

CHAPTER 97

AN ACT concerning the authorization for certain municipalities to collect certain local taxes, amending P.L.1981, c.77.

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

1. Section 5 of P.L.1981, c.77 (C.40:48E-5) is amended to read as follows:

C.40:48E-5 Hotel owners, tax payments; calculation, refund.

5. a. Except as provided in subsection e. of this section, for any calendar year, the owner of a hotel shall be required to pay the greater of the real property tax (defined to be the payment of ad valorem taxes or payment in lieu of taxes or payment of annual service charges) or the hotel use or occupancy tax, to be calculated as follows:

(1) If the quarterly installment of the real property tax is less than the quarterly installment of the hotel use or occupancy tax, the owner shall be required to pay only the hotel use or occupancy tax.

(2) If the quarterly installment of the real property tax is greater than the quarterly installment of the hotel use or occupancy tax, the owner shall be required to pay the hotel use or occupancy tax, and, in addition, the owner shall be required to make a supplemental payment. For the purposes of this section, "supplemental payment" means an amount equal to the excess of the real property tax installment over the hotel use or occupancy tax installment.

b. At the end of the calendar year, the total hotel use or occupancy tax payments made during the year shall be adjusted as follows:

(1) If the total of the hotel use or occupancy tax payments, excluding any supplemental payments, made during the year exceeds the total real property tax for that year, the city shall refund to the owner the total amount of the supplemental payments, if any, made during the year; or

(2) If the total of the hotel use or occupancy tax payments, excluding any supplemental payments, made during the year does not exceed the total real property tax for the year, and if the total of the hotel use or occupancy tax payments and supplemental payments made during the year does exceed the total real property tax for the year, the city shall refund to the owner the difference between: (a) the total property tax paid and (b) the sum of the hotel or occupancy tax paid plus the supplemental payments paid.

c. The refunds shall be paid to the owner without interest by July 1 of the succeeding year or 15 days after the adoption of the annual budget by the municipal council, whichever is later.

d. No refund shall be made in any year in which the owner has failed to be current in its hotel use or occupancy tax, including any supplemental payments required under this section. For the purposes of this section, "current" means that quarterly installments of tax have been paid in accordance with R.S.54:4-66.

e. A city imposing a hotel use or occupancy tax pursuant to the provisions of section 3 of P.L.1981, c.77 (C.40:48E-3), by ordinance, may require that any hotel located within the municipality annually pay to the municipality both the real property tax due and owing on the hotel, defined to be the payment of ad valorem taxes or payment in lieu of taxes or payment of annual service charges, and the hotel use or occupancy tax authorized pursuant to section 3 of P.L.1981, c.77 (C.40:48E-3).

2. This act shall take effect immediately.

P.L. 2006, CHAPTER 97

Approved September 13, 2006.