

or guests [and cannot be repaired or restored in a timely or cost effective manner].

17:17-1.13 Administrative appeals procedure

(a) An aggrieved employee may contest any administrative decision regarding housing occupancy, rents, evictions, **notices to vacate**, or other matters, **including a hardship waiver**, by notifying the Residential Housing Management Board. This is accomplished by first writing to the [department/agency housing committee] **department program manager responsible for the residential housing department program or agency housing committee (committee), whichever is applicable for the agency.**

(b) Upon receipt of the grievance, the committee will have 10 business days to review the matter and issue a written decision after discussing the matter with the employee. If the matter cannot be satisfied at the [committee] **department program/committee** level, the [committee] **department/committee** chairman will forward the matter, along with all [allied] paperwork, to the official within the department/agency who has the responsibility for employee housing.

(c) If after 10 business days the matter cannot be satisfied at the department/agency level, it shall be forwarded from the Director’s Office, along with the [allied] paperwork, to the Office of Real Property Management, Employee Housing Unit, PO Box 229, Trenton, New Jersey 08625 [(telephone 609-292-9694)]. All paperwork accomplished at the committee and department/agency levels must accompany the appeal to the Employee Housing Unit. The Employee Housing Unit shall take action on the complaint within 30 calendar days of receipt and notify the Residential Housing Management Board of its action at the next [quarterly] Board meeting. During the 30-day period, the Employee Housing Unit shall also notify the complainant of its determination.

(d)-(i) (No change.)

TREASURY—TAXATION

(a)

DIVISION OF TAXATION

Railroad Property Tax

Proposed Readoption with Amendments: N.J.A.C. 18:23

Proposed Repeal: N.J.A.C. 18:23-8.2

Authorized By: Marita R. Sciarrotta, Acting Director, Division of Taxation.

Authority: N.J.S.A. 54:29A-6, 54:29A-6, 54:29A-62, 54:49-12.5, and 54:50-1.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2024-022.

Submit written comments by May 3, 2024, to:

Mary Richmond-Michael
 Administrative Practice Officer
 Division of Taxation
 3 John Fitch Way
 PO Box 240-8th Floor
 Trenton, NJ 08695-0240
 Email: Tax.RuleMakingComments@treas.nj.gov

The agency proposal follows:

Summary

Pursuant to N.J.S.A. 52:14B-5.1, N.J.A.C. 18:23 was scheduled to expire on February 10, 2024. As the agency submitted this notice of proposal to the Office of Administrative Law prior to that date, the expiration date was extended 180 days to August 8, 2024, pursuant to N.J.S.A. 52:14B-5.1.c(2). The Division of Taxation (Division) has reviewed these rules and has determined that, as amended and supplemented, as set forth and summarized below, they are necessary, reasonable, and proper for the purpose for which they were originally

promulgated. The Railroad Tax Law of 1948, as amended and supplemented, N.J.S.A. 54:29A-1 through 77, was approved as P.L. 1941, c. 291, as amended at P.L. 1948, c. 40, and supplemented at P.L. 1963, c. 25 (Railroad Tax Law). The implementing tax rules, N.J.A.C. 18:23, have been updated and revised periodically.

The rules proposed for readoption with amendments and a repeal will improve ease of use and consistency throughout the chapter for railroad property owners that are subject to the Railroad Tax Law by clarifying and interpreting various provisions of the Railroad Tax Law. The Division now proposes to readopt the rules with amendments. The purpose of the proposed amendments is to provide the Division’s current mailing address, update the website of the Surface Transportation Board, note that the Railroad Annual Report is filed with the Surface Transportation Board, and state that the monthly statistics report is no longer required.

N.J.A.C. 18:23 is summarized as follows:

Subchapter 1, Purpose and Definitions, provides the impetus for creating the rules, and supplies definitions of particular words and phrases used in the chapter.

Subchapter 2, Property Not Subject to New Jersey Railroad Property Tax, identifies the property that is not excluded when determining the New Jersey railroad property tax.

Subchapter 3, Property Subject to New Jersey Railroad Property Tax, identifies the property that is included when determining the New Jersey railroad property tax.

