

CHAPTER 24
SALES AND USE TAX ACT

Authority

N.J.S.A. 54:32B-24 and 54:50-1.

Source and Effective Date

R.2008 d.356, effective October 28, 2008.
See: 40 N.J.R. 1777(a), 40 N.J.R. 6832(a).

Chapter Expiration Date

In accordance with N.J.S.A. 52:14B-5.1b, Chapter 24, Sales and Use Tax Act, expires on October 28, 2015. See: 43 N.J.R. 1203(a).

Chapter Historical Note

All provisions of this chapter became effective prior to September 1, 1969.

1969 Revisions: Amendments became effective December 23, 1969 as R.1969 d.36. See: 2 N.J.R. 7(b).

1970 Revisions: Amendments became effective July 1, 1979 as R.1979 d.70. See: 2 N.J.R. 51(b), 2 N.J.R. 58(a).

1971 Revisions: Amendments became effective September 2, 1971 as R.1971 d.157. See: 3 N.J.R. 211(a), 3 N.J.R. 162(b). Further amendments became effective November 1, 1971 as R.1971 d.194. See: 3 N.J.R. 275(b), 3 N.J.R. 207(c). Further amendments became effective December 10, 1971 as R.1971 d.218. See: 4 N.J.R. 13(c), 3 N.J.R. 234(b).

1972 Revisions: Subchapter 21 was adopted as R.1972 d.126, effective July 1, 1972. See: 4 N.J.R. 197(d). Amendments became effective February 9, 1972 as R.1972 d.27. See: 4 N.J.R. 54(b), 4 N.J.R. 12(b). Also, on December 18, 1972 as R.1972 d.258. See: 4 N.J.R. 19(c), 5 N.J.R. 23(b).

1973 Revisions: Amendments became effective May 30, 1973 as R.1973 d.139. See: 5 N.J.R. 246(b). Further amendments became effective December 4, 1973 as R. 1973 d.336. See: 5 N.J.R. 392(a), 6 N.J.R. 38(a).

1974 Revisions: Subchapter 22 was adopted as R.1974 d.123, effective May 20, 1974. See: 6 N.J.R. 85(a), 6 N.J.R. 251(a). Subchapter 23 became effective April 19, 1974 as R.1974 d.96. See: 6 N.J.R. 123(a), 6 N.J.R. 208(a). Amendments became effective August 30, 1974 as R.1974 d.244. See: 6 N.J.R. 326(a), 6 N.J.R. 414(e). Subchapter 24 was adopted as R.1974 d.252, effective September 17, 1974. See: 6 N.J.R. 415(a).

1975 Revisions: Amendments became effective January 13, 1975 as R.1975 d.4. See: 6 N.J.R. 494(b), 7 N.J.R. 77(a). Further amendments became effective June 26, 1975 as R.1975 d.187. See: 7 N.J.R. 282(a), 7 N.J.R. 350(b). Further amendments became effective August 15, 1975 as R.1975 d.246. See: 7 N.J.R. 347(a), 7 N.J.R. 446(b). Subchapter 24 became effective September 17, 1974 as R.1974 d.252. See: 6 N.J.R. 415(a).

1976 Revisions: Amendments became effective February 27, 1976 as R.1976 d.62. See: 8 N.J.R. 87(b), 8 N.J.R. 209(a). June 21, 1976 as R.1976 d.190. See: 8 N.J.R. 356(e).

1977 Revisions: Amendments became effective February 3, 1977 as R.1977 d.29. See: 9 N.J.R. 44(b), 9 N.J.R. 147(b). Further amendments became effective September 30, 1977 as R.1977 d.365. See: 9 N.J.R. 445(a), 9 N.J.R. 544(a). Further amendments became effective December 29, 1977 as R.1977 d.484. See: 9 N.J.R. 594(a), 10 N.J.R. 81(a).

1978 Revisions: Subchapter 25 became effective May 4, 1978 as R.1978 d.142. See: 10 N.J.R. 173(a), 10 N.J.R. 265(e). Subchapter 26 became effective August 15, 1978 as R.1978 d.285. See: 10 N.J.R. 300(a), 10 N.J.R. 407(a). Further amendments became effective September 13, 1978 as R.1978 d.320. See: 10 N.J.R. 362(a), 10 N.J.R. 457(b).

