

**CHAPTER 54****TAXES****Authority**

N.J.S.A. 5:12-63c, 70e, 144a and f and 144.1c.

**Source and Effective Date**

R.2000 d.19, effective December 15, 1999.  
See: 31 N.J.R. 3060(a), 32 N.J.R. 312(a).

**Executive Order No. 66(1978) Expiration Date**

Chapter 54, Taxes, expires on December 15, 2004.

**Chapter Historical Note**

Chapter 54, Taxes, was adopted as R.1978 d.174, effective May 25, 1978. See: 10 N.J.R. 210(c), 10 N.J.R. 305(f).

Pursuant to Executive Order No. 66(1978), Chapter 54, Taxes, was readopted as R.1983 d.131, effective April 15, 1983. See: 15 N.J.R. 328(b), 15 N.J.R. 699(b).

Subchapter 2, Section 144 Investment Obligation Alternative Tax, was adopted as R.1984 d.33, effective February 21, 1984. See: 15 N.J.R. 1838(a), 16 N.J.R. 381(b), 16 N.J.R. 3064(b).

Subchapter 3, Section 144.1 Investment Tax Credits, was adopted as Emergency New Rules by R.1985 d.675, effective December 17, 1985, expired February 15, 1986. See: 18 N.J.R. 108(a).

Subchapter 3, Section 144.1 Investment Tax Credits, was adopted as new rules by R.1986 d.78, effective April 7, 1986. See: 18 N.J.R. 108(a), 18 N.J.R. 708(a).

Pursuant to Executive Order No. 66(1978), Chapter 54, Taxes, was readopted as R.1988 d.179, effective March 24, 1988. See: 20 N.J.R. 383(a), 20 N.J.R. 930(c).

Pursuant to Executive Order No. 66(1978), Chapter 54, Taxes, was readopted by R.1993 d.146, effective March 5, 1993. See: 25 N.J.R. 280(a), 25 N.J.R. 1524(a).

Subchapter 2, Section 144 Investment Obligation Alternative Tax, was repealed and Subchapter 3, Section 144.1 Investment Tax Credits, was recodified as Subchapter 2 by R.1993 d.146, effective April 5, 1993 (operative May 5, 1993). See: 25 N.J.R. 280(a), 25 N.J.R. 1524(a).

Pursuant to Executive Order No. 66(1978), Chapter 54, Taxes, was readopted as R.1995 d.28, effective December 15, 1994. See: 26 N.J.R. 4181(a), 27 N.J.R. 387(a).

Pursuant to Executive Order No. 66(1978), Chapter 54, Taxes, was readopted as R.2000 d.19, effective December 15, 1999. See: Source and Effective Date. See, also, section annotations.

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**SUBCHAPTER 1. GROSS REVENUE TAX****19:54-1.1 Description of tax**

Subsection 144(a) of the Act imposes an annual tax on gross revenues, as defined in section 24 of the Act, in the amount of eight percent of such gross revenues.

Amended by R.1993 d.146, effective April 5, 1993.

See: 25 N.J.R. 280(a), 25 N.J.R. 1524(a).

Deleted outdated text no longer included in Casino Control Act regarding adjustment of gross revenue tax rate.

**19:54-1.2 Definitions**

The following words and terms, when used in this subchapter, shall have the following meanings unless the context clearly indicates otherwise.

“Casino licensee” or “licensed casino” includes the holder of a casino license or interim casino authorization.

“Casino management agreement” means a written agreement between one or more casino licensees and another casino licensee whereby the latter agrees to provide complete management of a casino in accordance with section 82 of the Act.

“Casino management licensee” means a casino licensee which provides complete management of a casino pursuant to a casino management agreement, as herein defined.

“Casino operator” means:

1. Where there is no casino management agreement with regard to the casino hotel facility, the casino operator shall be the casino licensee which is responsible for submitting and maintaining the internal controls required by section 99 of the Act; or

2. Where there is a casino management agreement with regard to the casino hotel facility, the casino operator shall be the casino management licensee, if said licensee has supplied capital at risk in the gaming operations of the casino. If the casino management licensee has supplied none of the capital at risk in the gaming operations of the casino, the casino operator shall be the

licensee designated in paragraph 1 of this definition, as though no casino management agreement existed.

"Casino Revenue Fund" means a separate special account established in the Department of the Treasury for deposit of all revenues from the tax imposed by subsection 144a of the Act, the investment alternative taxes imposed by subsections 144e and 144.1a of the Act, any interest earned pursuant to paragraph 2 of subsection 144.1a or section 145.1 of the Act and any penalties payable to the Casino Revenue Fund pursuant to section 145 of the Act.