Subchapter 4, Railroad Franchise Tax, provides the calculation for determining the railroad franchise tax.

Subchapter 5, Assessment and Disposition of the Railroad Property and Franchise Taxes, provides for the classification of railroad property and its valuation, and the implications of that classification to railroad property and franchise taxes.

Subchapter 6, Reassessment and Omitted Property, provides for procedures concerning reassessments or assessments on omitted property.

Subchapter 7, Appeal and Review, presents the procedures for appealing assessments of the New Jersey railroad property and franchise taxes.

Subchapter 8, Returns; Payments; Refunds, provides the procedures for submitting returns and payments, and the issuance of a refund as a credit.

Subchapter 9, Penalties and Interest, provides for penalties and interest for failure to file returns and delinquent payments.

Subchapter 10, Collection of Delinquent Taxes, provides the various mechanisms that are available to the Division for collection of delinquent taxes.

Subchapter 11, Administration and Procedures, provides for the procedures for audits, informal conferences, and formal hearings.

Chapter 23, Appendix I, sets forth the calendar of tax events.

Specifically, the following amendments are proposed.

N.J.A.C. 18:23-2.2 is amended to provide grammatical changes.

N.J.A.C. 18:23-4.1(b) is amended to provide grammatical changes and to better explain the minimum franchise tax payable by taxpayers having total railway operating revenues of \$1,000,000 or more.

N.J.A.C. 18:23-4.3 is amended to change the heading and N.J.A.C. 18:23-4.3(b) is amended to update the website of the Surface Transportation Board.

N.J.A.C. 18:23-8.1(d) is amended to note that the Railroad Annual Report is no longer filed with the New Jersey Department of Transportation.

N.J.A.C. 18:23-8.2 is proposed for repeal as the monthly statistics report is no longer required.

N.J.A.C. 18:23-8.6 is amended to provide the Division’s current mailing address.

As the Division has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirements, pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

Railroad property first became subject to railroad tax in 1884. Railroad property is located in many municipalities. The rules proposed for readoption with amendments and a repeal will continue to provide taxpayers and those required to report pursuant to the Act with guidance

in fulfilling their statutory obligations. The rules proposed for readoption with amendments and a repeal affect railroad property and the adoption of this rulemaking will continue to provide taxpayers with guidance in complying with the Railroad Tax Law. The rules proposed for readoption with amendments and a repeal will also continue the orderly administration and collection of the tax. The rules proposed for readoption with amendments and a repeal will provide taxpayers with an interpretation of specific provisions of the Railroad Tax Law. The rules proposed for readoption with amendments and a repeal accurately reflect the Division’s current policy and provide guidance and clarification to taxpayers and their advisers.

Economic Impact

The rules proposed for readoption with amendments and a repeal will continue to provide for the accurate filing of tax returns and the proper payment of tax due on railroad property. Any economic impact on communities will be minimal because it is not expected that the Division will require a staff increase or other resources to carry out its responsibilities.

Jobs Impact

The rules proposed for readoption with amendments and a repeal are not expected to have an impact on the creation or loss of jobs in the State. The rules proposed for readoption with amendments and a repeal only affect the administration of the railroad property tax, and no substantive changes for employers or employees are proposed.

Federal Standards Statement

A Federal standards analysis for the rules proposed for readoption with amendments and a repeal is not required because the rulemaking authority is granted by the operative provisions of the Railroad Tax Law and is not subject to any Federal requirements or standards.

Agriculture Industry Impact

The rules proposed for readoption with amendments and a repeal are not anticipated to have any impact upon the agricultural industry because the rules proposed for readoption with amendments and a repeal deal with the local property tax on railroads.

Regulatory Flexibility Analysis

The rules proposed for readoption with amendments and a repeal explain reporting and recordkeeping requirements with regard to the railroad property tax pursuant to N.J.S.A. 54:29-1 through 77. Some of the taxpayers may be considered small businesses, as the term is defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-17. The Division anticipates that the rules proposed for readoption with amendments and a repeal will not increase small businesses’ capital costs or their need for certain professional services. There are no exemptions from, or differentiation in, the requirements for large or small businesses, since to do so would not have been in compliance with the applicable statutes.

