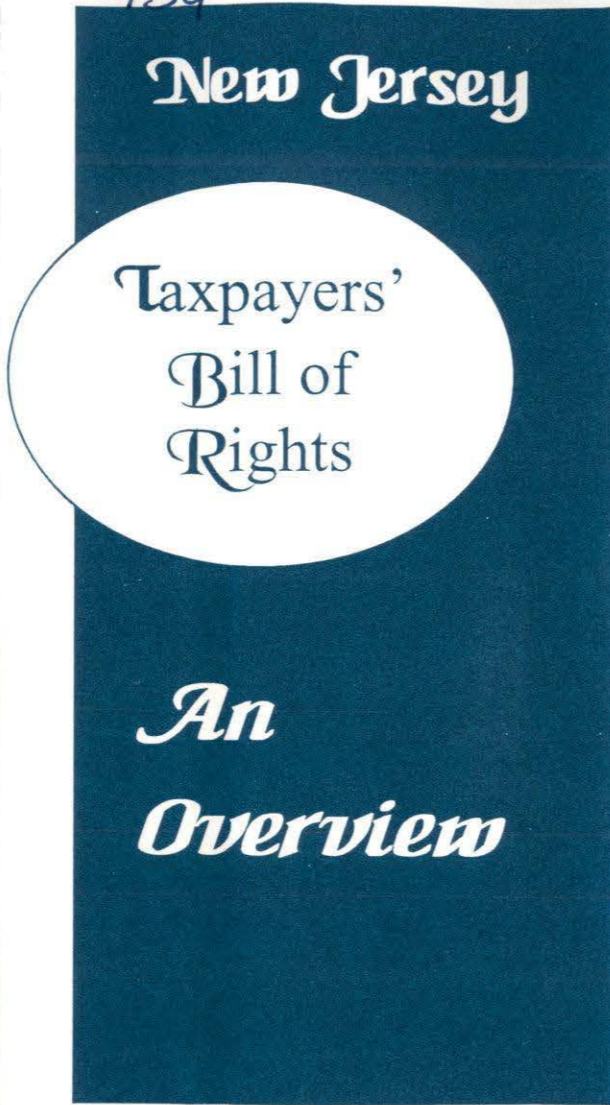
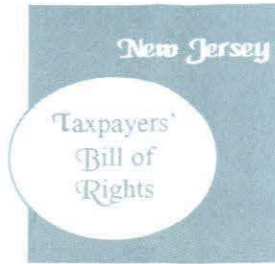


STATE OF NEW JERSEY  
DEPARTMENT OF THE TREASURY  
DIVISION OF TAXATION  
OFFICE OF COMMUNICATION  
CN 281  
TRENTON, NJ 08646-0281



New Jersey State Library

New Jersey Division of Taxation  
Leslie A. Thompson, Director  
June 1993



*The Taxpayers' Bill of Rights ensures that: 1) all taxpayers are accorded the basic rights of fair and equitable treatment under the law;*

*and 2) all taxpayers receive the information and assistance they need to understand and meet their State tax responsibilities. This bill also establishes taxpayers' rights and obligations regarding Division of Taxation procedures for refunds, collections and appeals.*

*Some of the provisions of the bill became effective January 1, 1993, while most other provisions are effective July 1, 1993. This brochure gives you an overview of how the Taxpayers' Bill of Rights legislation will affect you in your dealings with the Division.*

### Improved Service

- **Taxpayers' Right to Know** - As a taxpayer, you have the right to obtain information about:
  - the tax implications of any situation or transaction
  - your tax liability and how it was determined
  - any notice you receive from the Division
  - your responsibilities and rights
- **Responsiveness** - The Division of Taxation will respond to your questions within a reasonable time period.

- **Statements and Notices** - All notices you receive from the Division will clearly identify the purpose of the communication and tell you how you should respond to the statement or notice.
- **Information Provided to Taxpayers** - The Division has prepared statements that explain in simple, nontechnical terms taxpayers' rights and the procedures to follow when disagreeing with assessments or protesting actions of the Division. This information will be available to all taxpayers dealing with the Division.
- **Reliance on the Division's Written Advice** - Penalties and interest will be waived if you can show that you reasonably relied on erroneous written advice from the Division, provided the advice was not the result of your failure to provide adequate or accurate information.

### General Rights

- **Interview Rights** - You may have an attorney and/or accountant with you at any conference. Either you or the Division may record the interview, if prior notice has been given. If the Division records the interview, a copy of the recording will be made available to you for a small fee.
- **Registered or Certified Mail** - All notices of assessment related to final audits and all "Notice and Demand for Payment of Tax" letters will be sent by registered or certified mail.

