

## **NJ SALES TAX ON HORSE BOARDING MAY SOON BE A THING OF THE PAST!**

New Jersey's Division of Taxation began to assess sales tax on the rental of a stall for boarding an equine animals of October 1, 2006. This was an unfortunate development for the horse industry, especially since countless business owners were unaware of the change in law and, as a result, many did not comply. For those who attempted to comply, the information provided by the Department of Agriculture and Division of Taxation left much to be desired.

In recent years, the Division of Taxation has actively enforced its right to collect this tax, including back taxes owed for prior years along with interest, penalties and fines. Due to the significant amount of some facilities' accrued tax liability, many businesses have had no choice but to shut their doors. Many who complied with the law have lost business when customers' out-of-pocket costs increased, leading them to board at non-compliant facilities. Others, who already were struggling to make ends meet, have faced serious financial hardship. And some have attempted to "fly under the radar," hoping they are not caught, since they simply cannot afford to make the necessary payments for back taxes.

### ***BILL A1301***

Thankfully, action is being taken to address the issue. Assemblyman Ronald S. Dancer (R) from Legislative District 12 has introduced bill A1301 to the New Jersey Legislature in an effort to clarify the sales tax collection responsibilities of horse boarding businesses. The bill seeks to amend the current law to indicate that the rental of a stall for an equine animal would NOT be deemed to be a "space for storage" that is subject to sales tax. If this bill is passed, it will be a major victory and the positive effects will be immeasurable. However, this important bill may face opposition in light of the fact that it seeks to keep more money in the pockets of New Jersey's citizens and business owners, rather than the state's coffers.

### ***WE NEED YOUR HELP!***

It is crucial for those in the industry to actively support this bill – by working together, we can effectuate positive change! We will be coordinating a statewide effort to garner support for the bill. We will work together in order to educate our legislators about the adverse effects the imposition of this tax has had on the industry and the need for relief so that we can protect and preserve New Jersey's equine industry.

For more information or to get involved with our efforts, please visit the firm's Equine Legislation webpage: <http://danabowlinglaw.com/nj-equine-legislation/> and/or send an email with all of your contact information to: [equinelegislation@danabowlinglaw.com](mailto:equinelegislation@danabowlinglaw.com).

### ***THANK YOU FOR YOUR SUPPORT!***