
2016 Annual Report



State of New Jersey
Department of the Treasury
Division of Taxation

September 2018

The Honorable Phil Murphy
Governor

Members of the New Jersey Legislature

Dear Governor Murphy and Legislators:

I am pleased to present the *Annual Report of the Division of Taxation* for the Fiscal Year ended June 30, 2016.

The content reflects our unwavering dedication to fair taxation for all. The Division demonstrated that commitment in Fiscal Year 2016 by successfully implementing a new property tax deferral for members of the military deployed during times of war. We also initiated a review to insure all municipalities were in compliance with the Uniformity Clause of the State Constitution, which requires that property be assessed uniformly for taxation. The analysis led the Division to order revaluations in some towns – the first time in 40 years that a Director took such action on behalf of local property taxpayers. We made filings more efficient and accurate for businesses with an e-file mandate for the Corporation Business Tax and got the word out about an increase in the Earned Income Tax Credit for low-income New Jerseyans. To help all members of the Division team excel at their missions, our Taxation University developed a core curriculum of tax, technology, and professional development topics that provides workers with educational opportunities at all stages of their careers. These innovative approaches to staff development attracted inquiries from taxing agencies across the nation seeking to emulate our training practices.

New Jersey has reason to be proud of these efforts by our team at Taxation and the work they perform daily on behalf of the citizens of the Garden State. This report details many of their efforts. We thank you all for your continued support for fair and thoughtfully administered taxation in New Jersey.

Respectfully submitted,



John J. Ficara
Acting Director

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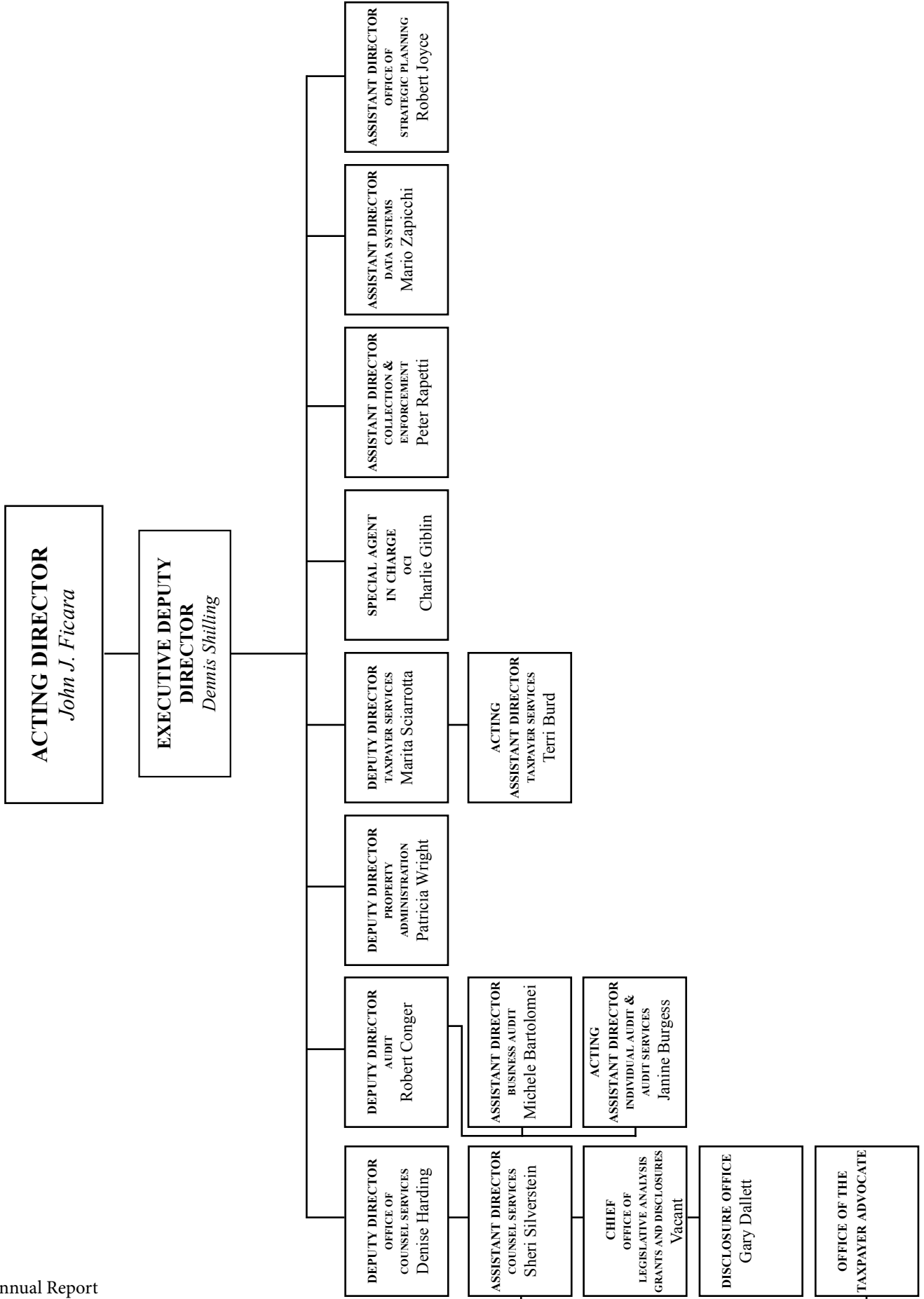
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New Jersey Division of Taxation

ORGANIZATION AND ACTIVITIES

DIVISION OF TAXATION ORGANIZATION



AUDIT

This Activity is responsible for ensuring tax compliance with all New Jersey tax statutes through the audit of tax returns, examination of taxpayer records, and collection of outstanding tax liabilities. Audit Activity also administers the Division's voluntary disclosure and nexus programs and State tax credit programs. This Activity is divided into two areas: Business Audit and Individual Audit & Audit Services.

BUSINESS AUDIT

In-State Field Audit

The In-State Field Audit Branch performs audits on resident and other local businesses to ensure compliance with existing tax statutes. Examinations of the taxpayer's accounting records are comprehensive and consider all taxes administered by the Division, with special emphasis on Corporation Business Tax and Sales and Use Tax. Audits are typically performed on-site at the taxpayer's place of business.

The Branch is comprised of 20 groups strategically located throughout the State. Field Audit district offices are located in Trenton (Hamilton Township), Neptune, Camden, Northfield, Hackensack, and Newark.

In addition to regular audit activities, the In-State Field Audit Branch continues to pursue its cash-audit initiative. This program is designed to strengthen compliance and collection efforts in areas of low compliance as well as level the playing field for compliant businesses.

Out-of-State Field Audit

The Out-of-State Field Audit Branch is responsible for performing field audits for all New Jersey taxes on all taxpayers whose accounting records are maintained outside the State. Currently the Division has regional offices in Des Plaines, Illinois, and Anaheim, California, with field auditors based in Atlanta, Dallas, Denver, Houston, Tampa, and New Jersey.

Excise Tax

The primary responsibility of the Excise Tax Branch is to administer the Motor Fuel, Cigarette, and Tobacco Products Wholesale Sales and Use taxes. Other taxes administered by the Branch include the Alcoholic Beverage Tax, Petroleum Products Gross Receipts Tax, Public Utility Excise, Franchise and Gross Receipts Taxes, Radiation Emergency Response Assessments, Sales and Use Energy Tax, Spill Compensation and Control Tax, Transitional

Energy Facility Assessments, and the Uniform Transitional Utility Assessments. The Excise Tax Branch also administers the Unfair Cigarette Sales Act and the Trade Names, Trade-Marks and Unfair Trade Practices Act pertaining to motor fuels.

