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<b>BILL NO.</b> _____
<b>Date of Intro.</b> _____
<b>Ref.</b> _____

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AN ACT imposing a tax on high-quantity processors of financial transactions, supplementing Title 54 of the Revised Statutes.

Imposes tax on high-quantity processors of financial transactions at \$0.0025 per transaction.

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PRIME Sponsor \_\_\_\_\_ / \_\_\_\_\_

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Same as \_\_\_\_\_ 18/19      Same as \_\_\_\_\_ 20/21

Suggested allocation: ss. 1-3 new subtitle 10 and new chapter 55, C.54:55-1 et seq. to 2020/43

AN ACT imposing a tax on high-quantity processors of financial transactions, supplementing Title 54 of the Revised Statutes.

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

1. As used in P.L. , c. (C. )(pending before the Legislature as this bill):

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

“Financial transaction” means a transaction involving the purchase or sale of a financial security, including but not limited to, a futures contract, options contract, futures option contract, swap contract, credit default swap contract, derivative, or share of stock in an entity.

2. a. A tax is imposed on a person or entity that processes 10,000 or more financial transactions through electronic infrastructure located in this State during the calendar year.

b. The tax is \$0.0025 for each financial transaction processed through electronic infrastructure located in this State.

c. No financial transaction processed through electronic infrastructure located in this State shall be taxed pursuant to this section more than once. If multiple persons or entities process a single financial transaction through electronic infrastructure located in this State, the first person or entity processing the transaction through electronic infrastructure located in this State shall be subject to the tax imposed pursuant to this section.

3. a. The tax imposed by section 2 of P.L. , c. (C. )(pending before the Legislature as this bill) shall be filed and paid on a monthly basis in a manner prescribed by the director.

b. The tax imposed by section 2 of P.L. , c. (C. )(pending before the Legislature as this bill) shall be governed by the provisions of the State Uniform Tax Procedure Law, R.S.54:48-1 et seq.

c. The director shall promulgate such rules and regulations as the director determines are necessary to effectuate the provisions of P.L. , c. (C. )(pending before the Legislature as this bill).

4. This act shall take effect 90 days following enactment.

#### STATEMENT

This bill imposes a tax on persons or entities that process 10,000 or more financial transactions through electronic infrastructure located in New Jersey during the year. The tax is \$0.0025 (a quarter of a cent) per financial transactions processed in New Jersey.

There are reportedly billions of financial transactions processed daily, and many of those are processed through electronic

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infrastructure located in New Jersey. This tax, which is on the processor but may be passed along to the purchaser or seller, can therefore raise billions of dollars in revenue annually for New Jersey.

For purposes of the tax, a financial transaction is a transaction involving the purchase or sale of a financial security. Security includes, but is not limited to, a futures contract, options contract, futures option contract, swap contract, credit default swap contract, derivative, or share of stock in an entity.

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