# New Jersey Taxpayers' Bill of Rights

- **Payment Agreements** - The Director of the Division of Taxation has the authority to enter into payment agreements with taxpayers. Requests for payment agreements will be reviewed on a case by case basis. If a payment agreement is set up for you, it will include your unpaid tax, any penalties you owe and interest. You should be aware that although a payment agreement extends the time to pay your liability, interest continues to accrue until the liability is paid in full.
- **Legal Action Against the Division** - If a Division employee knowingly and recklessly disregards any tax law or fails to release a lien, a taxpayer may sue for damages.
- **Award of Court Costs** - You may be awarded up to \$15,000 in court costs if the Tax Court determines that the Division initiated court proceedings without reasonable cause. Likewise, the Division can recover costs if you initiate proceedings without basis.

## Tax Returns and Refunds

The new law provides consistent treatment for assessments and refunds. A taxpayer has always had the right to claim a refund for overpayment of taxes by filing a return. The Taxpayers' Bill of Rights standardizes the time for claiming a refund for most taxes administered by the Division of Taxation. It also establishes a consistent treatment of postmark date for all State taxes.

- **Standardized Time for Refunds and Assessments** - There is a four year statute

of limitations (time allowed by law) for both refunds and assessments for tax returns with an original due date on and after July 1, 1993, except where a shorter time period is specified in the tax law (e.g., income tax). If you and the Division sign an agreement extending an assessment period, the time for filing a refund claim is also extended.

- **Postmark Date** - All New Jersey returns postmarked on or before the due date of the return are considered to have been filed on time. Tax returns postmarked after the due date are considered to be late. When a return is postmarked after the due date, the filing date for that return is the date the return was received by the Division, not the postmark date of the return. Interest on unpaid liabilities is assessed from the due date of the return.

## Tax Assessment

The Taxpayers' Bill of Rights standardizes the time period for assessing unpaid taxes. In general, the Division has four years from the date you filed your return to assess additional taxes. There is no time limit if you did not file your tax return, or if you file a false or fraudulent return.

## Appeal Rights

If you disagree with a determination made by the Division, you may request an informal administrative conference with the Conference and Appeals Branch of the Division of

Taxation. You may have an attorney and/or accountant with you at the conference. The Taxpayers' Bill of Rights increases the time to appeal from 30 days to 90 days.

## Penalty and Interest

New provisions lower the interest rates and ensure that the first notice sent by the Division is the "best deal" for all taxpayers.

- **First Bill the Cheapest** - For return periods ending on and after July 1, 1993, generally there will be no late payment penalty imposed on the first notification of an underpayment. However, the late filing penalty (5% per month up to 25%) will be imposed.
- **New Interest Calculation** - For return periods ending on and after July 1, 1993, the annual interest rate is 3% above the prime rate. Interest is imposed for every month or fraction of a month the tax is unpaid. Interest will no longer be compounded daily, but it will be compounded annually at the end of each year. For return periods ending before July 1, 1993, interest at 5% above the prime rate, compounded daily, will be calculated up to June 30, 1993. The new interest rates will then be assessed on the outstanding balance as of July 1, 1993 until the debt is paid.
- **Interest Paid on Refunds for All Taxes** - Interest at the prime rate, compounded annually, will be paid on refunds made by the Division six months after the filing date, the due date of the return, the date the

refund claim was filed or the date the tax was paid (whichever is later). This provision applies to all New Jersey taxes administered by the Division and will affect tax returns due on and after January 1, 1994.

## For More Information

For more information on the Taxpayers' Bill of Rights, call the Division's automated information and assistance service at 800-323-4400 and request the following Taxpayers' Bill of Rights Information sheets:

<b>TBR-1</b>	<i>Your Interview Rights</i>
<b>TBR-2</b>	<i>The Audit Process</i>
<b>TBR-3</b>	<i>The Collection Process</i>
<b>TBR-4</b>	<i>Postmark Date</i>
<b>TBR-5</b>	<i>General Rights</i>
<b>TBR-6</b>	<i>Uniform Tax Procedures</i>
<b>TBR-7</b>	<i>General Billing Procedures</i>
<b>TBR-8</b>	<i>Penalty and Interest Rules</i>
<b>TBR-9</b>	<i>Appeal Rights</i>
<b>TBR-10</b>	<i>Refund Rights</i>

For general State tax questions, call the Division's Tax Hotline at (609) 588-2200, or write to the Division of Taxation at the address below.

This brochure was produced by:  
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