2006.