The Branch is comprised of five groups: one Field Audit Group and four Office Groups. The Field Audit Group performs field audits with an emphasis on Motor Fuel Tax, Petroleum Products Gross Receipts Tax, and Tobacco Products Wholesale Sales and Use Tax returns. The four Office Groups perform duties including audits, investigations, and licensing related to all of the taxes administered by the Branch along with enforcement of the Master Settlement Agreement.

Office Audit

The primary responsibility of the Office Audit Branch is the audit and refund of Corporation Business Tax. Other taxes audited include the Financial Business Tax, Insurance Premiums Tax, Ocean Marine Tax, Retaliatory Tax, various Sanitary Landfill Taxes, and the Spill Compensation and Control Tax.

The Branch is comprised of seven audit groups. Two groups are assigned general corporate desk audits, and two service groups are responsible for examining taxpayers' records in order to issue Tax Lien Certificates, Tax Clearance Certificates for Domestic Dissolutions, Reinstatements, and Foreign Reauthorizations. The Special Audit Group is responsible for administering the smaller taxes as well as reviewing Internal Revenue audit changes. The Nexus Audit Group has the responsibility to discover and examine out-of-state entities to determine whether they have unreported tax filing and paying obligations. The Corporate Refund Audit Group is responsible for auditing and approving all Corporation Business Tax refund claims.

INDIVIDUAL AUDIT & AUDIT SERVICES

Gross Income Tax Audit

The Gross Income Tax Audit Branch, which is comprised of seven audit teams, is responsible for auditing Gross Income Tax returns filed with the State of New Jersey. The audits are done using a variety of criteria developed within the Branch, utilizing information from the Internal Revenue Service, neighboring states, and other New Jersey agencies. The section provides technical support to Taxation's Data Warehouse Branch on the development of its Gross Income Tax direct billing and other audit support projects as well as answering taxpayer correspondence

generated by these projects. The section is also responsible for film tax credits and refunds, the Neighborhood Revitalization Tax Credit, the Angel Investor Tax Credit, authorization of partnership refunds, and the pursuit of delinquent resident and nonresident taxpayers — both separately and in joint projects with other Division branches.

Transfer Inheritance and Estate Taxes

The Transfer Inheritance and Estate Taxes Branch, which is comprised of seven audit teams and one service team, is responsible for all phases of the administration of both the Inheritance and Estate Taxes. Among its responsibilities are the promulgation of regulations, preparation of tax forms and instructional materials, tax compliance and collection functions, tax audits, and the issuance of assessment notices. The section also conducts seminars and conferences, assists in court proceedings, and issues all required tax waivers.

Audit Selection and Technical Support

The Audit Selection and Technical Support Unit provides Audit Activity with audit candidates and also provides audit, technical, and clerical support to every aspect of Audit Activity.

Audit Services

The Audit Services Branch is primarily responsible for the audit and processing of Sales and Use Tax refund claims from businesses and individuals and Corporation Business Tax billings. It also ensures that audit assessments generated by the Field Audit Branch, Out-of-State Field Audit Branch, Office Audit Branch, and Excise Tax Branch are timely billed.

This Branch is comprised of four groups. Two Sales and Use Tax refund groups are located in Hamilton Township, Mercer County. They are responsible for auditing and processing all refund claims for the Sales and Use Tax as well as for the Hotel/Motel State Occupancy Fee and Municipal Occupancy Tax, Cosmetic Medical Procedures Gross Receipts Tax, Atlantic City Luxury Sales Tax, Cape May County Tourism Sales Tax, Domestic Security Fee, 9-1-1 System and Emergency Response Fee, Motor Vehicle Tire Fee, Sales and Use Energy Tax, Transitional Energy Facility Assessment, Recycling Tax, and the Nursing Home Assessment. These two groups also are responsible for auditing and processing Sales and Use Tax refund claims filed by UEZ-certified businesses for property and services used exclusively in a UEZ zone. The Corporate Billing Group is responsible for reviewing all deficiencies generated by Corporation Business Tax filings. The Audit Billing Group provides billing and collection support for Audit Activity.

TAXPAYER SERVICES

Customer Services

The Customer Services Branch encourages voluntary compliance with New Jersey tax laws by providing taxpayers with the information and assistance they need to meet their tax responsibilities. It provides similar services to New Jersey residents applying for and obtaining Property Tax relief benefits. The Branch also produces informational publications and tax return instructions and responds to taxpayer correspondence. Information and assistance are delivered through the Division's website, by phone, and at outreach events as described below.

The *Customer Service Center* handles thousands of calls each day. Customers speak to representatives who provide general and technical information regarding individual Income Tax, Property Tax relief programs, and most business taxes and fees administered by the Division. In some cases, this consists of reviewing tax returns for accuracy before issuing a refund or bill. In other cases, the team reviews correspondence submitted by taxpayers who disagree with a notice they received. The Customer Service Center also staffs the Tax Practitioner Hotline, a special service for tax practitioners who need assistance in resolving client problems that they have been unable to resolve through normal channels.

The *Legislative Hotline* assists New Jersey legislators seeking to resolve constituents' problems relating to the Property Tax relief programs administered by the Division.

Technology Solutions provides direct support for the Customer Services Center and maintains Customer Services' servers and several technology platforms. Among its many duties, the unit is responsible for maintaining the following services:

NJ WebFile provides taxpayers the means to prepare and file their Income Tax returns on a personal computer using the Division's secure internet site. There is nothing to buy and there are no filing fees.

NJ Homestead Benefit Telefile is an automated telephone service that allows homeowners to file their Homestead Benefit applications by phone 24 hours a day/seven days a week during the benefit filing season.

Business Taxes Telefile is an automated telephone service that allows for the filing of various business taxes and fees.

Automated Tax Information System offers prerecorded general and account-specific information to callers regarding personal Income Tax, Property Tax relief programs, and business taxes. It also allows callers to order tax returns and informational publications.

Education and Media

The **Taxpayer Communications Unit** is responsible for most of the Division's informational publications, including the instructions for individual Income Tax returns and applications for the Property Tax relief programs administered by the Division; the newsletter for tax practitioners, the *New Jersey State Tax News*; the Annual Report of the Division of Taxation; and brochures and notices. It also provides technical tax material for the Division's website and prepares replies to general taxpayer correspondence and referrals. The unit is responsible for reviewing web pages and the Division's written communications with the public. The reviews aim to ensure the language used is easy to read and understand.

Taxation University provides instruction to personnel across the Division regarding technical tax topics, employee development, and desktop software applications. The unit also provides speakers to external groups on State tax-related matters.

Taxpayer Accounting

The Taxpayer Accounting Branch assists taxpayers by resolving discrepancies found on their individual Income Tax returns and their applications for the various Property Tax relief programs administered by the Division. In some cases, this consists of reviewing tax returns to verify the correctness of processing before issuing a refund or bill. In other cases, this means reviewing correspondence submitted by taxpayers who disagree with a notice they received. The Branch is also responsible for the review of Partnership Tax returns and many, but not all, business tax returns. That work also entails reviewing returns as well as replying to correspondence sent to the Division by businesses that receive a notification of change to their account. The Branch employs a Correspondence Tracking System (CTS) that allows correspondence to be processed and tracked electronically using imaging technology. Taxpayer Accounting is responsible for redepositing refund checks for Income Tax and Partnership Tax and checks for Property Tax relief program benefits that are returned to the Division. The Branch consists of the following units:

The **TGI Correspondence and Review Units** examine individual Income Tax returns to correct errors in processing as well as review and process documents sent to the Division as a result of a Notice of Adjustment. Review of

the documents also includes identifying fraudulently filed returns. The units correct accounts and issue refunds or bills with letters explaining the nature of any adjustments or changes made to an individual's Income Tax account. The Correspondence Unit also receives, reviews, and responds to emails sent to the Division. The majority of these emails are general requests for information or assistance, which are replied to directly by unit staff. Some requests may be forwarded to other areas for handling.

