SENATE, No. 831
STATE OF NEW JERSEY
213th LEGISLATURE

INTRODUCED JANUARY 28, 2008

Sponsored by:
Senator ANDREW R. CIESLA
District 10 (Monmouth and Ocean)

SYNOPSIS

Provides credit under corporation business tax and gross income tax for marinas and boatyards that follov certain environmentally sound management practices.

CURRENT VERSION OF TEXT

As introduced.

AN ACT providing a credit under the corporation business tax and the gross income tax for certain marina and boatyard owners, and supplementing chapter 4 of Title 54A of the New Jersey Statutes, P.L.1945, c.162 (C.54:10A-1 et seq.), and Title 58 of the Revised Statutes.

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

1. a. A taxpayer that is an owner or operator of a marina or boatyard located in this State shall be allowed a credit against the tax imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), in an amount equal to 10% of the tax liability otherwise due in a privilege period in which the taxpayer maintains a certification with the clean marina program issued pursuant to section 3 of P.L. , c. (C.) (now before the Legislature as this bill) during a privilege period.

b. The amount of the credit applied under this section against the tax imposed pursuant to section 5 of P.L.1945, c.162, for a privilege period, when taken together with any other credits allowed against the tax imposed pursuant to section 5 of P.L.1945, c.162, shall not exceed 50% of the tax liability otherwise due and shall not reduce the tax liability to an amount less than the statutory minimum provided in subsection (e) of section 5 of P.L.1945, c.162. The priority in which credits allowed pursuant to this section and any other credits shall be taken shall be as determined by the Director of the Division of Taxation. The amount of the credit otherwise allowable under this section which cannot be applied for the privilege period due to the limitations of this subsection or under other provisions of P.L.1945, c.162 may be carried over, if necessary, to the seven privilege periods following the privilege period for which the credit was allowed.

c. To claim the credit authorized under this section, a taxpayer shall apply to the Commissioner of Environmental Protection for certification from the Clean Marina program established pursuant to section 3 of P.L. , c. (C.)(now before the Legislature as this bill). Upon a finding that the marina or boatyard meets the minimum standards established in the Clean Marina program, the commissioner shall so certify to the Division of Taxation. The taxpayer shall attach the certification to the tax return on which the credit is claimed.

2. a. A taxpayer shall be allowed a credit against the tax otherwise due for the taxable year under the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., in an amount equal to 10% of the tax liability otherwise due in a taxable year in which the taxpayer maintains a certification with the clean marina program established pursuant to section 3 of P.L. , c. (C.)(now before the Legislature as this bill) during a taxable year.

b. The amount of the credit applied under this section for a taxable year, when taken together with any other credits allowed against the tax imposed pursuant to N.J.S.54A:1-1 et seq., shall not exceed 50% of the liability otherwise due for the taxable year. The priority in which credits allowed pursuant to this section and any other credits shall be taken shall be as determined by the Director of the Division of Taxation. The amount of the credit otherwise allowable under this section which cannot be applied for the taxable year due

to the limitations of this subsection may be carried over, if necessary, to the seven taxable years following the taxable year for which the credit was allowed.

c. A partnership shall not be allowed a credit under this section directly, but the amount of credit of a taxpayer in respect of a distributive share of partnership income under the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., shall be determined by allocating to the taxpayer that proportion of the credit acquired by the partnership that is equal to the taxpayer's share, whether or not distributed, of the total distributive income or gain of the partnership for its taxable year ending within or with the taxpayer's taxable year. For the purposes of subsection b. of this section, the amount of tax liability that would be otherwise due of a taxpayer is that proportion of the total liability of the taxpayer that the taxpayer's share of the partnership income or gain included in gross income bears to the total gross income of the taxpayer.

d. To claim the credit authorized under this section, a taxpayer shall apply to the Commissioner of Environmental Protection for a certification from the Clean Marina program established pursuant to section 3 of P.L. , c. (C.)(now before the Legislature as this bill). The commissioner shall certify to the Division of Taxation that the marina or boatyard meets the standards established in the Clean Marina program. The taxpayer shall attach the certification to the tax return on which the credit is claimed.

3. a. Within 9 months after the effective date of this act, the Department of Environmental Protection shall establish a voluntary Clean Marina program to provide guidance and minimum standards to the State's marina and boatyard owners and operators on the most effective practices to protect the State's water resources, enhance fish and wildlife habitat, and promote environmentally sound boating practices. The Clean Marina program shall provide guidance on environmentally sound practices for vessel maintenance and repair, petroleum control, sewage handling, waste containment and disposal, stormwater management, marina management, marina maintenance and modification and siting considerations for new or expanding marinas.

b. The Department of Environmental Protection shall, in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), adopt rules and regulations necessary to implement a certification process for the Clean Marina program. Upon application by an owner or operator of a marina or boatyard that meets minimum standards under the Clean Marina program, the Commissioner of Environmental Protection shall issue a certification establishing that the marina or boatyard owner or operator meets the minimum standards established by the Clean Marina program.

4. This act shall take effect immediately, and sections 1 and 2 shall apply respectively to privilege periods and taxable years beginning after enactment.

STATEMENT

This bill establishes a corporation business tax credit and a gross income tax credit equal to 10% of the tax liability otherwise due for the owner or operator of a marina or boatyard that maintains a certification with the

Clean Marina program established by the Department of Environmental Protection (DEP).

To be eligible for the tax credit, the taxpayer would be required to obtain a certification from the DEP that the marina or boatyard meets minimum standards established by the department designed to protect the State's water resources, enhance fish and wildlife habitat, and promote environmentally sound boating practices. The bill requires the Clean Marina program to provide guidance on environmentally sound practices for vessel maintenance and repair, petroleum control, sewage handling, waste containment and disposal, stormwater management, marina management, marina maintenance and modification and siting considerations for new or expanding marinas.