

CHAPTER 118

AN ACT broadening the small qualified business exception under the UEZ sales tax rebate program, amending P.L.1983, c.303.

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

1. Section 20 of P.L.1983, c.303 (C.52:27H-79) is amended to read as follows:

C.52:27H-79 Sales tax procedure relative to sales to enterprise zone business; definitions; evaluation.

20. a. Retail sales of personal property (except motor vehicles and energy) and sales of services (except telecommunications and utility services) to a qualified business for the exclusive use or consumption of such business within an enterprise zone are exempt from the taxes imposed under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

b. Notwithstanding the provisions of subsection a. of this section, the seller shall charge and collect from a purchaser that is not a small qualified business the tax at the rate then in effect, and the tax shall be refunded to the purchaser by the filing, within one year following the date of sale, of a claim with the New Jersey Division of Taxation for a refund of sales and use taxes paid for the goods and materials. Proof of claim for refund shall be made by the submission of auditable receipts and such other documentation as the Director of the Division of Taxation may require.

c. As used in this section:

"Qualified business" includes a business that becomes qualified by the time the refund application is filed pursuant to subsection b. of this section; and

"Small qualified business" means a qualified business that has been determined and certified by the director to have had less than \$10,000,000 in annual gross receipts in that business's prior annual tax period.

d. The director shall submit to the Senate Legislative Oversight Committee and the Assembly Regulatory Oversight Committee any rules or regulations to effectuate amendments made to this section by P.L.2006, c.34 that are proposed for publication in the New Jersey Register. The director shall evaluate the effectiveness of the amendments made to this section by P.L.2006, c.34 and report any findings and recommendations regarding the amendments to the Senate Legislative Oversight Committee and the Assembly Regulatory Oversight Committee before the Governor presents a budget proposal for Fiscal Year 2008.

2. This act shall take effect immediately and apply to sales of personal property and services made or rendered on or after the first day of the second month next following the date of enactment.

Approved December 17, 2008.