The **Business Tax/Delinquency Unit** examines over 20 different types of business tax returns. The unit corrects processing errors and reviews correspondence received that results from a Notice of Adjustment. The unit is responsible for reviewing and approving bills for all of the tax types. It also sends letters of explanation or notices detailing Division changes to a business's account when updates are made. The unit is responsible for creating and updating Business Delinquency notices for most types of business taxes. The unit coordinates the mailing of the notices each quarter and is responsible for reviewing and responding to all the correspondence received. The unit is also responsible for answering all business tax emails that are received.

The **Partnership Tax Unit** reviews and corrects processing errors for single-tiered partnerships. The unit reviews correspondence received as a result of a Notice of Adjustment, makes any necessary corrections to the partnership's account, and sends refunds or bills, including bills for tiered partnerships, with letters of explanation.

The **Earned Income Tax Credit Unit** reviews personal Income Tax returns claiming a New Jersey Earned Income Tax Credit. The unit issues letters requesting documentation and adjusts accounts. The unit works with multiple sources, including the Internal Revenue Service, to verify claimant wage and business income as well as dependents to accurately approve the correct claim amount.

The **Property Tax Relief Programs Unit** resolves problems related to the State's Homestead Benefit, Property Tax Deduction/Credit, and Property Tax Reimbursement programs. The unit reviews pending Homestead Benefit claims, Property Tax Deduction/Credit adjustments, and Property Tax Reimbursement applications; adjusts accounts; and approves payments for eligible applicants. The unit contacts homeowners to obtain information that was missing from the original applications and resolves account errors and omissions based on the documentation provided.

Regional Information Centers provide in-person assistance to taxpayers regarding their account issues or other

State tax matters. Tax filings and payments are accepted by these centers. All office staff are trained to aid taxpayers with any notification sent by the Division as well as to assist with any filing requirements they may have. Offices are located in Fairlawn, Newark, Somerville, Trenton, Camden, Neptune, and Northfield.

The **Payment Plan Unit** helps taxpayers enter into repayment agreements and extend the time allotted for payment of their State taxes. The Unit reviews payment plan request forms to ensure taxpayers meet the criteria to qualify for a payment plan. Caseworkers either approve or deny payment plan requests and send correspondence to taxpayers. The caseworker ensures compliance through the timely receipt of installment payments and monitors accounts for compliance with current returns and obligations. The Unit works closely with all of the Division's Activities to ensure proper case management.

The **Support Unit** processes incoming mail for the Branch and redeposits returned checks.

COLLECTION & ENFORCEMENT

This Activity is comprised of two branches: the Compliance Services Branch and the Field Investigations Branch. A description of each of the branches follows.

Compliance Services Branch

The Compliance Services Branch is responsible for the collection of overdue tax liabilities. It uses phone calls, correspondence, filing of certificates of debt, license suppression, levies, wage garnishment, and other enforcement actions to collect debts. This Branch also provides services for the taxpaying public, sections of the Division of Taxation, and other State agencies such as the Motor Vehicle Commission, Division of Consumer Affairs, Department of Environmental Protection, the Lottery Commission, and the Department of Law and Public Safety. A brief description of the functions performed by the Compliance Services Branch follows:

Attorney General Referral Unit coordinates the referral of taxpayers (business entity or individual) to the Office of the Attorney General for additional collection actions. Such actions may include instituting wage garnishment proceedings or pursuing collection on assets in other states.

Bankruptcy Unit ensures that the Division of Taxation is compliant with U.S. Bankruptcy Code and/or similar statutes. This unit is responsible for collecting all outstanding New Jersey State tax liabilities from debtors who have filed for protection under federal or State insolvency statutes. This includes submitting proofs of claim to the appropriate courts of jurisdiction. This unit works closely with the Attorney General's Office to represent the State's interests in Bankruptcy Court proceedings.

Bulk Sales Unit is responsible for examining the tax records of each business that disposes of all or part of its business assets by sale, transfer, or assignment in bulk, other than in the normal course of business. An escrow from the proceeds of the sale secures the interests of the State and protects the purchaser. When all conditions are satisfied, the State issues a Tax Clearance Certificate.

Casual Sales & Set-Off Unit verifies that the appropriate Sales and Use Tax is paid on purchases of motor vehicles, boats, and aircraft. Investigators review information from other state and local agencies in pursuit of individuals or corporations that have avoided New Jersey Sales and Use Tax on their vehicle purchases. The unit pursues collection action as necessary. The Set-Off Section

investigators administer five set-off programs: Vendor Set-Off, that holds payments due to State vendors and applies the payments toward deficient taxes; SOIL, Set-Off of Individual Liability, that withholds Gross Income Tax refunds and Property Tax relief payments from taxpayers who have outstanding tax debts; FOIL, Federal Offset of Individual Liabilities, that withholds federal income tax refunds and applies them against State tax liabilities; TOP, Treasury Offset Program, that withholds federal payments due to businesses and applies the payments toward State tax deficiencies; and State Reciprocal Set-Off, which governs reciprocal agreements with Maryland, New York, and Connecticut, whereby individual income tax refunds are sent to a state where a taxpayer owes income tax.

Contract Liaison Unit provides onsite quality assurance and monitors the Division's vendor for adherence to the terms of the contract to pursue delinquent and deficient taxes. The current vendor, Pioneer Credit Recovery (PCR), pursues taxpayers who fail to respond to Division of Taxation notices.

Payment Plan Liaison Unit conducts quality assurance and monitors Pioneer Credit Recovery's (PCR) management of repayment agreements that extends the time allotted for payment of State taxes. Team members also ensure adherence to the terms of the contract, and provide technical support.

Judgment Enforcement Unit collects overdue liabilities from taxpayers who neglected or refused to pay taxes and/or file returns. The primary collection instrument is the Certificate of Debt, which is filed with the Clerk of the New Jersey Superior Court. A Certificate of Debt has the same force and effect as a Docketed Judgment adjudicated in a court of law. This unit also focuses on the collection of debt for personal Income Tax filers.

License Verification Unit reviews the tax records of businesses licensed by State agencies. The goal is to confirm that businesses are complying with tax law. If a review reveals unsatisfied tax liabilities or filing obligations, the taxpayer's business license may be suspended. This Unit also reviews the tax records of businesses that are applying for grants, loans, or other incentives from other State agencies. A Tax Clearance Certificate is a precondition to the award by any State agency of assistance or incentive to a business. This Unit works with various State Agencies such as New Jersey Department of Environmental Protection, Department of Community Affairs, Motor Vehicle Commission, New Jersey Lottery Commission, New Jersey Economic Development Authority, and Division of Alcoholic Beverage Control.

