

# Local Finance Notice

**LFN 2026-09**

**April 7, 2026**

Mikie Sherrill  
*Governor*

Dr. Dale G. Caldwell  
*Lt. Governor*

Jacquelyn A. Suárez  
*Commissioner*

Michael F. Rogers  
*Director*

## Contact

### Website

[www.nj.gov/dca/dlgs](http://www.nj.gov/dca/dlgs)

### E-mail

[dlgs@dca.nj.gov](mailto:dlgs@dca.nj.gov)

### Phone

609.292.6613

### Mail and Delivery

101 South Broad St.  
PO Box 803  
Trenton, New Jersey  
08625-0803

### **Distribution**

Municipal Elected Officials  
Municipal CFOs  
Municipal  
Managers/Administrators  
Municipal Clerks  
Auditors

## Short-Term Transient Accommodations

Many municipalities throughout the State have adopted ordinances authorizing and regulating short-term rentals through online marketplaces such as, but not limited to, Airbnb and VRBO. With the FIFA World Cup, America 250<sup>th</sup> Anniversary celebrations, and other major events this summer and beyond, this Notice reminds municipalities of their authority to allow New Jersey residents to participate in the short-term rental market, helping them generate income while keeping tourism dollars within their communities.

As New Jersey prepares to welcome an influx of visitors for these global events, the State has an opportunity to ensure that the economic benefits of tourism are felt directly by New Jersey families. For many homeowners, short-term rentals provide a flexible and accessible way to earn supplemental income. Enabling this participation is a practical way to connect families to the growing tourism economy and ensure that more of that revenue stays here in New Jersey.

### Overview

Rental of short-term transient accommodations is largely subject to municipal ordinance. N.J.S.A. 40:52-1(n) authorizes municipalities to issue licenses for rental of real property “for a term less than 175 consecutive days for residential purposes by a person having a permanent place of residence elsewhere.” Amounts charged for licenses are to be adopted by the governing body as part of the municipal fee ordinance.

[P.L. 2018, c. 49](#) and [P.L. 2019, c. 235](#) amended the hotel and motel occupancy fee law to implement Sales Tax and the State Occupancy Fee upon transient accommodations obtained through a transient space marketplace, or a transient accommodation that is a professionally managed unit. Pursuant to N.J.S.A. 40:48F-1 through 7, municipalities allowing short-term rental of transient accommodations are also authorized to impose a municipal occupancy tax not to exceed three percent (3%) on such transactions, except for Newark, Elizabeth, Jersey City, Paterson, Atlantic City, Wildwood, Wildwood Crest, and North Wildwood which are authorized to apply separate hotel or tourism-related statutory taxes to transient accommodation rentals.

Detailed information concerning municipal taxation of transient accommodations can be found on the [TB-81R2 bulletin](#) issued by the Division of Taxation in the State Department of Treasury. Please read the bulletin and [Transient Accommodations FAQ](#) in full.

### Key Definitions

The ability to impose a municipal occupancy tax on short-term rentals only applies to transient accommodations obtained through a transient space marketplace, or a transient accommodation that is a professionally managed unit.

A **transient accommodation** is as “a room, group of rooms, or other living or sleeping space for the lodging of occupants, including but not limited to residences or buildings used as residences, that is obtained through a transient space marketplace or is a professionally managed unit.”

A **transient space marketplace** is “a marketplace or travel agency through which a person may offer transient accommodations to customers and through which customers may arrange for occupancies of transient accommodations.” This does not include a marketplace or travel agency that exclusively offers transient accommodations in New Jersey which are owned by the owner of the marketplace or travel agency.

A **professionally managed unit** is “a room, group of rooms, or other living or sleeping space for the lodging of occupants in the State, that is offered for rent as a rental unit that does not share any living or sleeping space with any other rental unit, and that is directly or indirectly owned or controlled by a person offering for rent two or more other units during the calendar year.”

For purposes of the municipal occupancy tax, transient accommodations do not include:

- Leases of real property with a term of at least 90 consecutive days;
- A hotel or hotel room;
- Room, group of rooms, or other living or sleeping space used as a place of assembly;
- Dormitory or other similar residential facility of an elementary or secondary school or a college or university;
- Hospital, nursing home, or other similar residential facility of a provider of services for the care, support, and treatment of individuals that is licensed by the State;
- Campsite, cabin, lean-to, or other similar residential facility of a campground or an adult or youth camp; or
- Furnished or unfurnished private residential property, including but not limited to condominiums, bungalows, single-family homes, and similar living units, where:
  - no maid service, room service, linen-changing service, or other common hotel services are made available by the lessor, and
  - the rental transaction is executed by a real estate broker licensed by the New Jersey Real Estate Commission pursuant to N.J.S.A. 45:15-1 et seq., and where the means of physical entrance to the property are provided to the lessee at the offsite location of the licensed real estate broker.

