



## Legislation Text

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**File #:** 20-0951, **Version:** 1

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**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:**

**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.