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June 11, 2019: Your Action Needed

Bill Will Prevent Endless Litigation and Provide Residential Property Tax Relief

The League fully supports [A-5450](#), which will clarify telecommunications industry corporate tax responsibilities, and shield local taxpayers from the costs of endless tax court litigation. We thank the sponsors of this legislation, **which is scheduled to be considered by the Assembly Appropriations Committee on Thursday, June 13.**

Please contact the Members of the Assembly Appropriations Committee and your State representatives, and urge them to support A-5450.

Based on a misreading of a 1997 law, Verizon decided that it could exempt itself from the payment of business personal property taxes (BPPT), in any year and in any municipality, when and where it, unilaterally and without documentation, determined that it provided less than 51% of dial tone service.

The dispute began in 2008, when Verizon informed a handful of municipalities that it had decided to exempt itself from payment of taxes on all of the cables and electronic equipment it houses in local switching stations. In the years that followed, similar decisions by Verizon have led to cases affecting taxpayers in hundreds of other New Jersey municipalities.

Earlier this year, Hopewell Borough in Mercer County prevailed over Verizon in a Tax Court case involving the corporation's claimed exemption for 2008. It took one municipality ten years to ensure that Verizon would pay its 2008 taxes. Further litigation will be needed for Hopewell to secure BPPT payments for each subsequent year in which the exemption was claimed. Every other municipality faces the same prospect of costly annual tax court filings, which, as we have seen, can drag on for over a decade. But even that might not end the problem, as Verizon has appealed the final Tax Court decision, forcing Hopewell Borough to put even more time and treasure into the fight.

A-5450 would put an end to the travail. It will clarify the Legislature's intent to permanently apply the business personal property tax on local exchange telephone companies that


were subject to the tax as of April 1, 1997.

Again, please contact the Members of the Assembly Appropriations Committee and your State representatives, and urge them to support A-5450.

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