

ASSEMBLY, No. 3855

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED MAY 9, 2022

Sponsored by:

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Assemblyman PAUL D. MORIARTY

District 4 (Camden and Gloucester)

SYNOPSIS

Provides 60-day reduction in highway fuel taxes; makes appropriation.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/9/2022)

1 AN ACT providing temporary reduction in highway fuel taxes and
2 making an appropriation.

3

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

6

7 1. a. (1) Notwithstanding any provision of the “Petroleum
8 Products Gross Receipts Tax Act,” P.L.1990, c.42 (C.54:15B-1 et
9 seq.) to the contrary, including the rate adjustment provisions set
10 forth in subsection c. of section 3 of P.L.1990, c.42 (C.54:15B-3),
11 during the period provided in subsection b. of this section, the rate
12 of tax imposed on highway fuel under paragraph (1) of subsection a.
13 of section 3 of P.L.1990, c.42 (C.54:15B-3) shall equal 2.75 percent
14 of the gross receipts derived from the first sale of highway fuel
15 within the State.

16 (2) Notwithstanding any provision of the “Petroleum Products
17 Gross Receipts Tax Act,” P.L.1990, c.42 (C.54:15B-1 et seq.) to the
18 contrary, during the period provided in subsection b. of this section,
19 no tax shall be imposed on highway fuel under paragraph (2) of
20 subsection a. of section 3 of P.L.1990, c.42 (C.54:15B-3).

21 b. The taxes imposed on highway fuel under paragraphs (1) and
22 (2) of subsection a. of section 3 of P.L.1990, c.42 (C.54:15B-3)
23 shall be reduced or suspended, as provided under subsection a. of
24 this section, beginning on the 10th calendar day following the
25 effective date of this act and concluding on the 70th calendar day
26 following the effective date of this act.

27 c. The benefit of the reduction of taxation provided under this
28 section shall be passed on to the consumers of highway fuel, and the
29 retail price of highway fuel sold in this State shall be reduced to
30 reflect the reduction of taxation.

31

32 2. a. On or before the fifth calendar day following the effective
33 date of this act, the Director of the Division of Taxation in the
34 Department of the Treasury shall provide written notice to each
35 person who shall be otherwise liable for the payment of tax on
36 highway fuel under the “Petroleum Products Gross Receipts Tax
37 Act,” P.L.1990, c.42 (C.54:15B-1 et seq.). In addition to any other
38 information that the director may deem appropriate, the written
39 notice shall inform each person of the provisions of this act.

40 b. For any month in which the tax imposed on highway fuel
41 under paragraphs (1) and (2) of subsection a. of section 3 of
42 P.L.1990, c.42 (C.54:15B-3) is reduced or suspended pursuant to
43 section 1 of this act, any person otherwise liable for the payment of
44 that tax shall submit a written report to the director on or before the
45 22nd day of the following month. In addition to any other
46 information that the director may deem appropriate, the report shall
47 indicate the:

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1 (1) amount of tax paid on highway fuel under paragraph (1) of
2 subsection a. of section 3 of P.L.1990, c.42 (C.54:15B-3); and

3 (2) total amount of tax on highway fuel that would have been
4 owed under paragraphs (1) and (2) of subsection a. of section 3 of
5 P.L.1990, c.42 (C.54:15B-3) if the tax was not reduced pursuant to
6 this act.

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8 3. There is appropriated from the General Fund for deposit into
9 the "Transportation Trust Fund Account," established pursuant to
10 section 20 of P.L.1984, c.73 (C.27:1B-20), such amounts as are
11 necessary to offset any reductions in petroleum products gross
12 receipts tax revenues that occur as a direct result of the provisions
13 of section 1 of this act, subject to the approval of the Director of the
14 Division of Budget and Accounting in the Department of the
15 Treasury.

16
17 4. Notwithstanding any provision of subsection c. of section 3
18 of P.L.1990, c.42 (C.54:15B-3) to the contrary, the State Treasurer
19 shall consider all amounts appropriated pursuant to section 3 of this
20 act as though such amounts were petroleum products gross receipts
21 tax revenues for the purposes of all calculations made under
22 subsection c. of section 3 of P.L.1990, c.42 (C.54:15B-3) relating to
23 the determination of the highway fuel cap amount and the rate of
24 tax imposed on highway fuel.

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26 5. Notwithstanding any provision of section 19 of P.L.2016,
27 c.57 (C.52:18A-257) to the contrary, this act shall not cause the
28 review council to certify for the purposes of subparagraph (h) of
29 paragraph (1) of subsection a. of section 3 of P.L.1990, c.42
30 (C.54:15B-3) to the director that the scheduled implementation of
31 P.L.2016, c.57 (C.54:15B-13 et al.) has been impeded.

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33 6. Notwithstanding any provision of the "Administrative
34 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
35 contrary, the Director of the Division of Taxation in the Department
36 of the Treasury shall adopt, immediately upon filing with the Office
37 of Administrative Law and no later than the 30th day after the date
38 of enactment of this act, such rules and regulations as the director
39 deems necessary to implement the provisions of this act, which
40 regulations may thereafter be amended by the director. The
41 regulations shall expire upon the expiration of this act.

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43 7. This act shall take effect immediately.

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STATEMENT

This bill provides a 60-day reduction in the taxation of highway fuels under the “Petroleum Products Gross Receipts Tax Act,” P.L.1990, c.42 (C.54:15B-1 et seq.).

Specifically, the bill provides that during the 60-day period, the tax imposed on highway fuel would return to the rates imposed before the enactment of P.L.2016, c.57 (C.54:15B-13 et al.), which increased the tax on highway fuel and allowed for annual adjustment of such tax rate. Accordingly, the rate of tax imposed on highway fuel under the “Petroleum Products Gross Receipts Tax Act,” P.L.1990, c.42 (C.54:15B-1 et seq.) would equal 2.75 percent of the gross receipts derived from the first sale of highway fuel within the State. Under the bill, the 60-day period would begin on the 10th calendar day following the date of enactment and conclude on the 70th calendar day following the date of enactment.

Additionally, the bill appropriates such amounts as are necessary to offset any reductions in revenue that occur as a result of the bill. These monies would be appropriated from the General Fund for deposit into the Transportation Trust Fund. The bill also requires the State Treasurer to consider these appropriations when determining the annual rate of taxation for highway fuel under the petroleum products gross receipts tax.