



Legislation Details (With Text)

File #: 20-0951 **Version:** 1 **Name:** Resolution authorizing Payroll Tax Amnesty
Type: Resolution **Status:** Adopted
File created: 8/3/2020 **In control:** Finance
On agenda: 9/2/2020 **Final action:** 9/2/2020
Title: Dept./ Agency: Finance
Action: (X) Ratifying (X) Authorizing () Amending
Type of Service: To reduce the interest and/or penalties charged on delinquent payroll taxes only.
Purpose: To implement a temporary Amnesty/Interest Reduction Payroll Tax Program
Program Period: August 1, 2020 through October 30, 2020
Additional Information:
Sponsors: Council of the Whole

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
9/2/2020	1	Municipal Council	Adopt	Pass

Dept./ Agency: Finance

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Program Period: August 1, 2020 through October 30, 2020

Additional Information:

WHEREAS, in early March 2020, Governor Philip D. Murphy of New Jersey ("Governor Murphy") issued Executive Orders declaring a State of Emergency and a Public Health Emergency posed by the novel Coronavirus ("COVID-19"); and

WHEREAS, on March 11, 2020 the World Health Organization declared COVID-19 to be a global pandemic, which has resulted in deaths worldwide; and

WHEREAS, in order to stem the spread of the virus and to save lives, Governor Murphy issued Executive Orders which suspended all non-essential business operations and ordered individuals to stay home to save lives; and

WHEREAS, the pandemic caused by COVID-19 resulting in a State-wide call to stay at home to stop the spread of the virus, has detrimentally effected the ability of Newark businesses to operate and generate revenue; and

WHEREAS, the Administration together with the Municipal Council recognizes that there is a need to assist business owners who are delinquent with their payroll taxes and to avoid any possible increase in the payroll tax rate by offering a short term "Amnesty/Interest Reduction Payroll Tax

Program”; and

WHEREAS, given the serious health concerns posed by COVID-19, this Administration and Municipal Council desires to implement an “Amnesty/Interest Reduction Payroll Tax Program” on payroll taxes only for the years 2020 and prior; and

WHEREAS, this “Amnesty/Interest Reduction Payroll Tax Program” only applies to subsequent interest and penalties that have accrued on delinquent payroll taxes; and

WHEREAS, this “Amnesty/Interest Reduction Payroll Tax Program” is exclusive to payroll taxes only, and **DOES NOT INCLUDE** any:

- Interest, penalties, premiums, or fees due on Delinquent property taxes, water & sewer charges or any other delinquent municipal charge;
- Accounts in Bankruptcy or any other litigation, pending or settled
- Pending settlements of any kind regarding payroll taxes

WHEREAS, this “Amnesty/Interest Reduction Payroll Tax Program” will commence on August 1, 2020, and ending on October 30, 2020; and

WHEREAS, this “Amnesty/Interest Reduction Payroll Tax Program” may be extended only by an amendment to this resolution and approval by the Municipal Council; and

WHEREAS, it is the desire of the Administration and Municipal Council that this short term “Amnesty/Interest Payroll Reduction Program” enable those businesses affected by the pandemic to pay their delinquent payroll tax and at the same time provide some reasonable relief; and

WHEREAS, this “Amnesty/Interest Reduction Payroll Tax Program” will authorize the Director of the Department of Finance and the Manager of Special Taxes to set the interest rate to zero, for delinquent payroll taxes only, for the years 2020 and earlier.

NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:

1. The Director of the Department of Finance and the Manager of Special Taxes are authorized to commence the “Amnesty/Interest Payroll Tax Reduction” for the interest and penalties assessed, on delinquent payroll taxes only, for the year(s) 2020 and earlier.
2. The “Amnesty/Interest Payroll Tax Reduction Program” is ratified from August 1, 2020 to the date of adoption of this authorizing resolution.
3. This “Amnesty/Interest Reduction Payroll Tax Amnesty Program” is exclusive of claims of Bankruptcy, and Litigation of any kind.
4. This “Amnesty/Interest Reduction Payroll Tax Amnesty Program” shall be in effect from August 1, 2020 through October 30, 2020.

5. The Finance Director and the Manager of Special Taxes are authorized to do all things necessary to implement the “Amnesty/Interest Reduction Payroll Tax Amnesty Program”.

STATEMENT

This resolution ratifies and authorizes an “Amnesty/Interest Reduction Payroll Tax Program” for the interest and penalties assessed, on delinquent payroll taxes only, for the year(s) 2020 and earlier. The Program commenced August 1, 2020 and shall terminate on October 30, 2020.