1979 Revisions: Amendments became effective March 8, 1979 as R.1979 d.89. See: 11 N.J.R. 103(a), 11 N.J.R. 210(d). Further amendments became effective May 4, 1979 as R.1979 d.179. See: 11 N.J.R. 209(b), 11 N.J.R. 305(a). Further amendments became effective September 28, 1979 as R.1979 d.384. See: 11 N.J.R. 472(b), 11 N.J.R. 595(a).

1980 Revisions: Amendments became effective March 15, 1980 as R.1980 d.102. See: 12 N.J.R. 96(b), 12 N.J.R. 224(d). Further amendments became effective April 9, 1980 as R.1980 d.149 and d.150. See: 12 N.J.R. 161(b), 12 N.J.R. 293(e); 12 N.J.R. 161(c), 12 N.J.R. 293(f). Further amendments became effective May 6, 1980 as R.1980 d.197. See: 12 N.J.R. 219(b), 12 N.J.R. 355(a). Further amendments became effective November 6, 1980 as R.1980 d.489. See: 12 N.J.R. 619(a), 12 N.J.R. 729(b).

1981 Revisions: Subchapter 27 was adopted as R.1981 d.208, effective July 9, 1981. See: 13 N.J.R. 164(a), 13 N.J.R. 465(d). Amendments became effective July 9, 1981 as R.1981 d.209 and d.210. See: 13 N.J.R. 163(a), 13 N.J.R. 465(a); 13 N.J.R. 111(a), 13 N.J.R. 465(c). Subchapter 28 was adopted as R.1981 d.436, effective November 16, 1981. See: 13 N.J.R. 622(a), 13 N.J.R. 847(c).

1982 Revisions: Amendments became effective February 16, 1982 as R.1982 d.36. See: 13 N.J.R. 751(a), 14 N.J.R. 212(b). Further amendments became effective April 5, 1982 as R.1982 d.85. See: 13 N.J.R. 883(b), 14 N.J.R. 348(a). Further amendments became effective May 3, 1982 as R.1982 d.141. See: 14 N.J.R. 140(b), 14 N.J.R. 430(b).

1983 Revisions: Amendments became effective June 20, 1983 as R.1983 d.220. See: 15 N.J.R. 324(a), 15 N.J.R. 1039(b). Subchapter 29 was adopted as R.1983 d.324, effective August 15, 1983. See: 15 N.J.R. 797(a), 15 N.J.R. 1384(a). This chapter was readopted pursuant to Executive Order 66(1978) effective August 12, 1983 as R.1983 d.357. See: 15 N.J.R. 1086(a), 15 N.J.R. 1487(d). Further amendments became effective September 6, 1983 as R.1983 d.367. See: 15 N.J.R. 1088(a), 15 N.J.R. 1488(a).

1984 Revisions: Amendments became effective January 17, 1984 as R.1983 d.619. See: 15 N.J.R. 1565(a), 16 N.J.R. 148(c). Further amendments became effective April 16, 1984 d.126. See: 16 N.J.R. 235(a), 16 N.J.R. 926(b). Further amendments became effective May 7, 1984 as R.1984 d.156. See: 16 N.J.R. 359(a), 16 N.J.R. 1098(a). Further amendments became effective September 4, 1984 as R.1984 d.380. See: 16 N.J.R. 1466(a), 16 N.J.R. 2379(c). Further amendments became effective October 1, 1984 as R.1984 d.431. See: 16 N.J.R. 1965(a), 16 N.J.R. 2689(a). Subchapter 31 was adopted as R.1984 d.495, effective November 5, 1984. See: 16 N.J.R. 1332(a), 16 N.J.R. 3059(a).

1985 Revisions: Amendments became effective February 4, 1985 as R.1985 d.31. See: 16 N.J.R. 3193(a), 17 N.J.R. 320(c). Further amendments became effective February 19, 1985 as R.1985 d.44. See: 16 N.J.R. 3298(b), 17 N.J.R. 480(a). Subchapter 12 title was changed from "Criteria for Determining Taxability of Food" and the subchapter was revised effective June 3, 1985 as R.1985 d.280. See: 17 N.J.R. 178(a), 17 N.J.R. 1440(a).

