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MEMORANDUM

TO: NJSBCA

FROM: William J. Pascrell, III

DATE: March 9, 2017

RE: *Senate Budget and Appropriations Committee Meeting*

On March 9, 2017, the Senate Budget and Appropriations Committee met to consider:

- **S2748 (Sarlo/Oroho)** - Exempts fuel used for operation of certain school buses from petroleum products gross receipts tax and motor fuel tax.
 - **S2748** was amended and unanimously released from Committee; and
 - The amendments clarify that the tax treatment of certain died fuel under the petroleum products gross receipts tax;
 - The amendments also, clarify the determination of taxable estates of certain residences for purposes of the estate tax;
 - The amendments also, exclude the exemptions for fuel, and the clarifying changes from the review of the legislative actions by the three-member review council established by P.L. 2016 chapter 57; and
 - Finally, the amendments modify the effective date of the bill to specify that the treatment of died fuels to apply prospectively, and to specify the clarifications to the determination of taxable estates to apply retroactively to January 1st, 2017.

Legislator Statements on S2748:

State Senator Steven Oroho (R-24), a sponsor of the legislation, discussed how the bill clarifies that any school buses carrying children for education purposes would be covered under the bill regardless whether the buses are owned by schools or private contractors

Testimony and Questions on S2748:

The Fuel Merchants Association of New Jersey, **in favor**, requested that the word ‘refund’ be included in the legislation. Further they stated:

- They would like to see ‘pleasure boat users’ to be exempt from the bill; and
- The bill addressed the issue concerning the credit for distributors who buy fuel from suppliers.

The New Jersey School Bus Contractors Association, **in favor**, stated in this situation, they are simply the tax collector. Further noted that:

- Their membership does not like having to ask for money; and
- Their membership would prefer to renew our bids rather than rebid.

Stocker Bus Company, **in favor**, explained that currently, school districts are being affected by this gas tax. Further they noted that:

- Their contracts are currently not subject to negotiation;
- School Boards are questioning why their costs are going on; and
- Their company wants to be able to do business as usual, and not see the cycle go through the school districts.

*Two groups were **in favor** of the bill, with no need to testify including:*

- *Educational Services Commission of New Jersey Group, and the New Jersey Business & Industries Association*