

Auctioneers & New Jersey Sales Tax

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Technical
Services

Registration

An auctioneer is required to register and collect sales tax when selling taxable tangible personal property in New Jersey either for himself or on behalf of others. To register the auctioneer must file a **Business Registration Application (Form NJ-REG)**. Form NJ-REG may be filed online from the Division of Revenue's New Jersey Business Gateway Services Web site at: www.state.nj.us/njbgs/. A Public Records Filing may also be required depending upon the type of business ownership. For more information on Public Records Filing call 609-292-9292.

When an auctioneer purchases taxable tangible personal property in New Jersey for resale, the property may be purchased without payment of sales tax, provided the supplier is issued a valid **New Jersey Resale Certificate (Form ST-3)** or **Streamlined Sales and Use Tax Certificate of Exemption (Form ST-SST)**.

An out-of-State auctioneer who auctions taxable tangible personal property in New Jersey must register with the State. Registration is required even if the auctioneer has no intention of continuing to auction in the State. After the sale, the auctioneer may apply to be put on a nonreporting basis for sales tax purposes. This can be done by filing a **New Jersey Request to be Placed on a Non-Reporting Basis (Form C-6205-ST)**. Auctioneers can also make changes to their registration information through the Division of Revenue's [Online Registration Change Service](#).

Purchases By Auctioneers

An auctioneer may purchase taxable tangible personal property intended for resale from a homeowner without payment of sales tax, provided the property was purchased by the owner for personal use in this State and the owner is not engaged in the business of selling at retail. When the auctioneer sells the taxable tangible personal property, however, sales tax must be collected on all taxable sales.

Example: Bill, the proprietor of an auction house, specializes in antique furniture. He obtains most of his inventory at estate sales. When Bill purchases antiques for resale from an estate, no sales tax is due. He must collect sales tax when he sells the items.

An auctioneer may purchase tangible personal property intended for resale from a business or another auctioneer without payment of sales tax provided a properly completed **New Jersey Resale Certificate (Form ST-3)** or **Streamlined Sales and Use Tax Certificate of Exemption (Form ST-SST)** is issued to the supplier. To accept a New Jersey Resale Certificate, the supplier must be registered with the State.

Example: John, an auctioneer, purchases several tables from Molly's Antique Shop for resale at his auction house. John may purchase the tables without payment of sales tax, provided he gives Molly a resale certificate. Molly must be registered with the State to accept the exemption certificate.

Out-of-State and in-State auctioneers making purchases in New Jersey for resale may issue a **New Jersey Resale Certificate (Form ST-3)** or the **Streamlined Sales and Use Tax Certificate of Exemption (Form ST-SST)** to the supplier.

Casual Sales

A transaction qualifies as a nontaxable casual sale if it is an isolated or occasional sale of tangible personal property by a person not regularly engaged in the business of retail sales; and

- a. The person making the sale obtained the property for his own use; and
- b. Sales are not conducted more than four times during a calendar year and last no more than one week at a time.

Auction Sales

An auction sale of taxable tangible personal property on the premises of the owner of the property who acquired the property for personal use is a casual sale and is not subject to sales tax. However, an auction sale of taxable tangible personal property purchased by the owner for personal use and sold at a location *other than* the owner's premises is not a casual sale and is subject to sales tax.

Retail Sales

Sales by auctioneers on their own premises are considered retail sales. Such sales of taxable tangible personal property owned by different businesses or individuals that is assembled for auction are taxable.

The auctioneer, as agent of the owner of the property sold at the auction, must collect, report, and remit sales tax due.

Sheriff Auctions

A sale conducted under a court order, such as a sheriff's auction, is considered a casual sale. The same guidelines apply with the following differences: the tangible personal property may be sold on behalf of the creditors instead of the owner and the property may be sold at a location in the State *other than* the premises of the owner.

Commission

Sales tax is not imposed on the charge for an auctioneer's services. However, if a percentage of the price of a taxable item is paid to the auctioneer as a commission, the sales tax must be computed before the commission is deducted.

Out-of-State Delivery

An auctioneer registered with the State of New Jersey is not required to charge and collect New Jersey sales tax when selling taxable tangible personal property to an out-of-State purchaser and delivering the goods out of State for the purchaser's use. However, if the out-of-State purchaser picks up the taxable property in New Jersey, or arranges for his agent to do so, the auctioneer is required to collect sales tax.

A sale is taxable if the seller is required to deliver the tangible personal property by his own vehicles and employees, common carrier, or parcel post of the United States mails, to a destination within this State.

For More Information

For more information on auctioneers and New Jersey sales tax, call the Division's Customer Service Center at 609-292-6400, e-mail us at nj.taxation@treas.state.nj.us, or write to:

NEW JERSEY DIVISION OF TAXATION
INFORMATION AND PUBLICATIONS BRANCH
PO BOX 281
TRENTON NJ 08695-0281

Many State tax forms and publications are now available by fax and on our Web site. Call NJ TaxFax from your fax machine's phone at 609-826-4500, or access the Division's home page at:

www.state.nj.us/treasury/taxation/