ASSEMBLY COMMERCE, ECONOMIC DEVELOPMENT AND AGRICULTURE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5088

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 15, 2025

The Assembly Commerce, Economic Development and Agriculture Committee reports favorably and with committee amendments Assembly Bill No. 5088.

As amended, this bill amends current law to provide a sales and use tax exemption for farm vehicles purchased by farmers.

Current law exempts from sales and use tax the retail sales, rentals, and leases of certain commercial vehicles that are registered as farm vehicles with the New Jersey Motor Vehicle Commission (MVC), and which have a gross vehicle weight rating in excess of 18,000 pounds. This exemption applies to trucks, truck tractors, tractors, semitrailers, and combination vehicles. The bill expands this exemption to include any such vehicles sold to farmers and registered as farm vehicles with the MVC, regardless of their weight rating.

The bill requires a taxpayer claiming the exemption to provide documentation to the Division of Taxation in the Department of the Treasury demonstrating that that taxpayer qualifies as a farmer.

COMMITTEE AMENDMENTS:

The committee amended the bill to remove the requirement that the taxpayer must provide documentation to the Division of Taxation that farming is their primary source of income in order to qualify for the tax exemption.