1986 Revisions: Amendments became effective January 6, 1986 as R.1985 d.651 and d.652. See: 17 N.J.R. 2387(a), 18 N.J.R. 94(b); 17 N.J.R. 2240(a), 18 N.J.R. 94(a).

1987 Revisions: Amendments became effective August 17, 1987 as R.1987 d.325. See: 19 N.J.R. 858(a), 19 N.J.R. 1570(a). Further amendments became effective November 16, 1987 as R.1987 d.474. See: 19 N.J.R. 1181(b), 19 N.J.R. 2201(b).

1988 Revisions: This chapter was readopted effective June 7, 1988 as R.1988 d.298. See: 20 N.J.R. 512(a), 20 N.J.R. 1570(d).

Pursuant to Executive Order No. 66(1978), Chapter 24, Sales and Use Tax Act, was readopted as R.1993 d.313, effective June 4, 1993. See: 25 N.J.R. 1486(a), 25 N.J.R. 2899(c). Subchapter 21, Accounting Procedures relating to Sales of Alcoholic Beverages, and Subchapter 24, Sale and Installation of Gasoline Service Station Equipment, were repealed by R.1993 d.313, effective July 6, 1993. See: 25 N.J.R. 1486(a), 25 N.J.R. 2899(c).

Pursuant to Executive Order No. 66(1978), Chapter 24, Sales and Use Tax Act, was readopted as R.1998 d.288, effective May 8, 1998. See: 30 N.J.R. 1206(b), 30 N.J.R. 2070(b).

Chapter 24, Sales and Use Tax Act, was readopted as R.2003 d.348, effective July 28, 2003. See: 35 N.J.R. 2165(a), 35 N.J.R. 3848(a).

Chapter 24, Sales and Use Tax Act, was readopted as R.2008 d.356, effective October 28, 2008. As a part of R.2008 d.356, Subchapter 1, Forms, was renamed Forms and Definitions; Subchapter 2, Retention of Records By Vendors, was renamed Retention of Records By Sellers; Subchapter 3, Room Occupancy Subject to Sales Tax, was renamed Hotel Room Occupancy Subject to Sales Tax; Subchapter 5, Building and Construction Trades, was renamed Contractors and Services Performed on Real Property; Subchapter 6, Clothing and Footwear, was repealed and Subchapter 6, Sales of Clothing, Footwear, and Protective Equipment and Services Performed on Clothing, was adopted as new rules; Subchapter 9, Requirements Relating to Organizations Operated for Religious, Charitable, Scientific, Testing for Public Safety, Literary or Educational Purposes or for the Prevention of Cruelty to Children or Animals, was renamed Requirements Relating to Exempt Private Organizations; Subchapter 12, Receipts from the Sale of Food and Drink, was renamed Receipts from the Sale of Food, Food Ingredients and Prepared Food; Subchapter 13, Trash Removal Service, was renamed Garbage Removal Service; Subchapter 15, Taxability of Certain Linen Rentals, was repealed and Subchapter 15, Laundry and Dry Cleaning Services, was adopted as new rules; Subchapter 25, Data Processing, was repealed and Subchapter 25, Sales of Software and Related Services was adopted as new rules; Subchapter 27, Transportation of Tangible Personal Property, was repealed and Subchapter 27, Transportation of Persons and of Tangible Personal Property, was adopted as new rules; and Subchapter 32, Leases and Rentals of Tangible Personal Property, Subchapter 33, Massage, Bodywork, and Somatic Services, Subchapter 34, Investigation and Security Services, Subchapter 35, Information Services, and Subchapter 36, Sales Price were adopted as new rules, effective December 1, 2008. See: Source and Effective Date. See, also, section annotations.

CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. FORMS AND DEFINITIONS

- 18:24-1.1 Sales and Use Tax Act forms enumerated
- 18:24-1.2 Definitions
- 18:24-1.3 through 18:24-1.4 (Reserved)

SUBCHAPTER 2. RETENTION OF RECORDS BY SELLERS

- 18:24-2.1 Scope of subchapter
- 18:24-2.2 Definitions
- 18:24-2.3 General requirements
- 18:24-2.4 Summary sales records
- 18:24-2.5 Resale and exemption certificates
- 18:24-2.6 Records for out-of-State sales
- 18:24-2.7 Records presumed representative of accounting practices
- 18:24-2.8 Purchase records
- 18:24-2.9 Direct payment permit holder's records
- 18:24-2.10 Extended recordkeeping periods
- 18:24-2.11 Waiver of recordkeeping requirements
- 18:24-2.12 Waiver of limitation of time by seller
- 18:24-2.13 (Reserved)
- 18:24-2.14 Exempt organization certificates; effective date
- 18:24-2.15 Insufficiency of records
- 18:24-2.16 Admission records and information; promoter registration