Project Enforcement Team (PET) deals with multiple topics and investigations pertaining to both business and personal tax matters. The unit is a multifaceted group of investigators and support staff cross-trained so that they have knowledge of regulations and laws governing multiple types of State taxes. They perform reviews, analysis, and make determinations as to the validity of the information filed. The team manages identity theft, partnership fees and taxes, and Taxation Data Warehouse projects that include nonfilers of both personal Income Tax and Corporation Business Tax.

Set-Off Programs. The Compliance Services Branch administers or participates in five set-off programs: **Vendor Set-Off**, that holds payments due to State vendors and applies the payments toward deficient taxes; **SOIL**, Set-Off of Individual Liability, that withholds Gross Income Tax refunds and Property Tax relief payments from taxpayers who have outstanding tax debts; **FOIL**, Federal Offset of Individual Liabilities, that withholds federal income tax refunds and applies them against State tax liabilities; **TOP**, Treasury Offset Program, that withholds federal payments due to businesses and applies the payments toward State tax deficiencies; and **State Reciprocal Set-Off**, which governs reciprocal agreements with Maryland, New York, and Connecticut, whereby individual Income Tax refunds are sent to a state where a taxpayer owes income tax.

Field Investigations Branch

The Field Investigations Branch performs tax collection, enforcement, and civil investigation work for the Division. Field Investigators are assigned to seven field offices around the State. A brief description follows of functions performed by the Field Investigations Branch.

Canvassing/Educating visits businesses to verify that businesses are registered and that the owners understand their tax responsibilities. The unit regularly canvasses transient vendors at flea markets, art and craft shows, entertainment venues, and special events. To combat the tax issues caused by the underground cash economy, investigators issue on-the-spot jeopardy assessments against uncooperative transient vendors.

CATCH (Citizens Against Tax Cheats) receives and reviews reports of possible noncompliance with New Jersey taxing statutes and refers them to the appropriate Division branch or State agency for evaluation and action.

Boat Program canvasses marinas, patrols New Jersey intracoastal waterways, and gathers information from other state and local agencies in pursuit of individuals or corporations that have avoided New Jersey Sales and Use Tax on their vessel purchases.

Project Enforcement Team (PET) deals with multiple topics and investigations pertaining to both business and personal tax matters. The unit is a multifaceted group of investigators and support staff cross-trained so that they have knowledge of regulations and laws governing multiple types of State taxes. They perform reviews, analysis, and make determinations as to the validity of the information filed. The team manages identity theft, partnership fees and taxes, and Taxation Data Warehouse projects such as non-filers of Personal Income Tax and Corporation Business Tax.

Field Investigations Branch

The Field Investigations Branch performs tax collection, enforcement, and civil investigation work for the Division. Field Investigators are assigned to seven field offices around the State. A brief description follows of functions performed by the Field Investigations Branch.

Tax Enforcement contacts businesses and individuals to secure delinquent tax returns, collect outstanding taxes, and enforce registration and licensing requirements. If necessary to protect the State's interests, a Certificate of Debt is filed with the New Jersey Superior Court, followed by the issuance of a Warrant of Execution to collect the tax debt. If a noncompliant taxpayer is given a final warning visit and encouraged to make payment arrangements, but still doesn't take sufficient steps to pay, the personal and business assets of the noncompliant tax debtor are subject *to levy, seizure, and sale at public auction*. Field Investigators, in coordination with the Office of Criminal Investigation (OCI), may also refer chronic offenders for prosecution if they fail to file and/or pay tax to the OCI Municipal Court Program. A guilty finding or plea can result in a court order to make restitution in addition to fines, an order to pay collection costs, and probation or jail.

Revenue Opportunity Units have investigators who seek out noncompliant taxpayers to ensure that compliance within the taxing statutes is achieved. These units focus on out-of-state entities whose business activities in New Jersey create nexus and trigger a tax obligation. Investigators work cooperatively with U.S. Customs, the New Jersey State Police, the Motor Vehicle Commission, and local law enforcement agencies at weigh stations and vehicle safety and emission sites. Investigators also visit construction sites and warehouses along with other locations where nonregistered or noncompliant out-of-state vendors may be operating. Rev Ops Investigators also focus on in-state underground economy businesses. Projects included an initiative on nonresident personal Income Tax verification as well as efforts at ensuring compliance

of commercial construction companies, athletes and entertainers (personal Income Tax and Corporation Business Tax), and home-based businesses. The unit also participated in various initiatives aimed at combating abuse of auto dealer plates and unreported Sales and Use Tax on vehicles such as boats, automobiles, and airplanes. When necessary, investigators utilize the authority granted in N.J.S.A. 54:49-5 and N.J.S.A. 54:49-7 to make jeopardy assessments and demand immediate payment of a proposed tax debt. Failure to satisfy the jeopardy assessment may result in immediate seizure of available assets.

PROPERTY ADMINISTRATION

Property Administration consists of two sections: Policy & Planning and Valuation & Mapping. The activities of these two sections concern the valuation of real and certain personal property.

Property Administration personnel review and prepare comments on proposed legislation concerning Property Tax issues; review and approve reassessment and revaluation programs and contracts; develop procedures for uniform application of deductions for senior citizens and veterans and certify the amounts for State reimbursement to local taxing districts; oversee the administration of the Farmland Assessment Act; defend the Table of Equalized Valuations; review, classify, assess, and tax railroad properties; assess and compute Railroad Franchise Tax; support Property Administration's data processing systems (MOD IV and Sales Ratio); review and approve municipal tax maps; administer biannual Tax Assessors' Certification Exams; prepare written guidelines on Property Tax programs and statutes for assessors and county tax board members; and respond to general taxpayer inquiries. The unit also replies to correspondence and legislative referrals regarding Property Tax matters, and provides services to the public or other local government entities. It also monitors members of county boards of taxation to ensure they meet statutory education requirements. Staff members serve on the Continuing Education Eligibility Board, which awards credit for classes relevant to the recertification process for assessors. They often take leading roles in training, education seminars, and courses on local property administration. These classes are aimed at improving the performance of county board of taxation members, administrators, and municipal and county assessors. The following Sections and units are in Property Administration:

Local Property

Policy and Planning Section

Legislative Analysis/Deductions, Exemptions, Abatements/Correspondence. Reviews and prepares comments on proposed legislation concerning Property Tax matters; reviews and develops policies and practices for Property Tax deduction, exemption, abatement programs, and preferential reduced farmland assessment; responds to inquiries of the general public, State and local tax officials, and members of the Legislature with respect to Property Tax issues; prepares correspondence, written guidelines, regulations, tax forms, and educational

materials, including the *Handbook for New Jersey Assessors*, on local property taxation.

Revaluations/Reassessments/Assessor Continuing Education. Reviews, approves, and monitors revaluation and reassessment programs, applications, and contracts; compiles the annual *Farmland Data Report and Farmland Rollback Report*; administers assessors' continuing education and recertification programs; and collects, reviews, and maintains employment information that pertains to municipal assessors, such as tenure and term of office.

County Board of Taxation Assistance/Compliance/ Realty Transfer Fee/Tax Maps. Responds to inquiries on the Realty Transfer Fee and monitors the dollar amount collected and refunded; provides assistance and checks compliance for the 21 county boards of taxation; prepares written information and instructions on various property tax statutes and programs for use by county tax board members and administrators; reviews and approves municipal tax maps for conformance to current specifications and, as required, for municipal revaluations or formal certification.

Revenue Sharing/Homestead Rebate/Audit Unit.

