

MEMO# 32848

October 20, 2020

ICI Submits Testimony Opposing New Jersey FTT Proposal

[32848]

October 20, 2020 TO: ICI Members

Tax Committee SUBJECTS: Fund Accounting & Financial Reporting

State Issues

Tax RE: ICI Submits Testimony Opposing New Jersey FTT Proposal

The Investment Company Institute submitted the attached written testimony in opposition to a New Jersey proposal to impose a financial transaction tax (FTT) on high-volume processors of financial transactions.[\[1\]](#) ICI also provided oral testimony opposing the FTT proposal at a Financial Institutions and Insurance committee hearing on October 19, 2020.

The proposed FTT was recently amended (attached) to lower the rate from \$.0025 to \$.0001 per transaction and to clarify that the first taxpayer to process a security in a transaction is the party that would be subject to the FTT. The amendment also provides that the tax would take effect on January 1, 2021 and expire on December 31, 2022.

Katie Sunderland
Assistant General Counsel

[Attachment No. 1](#)

[Attachment No. 2](#)

endnotes

[\[1\]](#) See *also* Institute [Memorandum No. 32723](#), dated August 31, 2020.