

ST	BILL NO.	DOC TYPE	VERSION	LEGIS DATE
NJ	SB1143	Bill Text	Introduced	2/4/2010
Provides a sales and use tax exemption for sales of certain high-efficiency home heating equipment.				
RELATED BILLS				
SB 1765 - Last Session				

SENATE, No. 1143

STATE OF NEW JERSEY

214th LEGISLATURE

INTRODUCED FEBRUARY 4, 2010

Sponsored by:

Senator ANTHONY R. BUCCO

District 25 (Morris)

SYNOPSIS

Provides a sales and use tax exemption for sales of certain high-efficiency home heating equipment.

CURRENT VERSION OF TEXT

As introduced.

AN ACT providing a sales and use tax exemption for sales of certain high-efficiency home heating equipment, supplementing P.L.1966, c.30 (C.54:32B-1 et seq.).

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

1. a. Receipts from sales of the following products sold for non-commercial residential use are exempt from the tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) if the products bear the Energy Star label:

- (1) furnaces,
- (2) boilers, and
- (3) programmable thermostats.

b. For the purposes of this section, "Energy Star label" means the label granted to certain products that meet the energy efficiency criteria of the federal Environmental Protection Agency Energy Star program administered in collaboration with the federal Department of Energy.

2. This act shall take effect immediately and remain inoperative until the first day of the second month following enactment.

STATEMENT

This bill provides a sales and use tax exemption for sales of high-efficiency home furnaces and boilers and for programmable thermostats that have the federal Energy Star label.

The federal Environmental Protection Agency (EPA) introduced Energy Star in 1992 to identify and promote energy-efficient products. In 1996, the EPA began collaboration with the federal Department of Energy for particular product categories. The Energy Star label is now on many categories of high-efficiency appliances.

To promote energy efficiency in a time of increasing fuel and energy costs, this bill provides a sales tax exemption for home furnaces and boilers that bear the Energy Star label. Most homes are heated by gas, electric or oil-fueled furnaces. An Energy Star labeled furnace must have an annual fuel utilization efficiency rating of 90% or greater, making them about 15% more efficient than standard models. Homes with forced hot water or steam heat use boilers to provide the hot water or steam. Energy Star boilers must have an annual fuel utilization efficiency rating of 85% or greater, making them about 10% more efficient than standard models.

All heating systems can be made more efficient by use of a programmable thermostat, which allows automatic temperature lowering at times of lower demand. This bill provides a sales tax exemption for programmable thermostats that bear the Energy Star label. Energy Star programmable thermostats save energy by offering four convenient, pre-programmed temperature settings – settings that try to anticipate when it's convenient to scale back on heating during weekday afternoons and at night.