Reviews and certifies the dollar amounts for State reimbursement to local taxing districts for senior citizens' and veterans' property tax deductions; audits municipalities that the State reimburses for granting the \$250 annual property tax deductions for senior citizens and \$250 annual deduction for veterans, and assists with the State administration of other municipal property tax deduction reimbursements; conducts investigations of cooperative and continuing care ownerships for homeowners' benefit updates and conducts periodic inspections of municipal tax assessors' offices for compliance with statutory responsibilities.

Certified Assessor Exam develops, coordinates and administers biannual Tax Assessor Certification Exams for the Director, Division Taxation.

Valuation and Mapping Section

Equalization and In-House Training. Equalization and In-House Training. Reviews and corrects county equalization and county abstracts of ratables for all 21 counties; prepares the State Abstract of Ratables and the annual State Equalization Table; and answers all equalization questions. This unit prepares and presents instructional materials concerning Local Property Tax matters for trainees and for staff when statutory or policy and practice changes occur. The unit also develops and maintains the *Handbook for County Boards of Taxation*.

Field Unit. Provides direct assistance in solving problems to 541 municipal tax assessors' offices, one county assessor's office, and 21 county boards of taxation; investigates SR-1As, which contain information about real property sales, for sales ratio purposes; and gathers and verifies data for the Table of Equalized Valuations. The unit works with the Deputy Attorney General assigned to the Division of Taxation to defend the Table of Equalized Valuations during appeals.

Sales Ratio. Oversees the Assessment-Sales Ratio program and ensures that county tax boards and assessors receive and send timely electronic transmissions of sales data; performs investigations of sales ratio methodologies and appraises real property; and develops the annual Table of Equalized Valuations from the data analyzed. Appeals of the Table are handled in conjunction with a Deputy Attorney General in the New Jersey Tax Court. The Table shows the average ratio of assessed to true value of real estate for each municipality in the State. It is used in the calculation and distribution of State School Aid, to apportion county and regional school district taxes, and to measure debt limits of local government units.

Valuation and Railroad Property Units. Equalization and In-House Training. Reviews and corrects county equalization and county abstracts of ratables for all 21 counties; prepares the State Abstract of Ratables and the annual State Equalization Table; and answers all equalization questions. This unit prepares and presents instructional materials concerning Local Property Tax matters for trainees and for staff when statutory or policy and practice changes occur. The unit also develops and maintains the Handbook for County Boards of Taxation.

Information Services. Supports Property Administration in all aspects of information processing and new technologies, applies new technologies to current operations, develops relational databases, and ensures the efficiency of Property Administration systems; assists in determining the operating policies, procedures, and priorities for all of Property Administration's data processing systems (MOD IV and Sales Ratio); ensures that MOD IV vendors are approved, monitored, and advised on new legislation or policies that affect Local Property; maintains the MODIV User Manual; handles secure file transfers to data centers; maintains Property Administration web pages and the portal area for municipal and county assessors and county boards of taxation; and acts as liaison for OPRA (Open Public Records Act) requests that pertain to Local Property Tax data.

OFFICE OF STRATEGIC PLANNING & OPERATIONS

Office of the Chief of Staff

The Chief of Staff's Office is responsible for representing the Division throughout State government in administrative matters, as well as providing Division-wide support in the areas of Management Services and Strategic Planning and Operations. The Chief of Staff's Office serves as the liaison to the Department of Treasury's Fiscal Office, the Division of Revenue and Enterprise Services, Human Resources, and Labor Relations and Development. The Chief of Staff's office is tasked with ensuring that Taxation follows internal controls procedures. The Chief of Staff also facilitates budgetary and IT requests and coordinates the handling of personnel matters, including disciplinary and grievance actions concerning Division employees.

Management Services

Management Services is responsible for providing support in the following areas:

Facilities Management. Coordinates building maintenance and management services for 12 Division offices throughout New Jersey and for the Division's out-of-state locations in the Chicago area and Anaheim, California. Facilities Management monitors all construction projects and coordinates physical moves for all Taxation locations. In addition, Facilities Management is responsible for providing security, including providing employees with photo identification and building access cards.

Records Management/Image Processing. Responsible for the Division's records management and storage. The unit maintains a records placement and tracking system that enables Division personnel to retrieve documents and files quickly and efficiently. Records Management is also responsible for managing taxpayer requests for copies of personal and business tax returns. The unit also provides document scanning services for various Taxation units.

Property and Forms. The unit manages and maintains the Division's warehouse, which includes office supplies, bulk forms, and surplus property/equipment.

Mail Services/Print Processing. Responsible for the pickup, sorting, recording, and delivery of mail for the Division, including to field offices and other State agencies. The unit is also responsible for printing, processing, and mailing various taxpayer notices.

Forms Distribution. Responsible for mailing forms and publications in response to taxpayer requests and also bulk mailing and/or copying of tax-related documents for special projects generated by various branches of the Division.

Vehicle Management: Responsible for the Division's fleet of vehicles including budgeting, purchasing, scheduling maintenance, generating mileage reports, and managing the GPS system.

OFFICE OF COUNSEL SERVICES

Conference and Appeals

The Conference and Appeals Branch provides taxpayers with a forum for tax disputes. The Branch processes protests, conducts informal administrative conferences, and issues final determinations on behalf of the Director. These conferences may be conducted via correspondence, telephone, or in person. The Branch also works with the Office of the Attorney General on litigation for both taxes and Property Tax relief programs.

The Review Section within each particular tax track evaluates all incoming protests for compliance with the statutory and regulatory provisions governing protests and appeals. As each protest and appeal is reviewed, this Section determines whether or not the State is at risk relative to the collection of protested tax assessments. Taxpayers may be asked to pay the outstanding assessment, furnish a surety bond, or provide a letter of credit to stay collection. Absent adequate surety, a Certificate of Debt will be filed and, when appropriate, a Finding of Responsible Person will be issued. The Review Section also pursues collection of unprotested components of an assessment, if any.

The mission of the Conference Section is to provide informal administrative conferences to taxpayers who protest a tax determination. The conferees perform a fair and efficient administrative review in order to reach a resolution of all tax matters before them. At the end of the conference process, the conferee issues a Final Determination on tax assessments, refund denials, and miscellaneous or nonmonetary issues.

A taxpayer may appeal a Final Determination to the Tax Court of New Jersey. Once a case is appealed, the Appeals Section manages the case, acting as the Division's liaison and working with the Deputy Attorney General assigned to defend the Division of Taxation. The Appeals Section works to ensure that the Director's position is well presented and clearly understood.

Office of Legislative Analysis and Disclosure

The Office of Legislative Analysis and Disclosure (OLAD) is comprised of three units with responsibilities ranging from legislation review to safeguarding confidential tax information to issuing tax credits and approving grant disbursements under State tax incentive programs. The Branch is responsible for drafting, finalizing, and

cataloging all Memoranda of Understanding (MOU) or Agreement (MOA) to which the Division is a party.

The Legislation Analysis Unit is responsible for reviewing all tax bills introduced in the New Jersey State Legislature as well as federal legislation that may impact the operations of the Division. The unit evaluates the administrative, fiscal, and policy implications of proposals that are scheduled for legislative action. When necessary, the unit proposes amendments to ensure that the Division can effectively implement and administer a bill; prepares bill comments and fiscal notes for the Treasurer; and makes a recommendation as to whether the Treasurer should oppose or support a particular bill. Upon enactment of tax legislation, the unit initiates and participates in the implementation process.