SUBCHAPTER 3. HOTEL ROOM OCCUPANCY SUBJECT TO SALES TAX

- 18:24-3.1 Taxes on hotel room occupancy
- 18:24-3.2 Definitions
- 18:24-3.3 Guest house

SUBCHAPTER 4. MANUFACTURING, PROCESSING, ASSEMBLING AND REFINING INDUSTRIES

- 18:24-4.1 Scope of subchapter
- 18:24-4.2 Definitions
- 18:24-4.3 Tax on purchase or use of certain items
- 18:24-4.4 Purchase, rental, lease or use of machinery, apparatus or equipment directly in production exempt from tax
- 18:24-4.5 Purchase or use of components and catalysts exempt from tax
- 18:24-4.6 Services subject to tax
- 18:24-4.7 Services not subject to tax
- 18:24-4.8 Recordkeeping

SUBCHAPTER 5. CONTRACTORS AND SERVICES PERFORMED ON REAL PROPERTY

- 18:24-5.1 Scope of subchapter
- 18:24-5.2 Definitions
- 18:24-5.3 Purchase of materials and supplies by contractors
- 18:24-5.4 Equipment purchase, rental or use
- 18:24-5.5 Purchase of taxable services by contractors
- 18:24-5.6 Contractor's tangible personal property installation services
- 18:24-5.7 Documentation and application of the capital improvement exemption
- 18:24-5.8 Contractor services maintaining, servicing or repairing real property
- 18:24-5.9 Fabricator/contractor's purchase of materials
- 18:24-5.10 Fabricator/contractor's sales of completed products
- 18:24-5.11 Fabricator/contractor sale and installation of completed products; tax
- 18:24-5.12 Subcontractor purchases and services
- 18:24-5.13 Performance of contracts out-of-State
- 18:24-5.14 Out-of-State purchases
- 18:24-5.15 Code provisions applicable to certificates
- 18:24-5.16 Certificate issuance and acceptance procedures
- 18:24-5.17 (Reserved)
- 18:24-5.18 Records
- 18:24-5.19 Unregistered contractor bonds or reports

SUBCHAPTER 6. SALES OF CLOTHING, FOOTWEAR, AND PROTECTIVE EQUIPMENT AND SERVICES PERFORMED ON CLOTHING

- 18:24-6.1 Scope of subchapter
- 18:24-6.2 Definitions
- 18:24-6.3 Exempt sales of clothing and footwear
- 18:24-6.4 Sales of protective equipment necessary for the user's work
- 18:24-6.5 Sales of accessories not exempt
- 18:24-6.6 Sales of sport or recreational equipment not exempt
- 18:24-6.7 Sewing materials
- 18:24-6.8 Services performed on clothing

SUBCHAPTER 7. MOTOR VEHICLES

- 18:24-7.1 Definitions
- 18:24-7.2 Taxability of retail sales receipts
- 18:24-7.3 Tax payment prerequisite to registration
- 18:24-7.4 Computation of tax on purchase price; trade-in
- 18:24-7.5 Charges in tax computation
- 18:24-7.6 External tax computation indices
- 18:24-7.7 Out-of-State purchase by resident
- 18:24-7.8 Sales of motor vehicles specifically exempted
- 18:24-7.9 Transfers statutorily excluded from tax
- 18:24-7.10 Procedures for motor vehicle dealers; forms and certificates
- 18:24-7.11 Casual sales of motor vehicles

procedures which assure the accuracy and completeness of the transactions recorded in the books and records.

2. The records are not maintained in accordance with the general outline of this chapter.

(b) If the records of a seller are determined to be incorrect or insufficient, the return(s) filed on the basis of the information obtained from such records may be deemed to be incorrect or insufficient and the Director may determine the amount of tax due the State by using any information available, whether from the seller's place of business or from any other source.

R.1982 d.36, effective February 16, 1982.

See: 13 N.J.R. 751(a), 14 N.J.R. 212(b).

