

SENATE, No. 2554

STATE OF NEW JERSEY
220th LEGISLATURE

INTRODUCED MAY 12, 2022

Sponsored by:
Senator NIA H. GILL
District 34 (Essex and Passaic)

SYNOPSIS

Suspends taxation of highway fuels for one year; makes appropriation.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT suspending the taxation of highway fuels for one year 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. As used in this act:

8 “Blended fuel” means a mixture composed of gasoline, diesel
9 fuel, kerosene or blended fuel and another liquid, including blend
10 stock other than a de minimis amount of a product such as
11 carburetor detergent or oxidation inhibitor, that can be used as a
12 fuel in a highway vehicle. The term includes but is not limited to
13 gasohol, biobased liquid fuel, biodiesel fuel, ethanol, methanol, fuel
14 grade alcohol, diesel fuel enhancers and resulting blends.

15 “Diesel fuel” means a liquid that is commonly or commercially
16 known or sold as a fuel that is suitable for use in a diesel-powered
17 highway vehicle. A liquid meets this requirement if, without
18 further processing or blending, the liquid has practical and
19 commercial fitness for use in the propulsion engine of a diesel-
20 powered highway vehicle. The term includes biobased liquid fuel,
21 biodiesel fuel, and number 1 and number 2 diesel fuel.

22 “Director” means the Director of the Division of Taxation in the
23 Department of the Treasury.

24 “Gasoline” means all products commonly or commercially
25 known or sold as gasoline that are suitable for use as a motor fuel.
26 The term does not include products that have an ASTM octane
27 number of less than 75 as determined by the “motor method,”
28 ASTM D2700-92. The term does not include racing gasoline or
29 aviation gasoline, but for administrative purposes does include fuel
30 grade alcohol.

31 “Highway fuel” means gasoline, blended fuel that contains
32 gasoline or is intended for use as gasoline, liquefied petroleum gas,
33 diesel fuel, blended fuel that contains diesel fuel or is intended for
34 use as diesel fuel, and kerosene, other than aviation grade kerosene.

35

36 2. a. (1) Notwithstanding any provision of the “Motor Fuel
37 Tax Act,” P.L.2010, c.22 (C.54:39-101 et seq.) to the contrary,
38 beginning on the seventh calendar day following the effective date
39 of this act, no tax shall be imposed under paragraphs (1) or (2) of
40 subsection a. of section 3 of P.L.2010, c.22 (C.54:39-103) during
41 the 12-month period following such date.

42 (2) Notwithstanding any provision of the “Petroleum Products
43 Gross Receipts Tax Act,” P.L.1990, c.42 (C.54:15B-1 et seq.) to the
44 contrary, beginning on the seventh calendar day following the
45 effective date of this act, no tax shall be imposed on highway fuel
46 under paragraphs (1) or (2) of subsection a. of section 3 of
47 P.L.1990, c.42 (C.54:15B-3) during the 12-month period following
48 such date.

1 b. The benefit of suspending the taxation of highway fuel, as
2 provided in this section, shall be passed onto the consumers of
3 highway fuel, and the retail price of highway fuel sold in this State
4 shall be reduced to reflect the suspension of taxation.

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6 3. On or before the fifth calendar day following the effective
7 date of this act, the director shall provide written notice to each
8 person otherwise liable for the payment of tax on highway fuel
9 under the “Motor Fuel Tax Act,” P.L.2010, c.22 (C.54:39-101 et
10 seq.) or the “Petroleum Products Gross Receipts Tax Act,”
11 P.L.1990, c.42 (C.54:15B-1 et seq.). In addition to any other
12 information that the director may deem appropriate, the written
13 notice shall inform each person of the provisions of this act.

14
15 4. a. For any month in which the tax imposed under
16 paragraphs (1) and (2) of subsection a. of section 3 of P.L.2010,
17 c.22 (C.54:39-103) is suspended pursuant to section 2 of this act,
18 any person otherwise liable for the precollection or payment of that
19 tax shall submit a written report to the director on or before the
20 22nd day of the following month. In addition to any other
21 information that the director may deem appropriate, the report shall
22 indicate:

23 (1) the amount of tax paid for the month under paragraphs (1)
24 and (2) of subsection a. of section 3 of P.L.2010, c.22 (C.54:39-
25 103); and

26 (2) the total amount of tax that would have been owed for the
27 month under paragraphs (1) and (2) of subsection a. of section 3 of
28 P.L.2010, c.22 (C.54:39-103) if the tax was not suspended pursuant
29 to this act.

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

37 (1) the amount of tax paid for the month on highway fuel under
38 paragraphs (1) and (2) of subsection a. of section 3 of P.L.1990,
39 c.42 (C.54:15B-3); and

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

44
45 5. There is appropriated from the General Fund for deposit into
46 the “Transportation Trust Fund Account,” established pursuant to
47 section 20 of P.L.1984, c.73 (C.27:1B-20), such amounts as are
48 necessary to offset any reductions in motor fuel tax revenues and

1 petroleum products gross receipts tax revenues that occur as a direct
2 result of the provisions of this act, subject to the approval of the
3 Director of the Division of Budget and Accounting in the
4 Department of the Treasury.

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6 6. Notwithstanding any provision of subsection c. of section 3
7 of P.L.1990, c.42 (C.54:15B-3) to the contrary, the State Treasurer
8 shall consider all amounts appropriated pursuant to section 5 of this
9 act as though such amounts were petroleum products gross receipts
10 tax revenues for the purposes of all calculations made under
11 subsection c. of section 3 of P.L.1990, c.42 (C.54:15B-3) relating to
12 the determination of the highway fuel cap amount and the rate of
13 tax imposed on highway fuel.

14
15 7. Notwithstanding any provision of section 19 of P.L.2016,
16 c.57 (C.52:18A-257) to the contrary, this act shall not be construed
17 by the review council to impede the scheduled implementation of
18 P.L.2016, c.57 (C.54:15B-13 et al.) and, therefore, the review
19 council shall not certify for the purposes of subparagraph (h) of
20 paragraph (1) of subsection a. of section 3 of P.L.1990, c.42
21 (C.54:15B-3) to the director that the scheduled implementation of
22 P.L.2016, c.57 (C.54:15B-13 et al.) has been impeded.

23
24 8. Notwithstanding any provision of the “Administrative
25 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.) to the
26 contrary, the Director of the Division of Taxation in the Department
27 of the Treasury shall adopt, immediately upon filing with the Office
28 of Administrative Law and no later than the 30th day after the date
29 of enactment of this act, such rules and regulations as the director
30 deems necessary to implement the provisions of this act, which
31 regulations may thereafter be amended by the director.

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33 9. This act shall take effect immediately.

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36 STATEMENT

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38 This bill provides for a one-year suspension of the taxation of
39 highway fuel under the “Motor Fuel Tax Act,” P.L.2010, c.22
40 (C.54:39-101 et seq.) and the “Petroleum Products Gross Receipts
41 Tax Act,” P.L.1990, c.42 (C.54:15B-1 et seq.). Under the bill, the
42 benefits of the tax holiday are required to be passed onto consumers
43 in the form of reduced retail prices for highway fuels.

44 Specifically, the one-year tax holiday would begin on the seventh
45 calendar day following the date of enactment. The bill also requires
46 the Director of the Division of Taxation in the Department of the
47 Treasury to provide written notice of the tax holiday to all persons
48 otherwise liable for the payment of highway fuel taxes.

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