The Disclosure Office responds to internal and external requests for tax records and recommends and implements exchange agreements with state and federal agencies. The office assists the Division's Office of Criminal Investigation with employee background checks and trains all Division employees regarding the safeguarding of confidential State and federal tax information. The office works with the Internal Revenue Service, the New Jersey State Police, the Division of Criminal Justice, the Division of Gaming Enforcement, and the tax and/or revenue divisions of other states.

To ensure that the entire Division is following the IRS's safeguarding rules for federal tax information, the Disclosure Office inspects each of the Division's offices for compliance with security procedures, establishes standard operating procedures for the handling and disposal of confidential State and federal tax information, and responds to irregularities discovered by them or by the IRS. The Disclosure Office is one of the few recognized by the IRS for its outstanding internal procedures.

The Disclosure Office is also the Division's central point for receipt of public requests for information made pursuant to the Open Public Records Act (OPRA). Disclosure staff reviews, researches, and prepares the Division's responses to all OPRA requests.

The Grant, Credit Review Unit (G-CRU) is responsible for reviewing, monitoring, and processing grants and tax credits for more than a dozen State business incentive programs. The unit works closely with the New Jersey Economic Development Authority to implement and manage these programs. The G-CRU also assists developers and other taxpayers to ensure their compliance with current tax requirements, educates stakeholders and grant/credit recipients regarding document submissions, and reviews

grant submissions to ensure that recipients thereof are eligible and in compliance with current tax law.

Regulatory Services

The Regulatory Services Branch furnishes guidance and support to the Division with respect to issues arising in the course of its work, and to the general public. Specifically, the Branch provides and publishes advice, information, and written guidance in order to promote voluntary compliance with New Jersey tax laws. The Branch handles technical and regulatory issues; provides administrative and enforcement advice to Division management and staff on tax laws administered by the Division; drafts new legislation; reviews proposed legislation; provides technical assistance in the implementation of new tax laws; analyzes, researches, and responds to taxpayers' inquiries and requests for technical advice or letter rulings; and issues guidance for the public in the form of Technical Bulletins, Technical Advisory Memorandums (TAMs), Letter Rulings, notices, New Jersey State Tax News articles, and web pages. Members of the Branch act as the Division's liaisons with the Division of Revenue and Enterprise Services, the Economic Development Authority, the Urban Enterprise Zone Authority, and other State agencies with respect to various tax issues.

Regulatory Services is responsible for coordinating and drafting all Division administrative rules and notices. As such, the Division's Administrative Practice Officer, who is tasked with working with the Office of Administrative Law (OAL) to oversee the promulgation of the Division's rules and their publication in the New Jersey Register, is a member of Regulatory Services.

The Branch administers the GIT/REP waiver program that addresses the 2 percent withholding required for nonresidents selling or transferring property in New Jersey and other real property transfer work.

The Exempt Organization Unit within the Branch processes and makes determinations on applications for Sales and Use Tax Exempt Organization Certificates.

The Executive Secretary to the Sales and Use Tax Review Commission is a member of Regulatory Services and is responsible for providing administrative and professional support to the Commission. The Commission is statutorily charged with reviewing proposed legislation that would either expand or contract the base of the New Jersey Sales and Use Tax Act. The Executive Secretary is responsible for coordinating Division resources, scheduling and facilitating Commission meetings, and issuing an annual report on behalf of the Commission.

Office of the Taxpayer Advocate

The Office of the Taxpayer Advocate (OTA) provides an avenue of independent review for taxpayers with State tax problems that they have been unable to resolve through normal channels or who are facing “undue hardship” as a result of action by the Division of Taxation. The OTA can only assist taxpayers whose problems fall within the Division of Taxation’s jurisdiction. The OTA cannot assist with problems that result from a determination or action of another State department or agency.

The OTA is also tasked with identifying and proposing solutions and changes for systemic challenges that increase the burden on, or create problems for taxpayers. When appropriate, the OTA will recommend administrative or legislative changes to resolve, alleviate, and/or mitigate identified issues.

OFFICE OF CRIMINAL INVESTIGATION (OCI)

The Office of Criminal Investigation (OCI) is the Division’s law enforcement and criminal investigation arm. Its primary mission is to conduct investigations concerning alleged violations of the State tax code as well as the attendant criminal code violations. As a State law enforcement agency, OCI enforces all statutes and regulations administered by the Division of Taxation. Members of OCI work closely with other law enforcement and criminal justice agencies, particularly the New Jersey Attorney General’s Office and the 21 County Prosecutors’ Offices, including federal, State, and local criminal investigators focusing on economic and financial crimes that have tax compliance consequences. OCI special agents also provide homeland security and emergency management support to the Department of the Treasury. The Internal Security Unit of OCI conducts “Professional Responsibility” and integrity investigations involving employees of both the Divisions of Taxation and Revenue and Enterprise Services. Special agents are sworn, certified, and armed State law enforcement officers who operate around the clock and, at times, under adverse conditions.

OCI consists of six units, all of which focus on “Protecting the Revenue”:

The *Special Investigations Unit (SIU)* consists of sworn special agents who detect, investigate, and arrest violators of the Cigarette Tax Act, Motor Fuel Tax Act, Alcoholic Beverage Tax Act, and the Tobacco Products Wholesale Sales and Use Tax Act. Contraband smuggling and counterfeiting of tax indicia and goods are priority investigations. The seizure and court-ordered forfeiture of prima facie contraband, currency, vehicles, and related equipment are tools used by OCI to deter violators.

The *Financial Investigations Unit (FIU)* is staffed by both forensic auditors and sworn special agents who investigate criminal violations involving the various taxes administered by the Division with a focus on Sales and Use Tax, Gross Income Tax, and Corporation Business Tax. Entrusted fund investigations receive particular attention. The forensic auditors assigned to FIU receive extensive criminal investigative training to augment their financial skills.

The *Special Frauds Unit (SFU)* works to identify refund fraud, false filings, and other criminal schemes designed to defraud the State. It assists in implementing systems and methods to prevent unlawful refunds in an ever-changing environment. It also supports the “Stolen

Identity Refund Fraud” task force, consisting of OCI special agents and detectives from the New Jersey State Police Cyber Crimes Unit. Developing intelligence on these schemes is of particular importance to targeting violators involved in multiple jurisdictions.

The **Internal Security Unit (ISU)** handles confidential and sensitive matters, including internal investigations regarding professional responsibility; background investigations of prospective employees; and acts of threats, harassment, or intimidation made by persons attempting to impede the functions of the Divisions of Taxation and Revenue and Enterprise Services. ISU provides training for new employees on confidentiality statutes, rules and policies, and bribery awareness issues. The Internal Affairs Officer, as required by the New Jersey Attorney General, has oversight for all personnel in OCI reporting to the Special Agent in Charge.

The **Technical Enforcement Unit (TEU)** is composed of highly trained investigators whose primary responsibility is to recover and protect monies due the State of New Jersey. It reviews internal records of the Division related to payments made that are dishonored by financial institutions. Criminal prosecution is initiated for violators who fail to replace dishonored checks and failed electronic funds transfers. It also coordinates with the Division’s civil units to identify persistent violators who fail to respond to compliance efforts when civil remedies have been exhausted.

The **Intelligence Unit (OCI2)** focuses on developing relationships with law enforcement and prosecutorial agencies with the intent of developing information on criminal matters that affect the Division and Department as well as providing intelligence-led law enforcement. It provides a presence at the New Jersey Regional Operations Intelligence Center and leverages technology through restricted access to law enforcement and intelligence systems in order to help facilitate criminal investigations. OCI2 also administers the Division of Taxation’s *Report Tax Fraud* program. The unit processes complaints from the public by receiving, collating, and disseminating them for investigation.