Amended by R.2008 d.356, effective December 1, 2008.

See: 40 N.J.R. 1777(a), 40 N.J.R. 6832(a).

Substituted "seller" for "vendor" throughout; and in (b), substituted "Director" for "director" and "seller's" for "vendor's".

18:24-2.16 Admission records and information; promoter registration

(a) Every person who contracts, agrees to or otherwise arranges to hold, produce or sponsor an event, entertainment, or amusement the admission to which is subject to tax under N.J.S.A. 54:32B-3(e) of the Sales and Use Tax Act is deemed to be a promoter and a person required to collect sales tax and shall, within three days after commencing business, file with the Division of Revenue an application for registration (NJ-REG) for New Jersey sales tax purposes. When registration is granted, it will be for an indefinite period. However, the applicant must notify the Division of Taxation of any change of address, ownership, and business activity.

(b) Every person required to collect sales tax shall collect the tax on receipts from sales of taxable admissions for events, entertainments, or amusements to be held in New Jersey, including exempt organizations described in N.J.S.A. 54:32B-9 of the Sales and Use Tax Act. If the customer is given a ticket or other evidence of a right to admission which states the price of the admission, there must be a separate statement thereon of the sales tax imposed and collected with respect to the sale of the admission for remittance to the Division of Taxation.

(c) Any person who sells admission tickets or collects admission charges for a promoter is considered the recipient of amusement charges and is also a person required to register and collect and remit sales tax; provided, however, that the sales tax collected may be turned over to and remitted to the Division of Taxation by the promoter for whom the admissions were sold if all the following requirements are met:

1. The ticket sales agent is acting under a written agreement with the promoter which accounts for the sales tax and provides for the tax collected to be remitted by the promoter;

2. The promoter provides the ticket sales agent with a copy of its New Jersey Certificate of Authority;

3. The ticket sales agent has no reason to believe the sales tax will not be remitted by the promoter;

4. The ticket sales agent maintains records showing the promoter's name, address, telephone number, a copy of the promoter's New Jersey Certificate of Authority, the number of tickets sold or admissions granted, gross receipts from admission ticket sales, sales tax collected for New Jersey, and such other information as the Director may specify from time to time; and,

5. The Division of Taxation has not instructed the ticket sales agent in writing to remit the tax collected for that promoter directly to the State.

(d) A person who sells admission tickets or collects admission charges for a promoter or who rents or leases space for an event, amusement or entertainment the admission to which is subject to tax shall, upon request, furnish information to the Division of Taxation concerning any such New Jersey events, entertainment or amusements and their promoters.

New Rule, R.1992 d.140, effective March 16, 1992.

See: 23 N.J.R. 3275(b), 24 N.J.R. 969(b).

Amended by R.2003 d.348, effective August 18, 2003.

See: 35 N.J.R. 2165(a), 35 N.J.R. 3848(a).

In (a), substituted "Revenue" for "Taxation" and substituted "NJ-REG" for "REG-1" in the first sentence.

SUBCHAPTER 3. HOTEL ROOM OCCUPANCY SUBJECT TO SALES TAX

18:24-3.1 Taxes on hotel room occupancy

(a) The rent for every occupancy of a room or rooms in a hotel, as defined in N.J.A.C. 18:24-3.2, is subject to sales tax, except that the tax is not imposed upon:

1. A permanent resident who is in residence for at least 90 consecutive days; or

2. A daily rental of not more than \$2.00.

Amended by R.2003 d.348, effective August 18, 2003.

See: 35 N.J.R. 2165(a), 35 N.J.R. 3848(a).

In (a)1, substituted "is" for "shall be".

18:24-3.2 Definitions

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

"Hotel" means a building or portion thereof, which is regularly used and kept open as such for the purpose of furnishing sleeping accommodations and related services for pay to tourists, transients, or travelers. It includes, but is not limited to, the following:

1. An apartment hotel, bed and breakfast, motel, inn, tourist home, tourist house or court, tourist cabin and club;

2. A boarding house or rooming house containing eight or more units; and

3. Any other building or group of buildings in which sleeping accommodations are normally available to the public on a transient basis.

“Unit” means any portion of a building which is, or may be, rented or leased separately to any individual or family.

Amended by R.2008 d.356, effective December 1, 2008.