### **Municipal Occupancy Tax Ordinance for Short-Term Transient Accommodations**

A [model ordinance](#) establishing a municipal occupancy tax on hotel rooms or transient accommodation rentals pursuant to N.J.S.A. 40:48F-1 through 7 can be found on the Division of Taxation's Hotel/Motel Occupancy Fee/Municipal Occupancy Tax [webpage](#). Any municipality seeking to enact a new ordinance, or amend its existing hotel/motel occupancy tax ordinance, to create a municipal tax on transient accommodations are reminded that, once adopted, the ordinance must be transmitted to the Division of Taxation and does not take effect until 90 days after the ordinance is transmitted. By no later than January 1 of each year, the municipality must provide the Division of Taxation with the names and addresses of all transient accommodations, along with hotels and motels, located in the municipality. Submissions shall be made by email to [Occupancy.Tax@treas.nj.gov](mailto:Occupancy.Tax@treas.nj.gov) or to:

New Jersey Division of Taxation  
Office of Legislative Analysis  
P.O. Box 240  
Trenton, New Jersey 08695-0240

The municipal occupancy tax ordinance must contain, at minimum, the following provisions:

- a. All taxes imposed by the ordinance shall be paid by the purchaser;
- b. A vendor shall not assume or absorb any tax imposed by the ordinance;
- c. A vendor shall not in any manner advertise or hold out to any person or to the public in general, in any manner, directly or indirectly, that the tax will be assumed or absorbed by the vendor, that the tax will not be separately charged and stated to the customer, or that the tax will be refunded to the customer.
- d. Each assumption or absorption by a vendor of the tax shall be deemed a separate offense and each representation or advertisement by a vendor for each day the representation or advertisement continues shall be deemed a separate offense; and
- e. Penalties as fixed in the ordinance, for violation of the foregoing provisions.

Municipal occupancy taxes on transient accommodation rentals must be collected by the person collecting rent from the customer. Persons required to collect the tax possess personal liability and rights in accordance with N.J.S.A. 40:48F-3(b) for taxes imposed, collected or required to be collected. Such persons must forward the tax collected in the preceding month to the Division of Taxation and file a corresponding [return](#). However, if a transient space marketplace (e.g. Airbnb) is used, that transient space marketplace is required to collect and pay the tax for transactions obtained through the marketplace on behalf of the person engaged in the business of providing transient accommodation within New Jersey. The marketplace must also maintain the following data for transactions consummated through the marketplace for at least four years after the end of the calendar year in which the transaction occurred:

1. The name of the person who provided the transient accommodation;
2. The name of the customer who procured occupancy of the transient accommodation;
3. The address, including any unit designation, of the transient accommodation;

4. The dates and nightly rates for which the consumer procured occupancy of the transient accommodation;
5. The municipal transient accommodation registration number, if applicable;
6. A statement as to whether such booking services will be provided in connection with (i) short-term rental of the entirety of such unit, (ii) short-term rental of part of such unit, but not the entirety of such unit, and/or (iii) short-term rental of the entirety of such unit, or part thereof, in which a non-short-term occupant will continue to occupy such unit for the duration of such short-term rental;
7. The individualized name or number of each such advertisement or listing connected to such unit and the uniform resource locator (URL) for each such listing or advertisement, where applicable; and
8. Such other information as the Division of Taxation may by rule require.

The Division of Taxation is responsible for collecting and administering all taxes associated with transient accommodation rentals and will distribute Municipal Occupancy Tax proceeds by the amount of revenue certified as having been collected in each municipality.

---

Approved: Michael F. Rogers, Director

<b>Document</b>	<b>Internet Address</b>
Taxation Bulletin TB-81R2	<a href="https://www.nj.gov/treasury/taxation/pdf/pubs/tb/tb81r.pdf">https://www.nj.gov/treasury/taxation/pdf/pubs/tb/tb81r.pdf</a>
Transient Accommodations FAQ	<a href="https://www.nj.gov/treasury/taxation/transientaccommodationsfaq.shtml">https://www.nj.gov/treasury/taxation/transientaccommodationsfaq.shtml</a>
Model Municipal Occupancy Tax Ordinance	<a href="https://www.nj.gov/treasury/taxation/pdf/hotel-ordinance.pdf">https://www.nj.gov/treasury/taxation/pdf/hotel-ordinance.pdf</a>
P.L. 2018, c.49	<a href="https://pub.njleg.state.nj.us/Bills/2018/PL18/49 .PDF">https://pub.njleg.state.nj.us/Bills/2018/PL18/49 .PDF</a>
P.L. 2019, c.235	<a href="https://pub.njleg.state.nj.us/Bills/2018/PL19/235 .PDF">https://pub.njleg.state.nj.us/Bills/2018/PL19/235 .PDF</a>
LFN CFO 2003-10	<a href="https://www.nj.gov/dca/divisions/dlgs/lfns/03/cfo-2003-10.pdf">https://www.nj.gov/dca/divisions/dlgs/lfns/03/cfo-2003-10.pdf</a>
Hotel/Motel Occupancy Fee Page (Taxation)	<a href="https://www.nj.gov/treasury/taxation/hotelmotel.shtml">https://www.nj.gov/treasury/taxation/hotelmotel.shtml</a>
Municipal Occupancy Tax Page (Taxation)	<a href="https://www.nj.gov/treasury/taxation/hotelfee.shtml">https://www.nj.gov/treasury/taxation/hotelfee.shtml</a>
Hotel/Motel Occupancy Tax Return	<a href="https://www.nj.gov/treasury/taxation/pdf/other_forms/hm100.pdf">https://www.nj.gov/treasury/taxation/pdf/other_forms/hm100.pdf</a>