Members of the Office of Criminal Investigation serve on federal and State law enforcement task force units, bringing financial investigative expertise and resources to multijurisdictional organizations serving the citizens of the State of New Jersey. Special agents are New Jersey Police Training Commission instructors at many police training academies across the State in a wide variety of subjects and faculty members at a number of advanced law enforcement schools.

New Jersey Division of Taxation

TAXES AND PROGRAMS ADMINISTERED

Table 1—Major State Revenue Collections (Net) Fiscal Years 2014–2016

Revenue Source ¹	2016 ²	% of Total	2015	% of Total	2014	% of Total	% Change 2015–16
Collected by the Division:							
Admissions Surcharge	\$ 372,572	0.0%	\$ 668,778	0.0%	\$ 13,518	0.0%	-44.3%
Alcoholic Beverage Tax (total revenue)	138,798,624	0.4	138,547,928	0.4	137,220,443	0.5	0.2
Casino Revenue	209,417,118	0.7	206,143,487	0.7	221,453,757	0.8	1.6
Cigarette Tax (total revenue)	677,215,960	2.2	692,226,235	2.2	712,575,662	2.4	-2.2
Controlling Interest Transfer Tax ³	11,197,615	0.0	11,291,166	0.0	8,029,679	0.0	-0.8
Corporation Taxes:							
Corporation Business ⁴	2,299,017,310	7.4	2,738,758,941	8.8	2,112,908,123	7.2	-16.1
CBT Banks & Financials	178,190,722	0.6	127,231,015	0.4	185,979,732	0.6	40.1
Cosmetic Medical Procedures Tax ⁵	18,626	0.0	301,380	0.0	4,127,963	0.0	-93.8
Domestic Security Fee	37,822,152	0.1	35,835,502	0.1	37,568,282	0.1	5.5
Environmental Taxes:							
Landfill Closure and Contingency	1,977,779	0.0	1,809,732	0.0	1,883,736	0.0	9.3
Litter Control	27,362,650	0.1	22,988,830	0.1	20,282,497	0.1	19.0
Public Community Water Systems	2,715,713	0.0	2,655,292	0.0	2,645,515	0.0	2.3
Recycling	29,319,459	0.1	23,806,638	0.1	23,913,898	0.1	23.2
Spill Compensation	23,677,719	0.1	23,546,288	0.1	21,450,839	0.1	0.6
Gross Income Tax	13,355,992,259	42.9	13,250,001,844	42.5	12,311,695,518	42.1	0.8
Hotel/Motel Occupancy Fee/Tax	98,400,760	0.3	95,430,338	0.3	86,975,867	0.3	3.1
Insurance Premiums Tax	605,446,659	1.9	648,090,140	2.1	584,714,651	2.1	-6.6
Meadowlands Assessment	2,764,784	0.0	1,024,793	0.0	0	0.0	169.8
Miscellaneous Revenues	1,861,281	0.0	13,383,905	0.0	15,614,070	0.1	-86.1
Mobile Telecommunications (9-1-1) Fee	122,149,890	0.4	121,631,961	0.4	121,668,016	0.4	0.4
Motor Fuel Tax	554,472,717	1.8	535,549,839	1.7	530,386,983	1.8	3.5
Motor Vehicle Tire Fee	9,874,730	0.0	9,733,855	0.0	9,640,758	0.0	1.4
Nursing Home Assessment (tot. rev.)	132,893,464	0.4	126,613,161	0.4	126,574,691	0.4	5.0
Petroleum Products Tax	214,760,068	0.7	215,064,122	0.7	216,818,207	0.7	-0.1
Public Utility Excise Tax	17,151,540	0.1	15,570,113	0.0	15,042,957	0.1	10.2
Railroad Franchise Tax	6,960,745	0.0	7,761,914	0.0	9,949,392	0.0	-10.3
Railroad Property Tax	4,637,651	0.0	4,547,030	0.0	4,581,875	0.0	2.0
Sales Taxes:							
Sales and Use ⁴	9,267,703,006	29.8	9,146,025,530	29.3	8,849,369,361	30.3	1.3
Atlantic City Lux & Promo (Loc. Use)	29,659,604	0.1	32,155,755	0.1	35,910,556	0.1	-7.8
Tobacco Products Wholesale	23,510,450	0.1	23,329,540	0.1	21,878,472	0.1	0.8
Cape May County Tourism (Loc. Use)	6,951,178	0.0	6,520,516	0.0	5,780,641	0.0	6.6
Sports and Entertainment Facility Tax ⁶	28,081	0.0	34,518	0.0	37,024	0.0	-18.6
Transfer Inheritance and Estate Taxes	769,688,165	2.5	793,508,218	2.5	687,436,282	2.4	-3.0
Revenue Collected by the Division	\$28,862,011,051	92.8%	\$29,071,788,304	93.1%	\$27,124,128,965	92.8%	-0.7%
Collected Outside the Division:							
State Athletic Control Board (tot. rev.)	\$ 431,830	0.0%	\$ 572,257	0.0%	\$ 769,311	0.0%	-24.5%
Casino Control	39,823,221	0.1	51,483,695	0.2	53,933,724	0.2	-22.6
Lottery	987,000,000	3.2	960,000,000	3.1	965,010,000	3.3	2.8
Motor Vehicle Fees (total revenue)	698,410,446	2.2	692,471,643	2.2	679,303,262	2.3	0.9
Outdoor Advertising (total revenue)	1,605,750	0.0	1,689,758	0.0	1,598,513	0.0	-5.0
Realty Transfer (total revenue)	513,694,195	1.7	435,083,539	1.4	405,639,227	1.4	18.1
Revenue Collected Outside the Division	\$ 2,240,965,442	7.2%	\$ 2,141,300,892	6.9%	\$ 2,106,254,037	7.2%	4.7%
Total Major State Revenue Collections	\$31,102,976,494	100.0%	\$31,213,089,196	100.0%	\$29,230,383,002	100.0%	-0.4%

¹ Figures are from the Comprehensive Annual Financial Report unless otherwise indicated.

² The 2016 figures are subject to adjustment.

³ Summaries of Revenues, Expenditures and Fund Balances, Governor's Budget Message.

⁴ Includes the on-budget amount of Energy Tax for Sales Tax and CBT.

⁵ Imposed effective September 1, 2004. Rate reduced to 4% on July 1, 2012, and to 2% on July 1, 2013. No tax imposed as of July 1, 2014.

⁶ New Jersey Division of Taxation Records.

Note: Some entries for prior years may be revised from earlier versions.

Totals may not add due to independent rounding.