The rules proposed for readoption with amendments and a repeal do not impose additional reporting, recordkeeping, or compliance requirements beyond those already in place. Taxpayers will not require the services of professional advisors to comply with the rules. However, affected taxpayers may want to consult with professional advisors to determine if the rules proposed for readoption with amendments and a repeal apply to their situation.

Housing Affordability Impact Analysis

The rules proposed for readoption with amendments and a repeal will not result in a change in the average costs associated with housing or with the affordability of housing. The rules proposed for readoption with amendments and a repeal would have no significant impact on any aspect of housing because the rules proposed for readoption with amendments and a repeal concern the railroad property tax.

Smart Growth Development Impact Analysis

The rules proposed for readoption with amendments and a repeal will not result in a change in the housing production within Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan. This is because the rules proposed for readoption with amendments and a repeal have nothing to do with housing production, either within Planning Areas 1 or 2, within designated centers,

or anywhere else in the State of New Jersey. The rules proposed for readoption with amendments and a repeal concern railroad property tax.

Racial and Ethnic Community Criminal Justice and Public Safety Impact

The Division has evaluated this rulemaking and determined that it will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning adults and juveniles in the State. Accordingly, no further analysis is required.

Full text of the rules proposed for readoption may be found in the New Jersey Administrative Code at N.J.A.C. 18:23.

Full text of the proposed amendments and repeal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 2. PROPERTY NOT SUBJECT TO NEW JERSEY RAILROAD PROPERTY TAX

18:23-2.2 Municipal assessments

Streets, sidewalks, sewers, or other municipal improvements are not subject to assessment [under] **pursuant to** the New Jersey railroad property tax; however, a municipality is]. **Municipalities** are not prohibited from assessing such benefits against the property of a railroad operating in New Jersey[,] in the same manner as other property of individuals subject to local taxation.

SUBCHAPTER 4. RAILROAD FRANCHISE TAX

18:23-4.1 Railroad franchise tax; rates, how computed

(a) (No change.)

(b) The minimum franchise tax payable by any taxpayer is \$100.00 for taxpayers having total railway operating revenues of \$1,000,000 or less allocated to New Jersey for the pre-tax year; and \$4,000 for [all other] taxpayers **having total railway operating revenues of \$1,000,000 or more allocated to New Jersey for the pre-tax year.**

18:23-4.3 Deductions from operating revenues [subject to regulation by Director]

(a) (No change.)

(b) Depreciation and amortization charges to be deducted for the net railway operating income of a railroad for the pre-tax year cannot exceed those amounts approved by the United States Department of Transportation’s Surface Transportation Board. Such approvals may be found at [<http://www.stb.dot.gov/DepreciationOrders.nsf>] <https://www.stb.gov/reports-data/reports-studies/depreciation/>.

SUBCHAPTER 8. RETURNS; PAYMENTS; REFUNDS

18:23-8.1 Return of information

(a)-(c) (No change.)

(d) On or before April 1 of the tax year, each taxpayer must file with the Director, through **the Division’s** Property Administration **Branch**, at its own expense, a sworn and complete copy of its Railroad Annual Report for the pretax year, which has been filed or will be filed with the Surface Transportation Board [or with the Department of Transportation of the State of New Jersey].

(e) (No change.)

18:23-8.2 [Monthly statistics report] **(Reserved)**

[All taxpayers shall submit monthly reports of net railway operating income to Property Administration, as soon as such information is available or projected. Such report shall include the monthly net railway operating income, and the cumulative net railway operating income for the year up to the month reported.]

18:23-8.6 Payment

All checks shall be made payable to the New Jersey State Treasurer, and mailed or delivered to [Property Administration Valuation and Mapping Section, New Jersey Division of Taxation, 50 Barrack Street, Trenton, NJ 08695] **the Valuation and Mapping Section, Property Administration, New Jersey Division of Taxation, PO Box 251, Trenton, NJ 08695-0251.**