"Lease" or "lease agreement" means a written agreement for the lease of the approved hotel in accordance with section 82 of the Act, including any such lease which is capitalized under generally accepted accounting principles.

Amended by R.1993 d.146, effective April 5, 1993.

See: 25 N.J.R. 280(a), 25 N.J.R. 1524(a).

Revised definitions of "Casino licensee" or "licensed casino"; "Casino Revenue Fund"; and "Lease" or "lease agreement".

Added "Gaming day" definition, deleting definition of "Day".

Amended by R.1994 d.31, effective January 18, 1994.

See: 25 N.J.R. 4866(a), 26 N.J.R. 486(a).

### 19:54-1.3 Tax year

For purposes of the tax on gross revenues, the tax year shall be the calendar year. In the year in which a casino operator commences gaming operations, the tax year for that casino operator shall begin with the commencement of operations and terminate on the last gaming day of the current calendar year.

Amended by R.1993 d.146, effective April 5, 1993.

See: 25 N.J.R. 280(a), 25 N.J.R. 1524(a).

Added "gaming" to describe day in final sentence of text.

### 19:54-1.4 Tax payer

(a) The obligation to file returns and reports and to pay the gross revenue tax and any investment alternative taxes shall be upon the casino operator who shall be primarily liable therefor. In the event of a transfer of operations to a different casino operator, the transferee-operator will be obligated to file a return and to pay all taxes based upon gross revenues derived by the said transferee during the tax year in which the transfer occurred. The appointment of a conservator under the Act shall not be deemed a transfer to a different casino operator but, for the duration of the conservatorship, the conservator shall file all returns and pay all taxes on behalf of the former or suspended casino licensee who shall remain primarily liable therefor.

(b) In accordance with section 82 of the Act, each casino licensee which is a party to either a casino management agreement or a lease with the casino operator, shall be individually and severally liable for any acts, omissions and violations by the casino operator regarding the taxation obligations imposed by the Act regardless of actual knowledge of such act, omission or violation and notwithstanding any provision of such agreement or lease to the contrary.

(c) In the event of a sale or other transfer by the casino operator of its interest in the licensed premises to another casino licensee, the transferee shall be liable for any default by the former casino operator in its taxation obligations with respect to the licensed premises. The liability of the transferee shall not, however, release any other party from potential liability.

(d) Nothing in this section shall be construed to limit the authority of the State Treasurer or the Commission to enforce any tax obligation by way of a lien against the property of a taxpayer or otherwise as provided by the "State Tax Uniform Procedure Law", Subtitle 9 of Title 54 of the Revised Statutes, by the Act or by any other applicable law.

Amended by R.1993 d.146, effective April 5, 1993.

See: 25 N.J.R. 280(a), 25 N.J.R. 1524(a).

In (a): added the phrase "and any investment alternative taxes". Stylistic revisions in (b)-(d).

### 19:54-1.5 Payment of tax

(a) In accordance with subsection 148(a) of the Act, the gross revenues tax shall be due and payable annually on or before the 15th calendar day of March except that if the 15th day of March is a Saturday, Sunday or legal holiday, the due date shall be advanced to the next preceding regular business day. The gross revenues tax shall be based upon the gross revenues derived by the casino operator during the previous tax year. The amount of the annual tax shall be computed in accordance with N.J.A.C. 19:54-1.6.

(b) The annual nature of the tax notwithstanding, the casino operator shall make weekly deposits of the tax at such times, under such conditions, and in such depositories as shall be prescribed by the State Treasurer pursuant to subsection 145(b) of the Act, provided that deposits for a given week shall be made no later than the Monday of the succeeding week. If such Monday is a legal holiday, the deposit shall be made on the next business day. In the event that the week for which the weekly deposit is being made includes gaming days from two calendar months, the casino operator shall deposit and report separately, the amount of the deposit attributable to the gaming days of each month. The deposits shall be deposited to the credit of the Casino Revenue Fund.

(c) The amount of the required weekly deposit for a given week shall be determined by subtracting the total amount of deposits made by the casino operator in the current tax year up to and including the week preceding the given week from the total tax liability incurred by the casino operator for the current tax year. The total tax liability for the current tax year shall be based upon the gross revenues derived by the casino operator from the commencement of the current tax year to the end of the gaming day which commenced on the Friday of the given week.

1. Any casino operator that estimates slot machine drop for purposes of the monthly gross revenue tax report pursuant to N.J.A.C. 19:54-1.7(c) shall include a weekly

slot machine drop estimate, calculated in accordance with methodology approved pursuant to that subsection, in each weekly tax deposit required by this section.