

## CHAPTER 170

**AN ACT** providing a partial exemption and a maximum sales and use tax imposition amount for sales and uses of boats and vessels and establishing a grace period for the imposition of use tax on certain boats and vessels used by resident purchasers, 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-4.2 Partial tax exemption for sale, use of certain boats.

1. Notwithstanding the provisions of P.L.1966, c. 30 (C.54:32B-1 et seq.) to the contrary, receipts from the sale of a boat or other vessel are exempt to the extent of 50 percent of the tax imposed under section 3 of the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-3) and the maximum amount of tax imposed and collected on the sale or use of a boat or other vessel shall not exceed \$20,000.

C.54:32B-6.1 Exemptions from compensating use tax.

2. a. Notwithstanding the provisions of P.L.1966, c. 30 (C.54:32B-1 et seq.) to the contrary, the use within this State of a boat or other vessel for temporary periods, not totaling more than 30 calendar days in a calendar year, shall not be subject to the compensating use tax imposed by section 6 of P.L.1966, c.30 (C.54:32B-6), provided that:

(1) the boat or other vessel is legally operated by the resident purchaser and meets all current requirements pursuant to applicable federal law or pursuant to a federally-approved numbering system for boats and vessels adopted by another state, and

(2) the resident purchaser is not engaged in or carrying on in this State any employment, trade, business, or profession in which the boat or vessel will be used in this State.

b. If any of the conditions specified by subsection a. of this section have not been met, or after having been met fail to continue to be met, the exemption provided by subsection a. of this section shall not apply.

3. Notwithstanding the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the Director of the Division of Taxation in the Department of the Treasury may adopt immediately upon filing with the Office of Administrative Law such rules and regulations as the director determines to be necessary to implement the provisions of P.L.2015, c.170 (C.54:32B-4.2 et al.), which rules and regulations shall be effective for a period not to exceed 360 days following the effective date of P.L.2015, c.170 (C.54:32B-4.2 et al.) and may thereafter be amended, adopted, or readopted by the director in accordance with the requirements of P.L.1968, c.410.

4. This act shall take effect immediately, provided that section 1 shall apply to sales and uses on or after the first day of the second month next following the date of enactment and that section 2 shall apply to uses on or after January 1 next following the date of enactment.

Approved December 9, 2015.