See: 40 N.J.R. 1777(a), 40 N.J.R. 6832(a).

In the introductory paragraph, substituted “subchapter” for “Subchapter”; in the introductory paragraph of definition “Hotel”, inserted a comma following “thereof” and “limited to” and inserted “and related services”; and in paragraph 1, inserted “bed and breakfast.”

Petition for Rulemaking.

See: 42 N.J.R. 92(a).

18:24-3.3 Guest house

A boarding or rooming house containing fewer than eight units must be registered and collect and remit sales tax on taxable occupancies as a hotel unless it is held out by the operator and kept open for the residence of permanent boarders or lodgers. A permanent boarder or lodger is any person who occupies or has the right to occupy a room or rooms in the house for at least 90 consecutive days.

Repeal and New Rule, R.1993 d.313, effective July 6, 1993.

See: 25 N.J.R. 1486(a), 25 N.J.R. 2899(c).

Section was “Effective date tax payable”.

SUBCHAPTER 4. MANUFACTURING, PROCESSING, ASSEMBLING AND REFINING INDUSTRIES

18:24-4.1 Scope of subchapter

(a) This subchapter is intended to clarify the application of the Sales and Use Tax Act (N.J.S.A. 54:32B-1 et seq.) to:

1. Manufacturing, processing, assembling and refining industries; and

2. Services performed on real or tangible personal property.

As amended, R.1977 d.365, effective September 30, 1977.

See: 9 N.J.R. 445(a), 9 N.J.R. 544(a).

18:24-4.2 Definitions

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

“Assembling” means the collecting or gathering together of the parts of a product, and placing them in their proper relation to each other.

“Machinery, apparatus, or equipment” means any complex, mechanical, electrical or electronic device, mechanism or instrument which is adapted to the accomplishment of a

production process, and which is designed to be used, and is used, in manufacturing, converting, processing, fabricating, assembling, or refining tangible personal property for sale.

“Manufacturing or processing” means the performance of an operation or series of operations, the object of which is to place items of tangible personal property in a form, composition, or character different from that in which they were acquired. The change in form, composition, or character must be a substantial change, and it must result in a transformation of property into a different or substantially more usable product.

“Motor vehicle” means all vehicles propelled otherwise than by muscular power (excepting such vehicles as run only upon rails or tracks), trailers, semitrailer, house trailers, or any other type of vehicle drawn by a motor-driven vehicle, and motorcycles, designed for operation on the public highways.

“Part” means an item used as a replacement for any portion of a machine and which is attached or affixed to the machine of which it is a part permanently or during periods of use. A part cannot accomplish the work for which it was designed independent of the machine of which it is intended to be a component.

“Refining” means the making fine or pure, or partially free from extraneous or undesirable matter.

“Supplies” means items of tangible personal property used in the maintenance of a building, work area, or machinery, apparatus, and equipment, and may include items of tangible personal property consumed or used in production whose uses are incidental to such production. Supplies include, but are not limited to, such items as lubricants, cleaning materials, boiler compounds and light bulbs.

“Tool” means a hand-held and manually operated work instrument which is simple in design and used in the performance of simple work functions.

“Year” means a standard calendar year of 12 months.

Law Review and Journal Commentaries

Tax Law. Robert J. Alter, Jay Soled, 135 N.J.L.J. S53 (1993).

Case Notes

Manufacturing tax exemption applied to equipment used to produce property which is used to produce other property sold to consumers. *GE Solid State, Inc. v. Director, Div. of Taxation*, 132 N.J. 298, 625 A.2d 468 (1993).

Interpretation of manufacturing exemption to sales and use tax was not manifestly unreasonable. *GE Solid State, Inc. v. Director, Div. of Taxation*, 11 N.J. Tax 320 (1990), affirmed 254 N.J. Super. 653, 604 A.2d 189, certification granted 130 N.J. 394, 614 A.2d 617, reversed 132 N.J. 298, 625 A.2d 468.

Receipts from purchase of photomask machinery by manufacturer of integrated circuits did not qualify for exemption from sales or use tax. *GE Solid State, Inc. v. Director, Div. of Taxation*, 11 N.J. Tax 320 (1990), affirmed 254 N.J. Super. 653, 604 A.2d 189, certification granted 130 N.J. 394, 614 A.2d 617, reversed 132 N.J. 298, 625 A.2d 468.