Statutory Responsibilities

Responsibilities of the Division of Taxation arise under the following statutory provisions:

Tax	<u>N.J.S.A. Citation</u>	Tax	<u>N.J.S.A. Citation</u>
Admissions Surcharge.....	40:48G-1 <i>et seq.</i>	9-1-1 System and Emergency Response Assessment.....	52:17C-17 <i>et seq.</i>
Alcoholic Beverage Tax.....	54:41-1 <i>et seq.</i>	Nursing Home Assessment	26:2H-92 <i>et seq.</i>
Atlantic City Casino Taxes and Fees	5:12-148.1 to 5:12-148.3 5:12-148.8 5:12-173.2	Petroleum Products Gross Receipts Tax	54:15B-1 <i>et seq.</i>
Atlantic City Luxury Sales Tax.....	40:48-8.15 <i>et seq.</i> 54:32B-24.1 <i>et seq.</i>	Property Tax Relief Programs.....	54:4-8.67 <i>et seq.</i> Homestead Benefit
Atlantic City Tourism Promotion Fee.....	40:48-8.45 <i>et seq.</i>	NJ SAVER Rebate.....	54:4-8.58a and 54:4-8.58b
Cape May County Tourism Sales Tax.....	40:54D-1 to 10	Property Tax Reimbursement.....	54:4-8.67 <i>et seq.</i>
Cigarette Tax	54:40A-1 <i>et seq.</i> 56:7-18 <i>et seq.</i>	Public Community Water System Tax	58:12A-1 <i>et seq.</i>
Controlling Interest Transfer Tax.....	54:15C-1	Public Utility Taxes: Public Utility Excise, Franchise, and Gross Receipts Taxes.....	54:30A-49 <i>et seq.</i>
Corporation Business (Net Income and Net Worth) Tax	54:10A-1 <i>et seq.</i> CBT Banking Corporation	Railroad Franchise Tax.....	54:29A-1 <i>et seq.</i>
CBT Banking Corporation	54:10A-1 <i>et seq.</i>	Railroad Property Tax.....	54:29A-1 <i>et seq.</i>
CBT Financial Corporation	54:10A-1 <i>et seq.</i>	Realty Transfer Fee.....	46:15-5 <i>et seq.</i>
Cosmetic Medical Procedures Gross Receipts Tax.....	54:32E-1 <i>et seq.</i>	Recycling Tax	13:1E-96 <i>et seq.</i>
Domestic Security Fee.....	App.A:9-78	Sales and Use Tax	54:32B-1 <i>et seq.</i>
Gross Income Tax	54A:1-1 <i>et seq.</i>	Spill Compensation And Control Tax	58:10-23.11 <i>et seq.</i>
Hotel/Motel Occupancy Fee and Municipal Occupancy Tax	54:32D-1 <i>et seq.</i>	Sports and Entertainment Facility Tax	34:1B-193 <i>et seq.</i>
Insurance Premiums Tax.....	54:16-1 <i>et seq.</i> 54:17-4 <i>et seq.</i> 54:18A-1 <i>et seq.</i>	Tobacco Products Wholesale Sales and Use Tax	54:40B-1 to 14
Landfill Closure and Contingency Tax	13:1E-100 <i>et seq.</i>	Transfer Inheritance and Estate Taxes: Transfer Inheritance.....	54:33-1 <i>et seq.</i> Estate
Litter Control Fee.....	13:1E-213 <i>et seq.</i>	Uniform Transitional Utility Assessment.....	54:30A-114 <i>et seq.</i>
Local Property Tax.....	54:4-1 <i>et seq.</i>		
Meadlowlands Regional Hotel Use Assessment.....	5:10A-85		
Motor Fuel Tax.....	54:39-101 <i>et seq.</i>		
Motor Vehicle Tire Fee	54:32F-1 <i>et seq.</i>		

Admissions Surcharge

Description

Municipalities are authorized under P.L. 2007, C. 302 (as amended by P.L. 2013, C. 84), to adopt an ordinance imposing a surcharge on admission charges to a major place of amusement located in the municipality. The surcharge is to be paid by customers and may be imposed only on admissions to places of amusement at which admission charges are regularly paid and that contain fixed seats or bleacher capacity for no fewer than 10,000 patrons. The surcharge may not be imposed at major places of amusement owned by or located on property that is owned by the State or an independent State authority, or at motion picture theaters or amusement parks.

Rate

The surcharge is an amount up to 5% of any admission charge that is taxable under the Sales and Use Tax Act. The surcharge must be separately stated on any bill or receipt provided to the customer and is not to be added to the price on which Sales Tax is imposed.

Disposition of Revenues

Revenues are collected by the Division of Taxation, certified to the State Treasurer, and distributed to each municipality from which they are collected. The revenue, if any, received by a municipality shall be appropriated as a special item of local revenue subject to approval by the Director of the Division of Local Government Services in the Department of Community Affairs and shall be offset by a municipal appropriation of an equal amount for public safety purposes.

Alcoholic Beverage Tax

Description

The Alcoholic Beverage Tax is applied to the first sale or delivery of alcohol to retailers in New Jersey and is based on the number of gallons sold or otherwise disposed of in the State. The tax is collected from licensed manufacturers, wholesalers, State beverage distributors, breweries, wineries, and distilleries.

Sales to organizations of armed forces personnel are exempt; so are sales for medicinal, dental, industrial, and other nonbeverage uses.

Rate

<i>Type of Beverage</i>	<i>Rate per Gallon</i>
Beer	\$0.12
Liquor	\$5.50
Still Wine, Vermouth, Sparkling Wine	\$0.875
Hard Apple Ciders:	
3.2% – 7% alcohol by volume	\$0.15
Over 7% alcohol by volume	\$0.70

Disposition of Revenues

Revenues are deposited in the State Treasury for general State use, except that beginning on July 1, 1992, \$11 million of the tax revenue has been deposited annually into the Alcohol Education, Rehabilitation and Enforcement Fund. A small percentage also goes to the New Jersey Wine Promotion Account.

Atlantic City Casino Taxes and Fees

Description

P.L. 2003, C. 116, imposed various taxes and fees on: the value of rooms, food, beverages, or entertainment given away for free or at a reduced price as a “complimentary;” multi-casino progressive slot machine revenue; the adjusted net income of casino licensees; casino hotel room occupancies; and casino hotel parking.

P.L. 2004, C. 128, provided for the gradual phase-out of the tax on the above casino “complimentaries” until the tax expired on June 30, 2009. It also transferred from the Division of Taxation to the Casino Control Commission the responsibility for administering the Casino Complimentaries Tax, the Casino Adjusted Net Income Tax, the Multi-Casino Slot Machine Revenue Tax, the Casino Parking Fee, and the \$3 Casino Hotel Room Occupancy Fee. The Division of Taxation no longer collected these taxes and fees effective September 2004.

P.L. 2011, C. 19, returned administration and collection responsibilities for several taxes and fees that had previously been administered and collected by the New Jersey Casino Control Commission to the Division of Taxation. These include the Gross Revenue Tax, the Casino Hotel Room Occupancy Fee, and the Multi-Casino Slot Machine Revenue Tax.

Rate

Taxes and fees are assessed at the following rates:

- 8% on multi-casino progressive slot machine revenue;
- 8% on the gross revenue of casino licensees;
- \$3-per-day fee on each hotel room occupied by a guest in a casino hotel;
- \$3-per-day minimum casino hotel parking charge;
- 25% on expired gaming-related obligations.

Disposition of Revenues

The Atlantic City Casino Taxes and Fees are deposited into the Casino Revenue Fund, and certain revenues from the Casino Parking and Casino Hotel Room Occupancy Fees are allocated to the Casino Reinvestment Development Authority (CRDA). All revenues from the Multi-Casino Slot Machine Revenue Tax, the Gross Revenue Tax, and the tax levied on expired gaming-related obligations are deposited into the Casino Revenue Fund. Revenues from the \$3 Casino Parking Fee are allocated to the Casino Revenue Fund (\$0.50) and the CRDA (\$2.50). Revenues from the \$3 Casino Hotel Room Occupancy Fee are allocated to the Casino Revenue Fund (\$2) and the CRDA (\$1).

Atlantic City Luxury Sales Tax**Description**

The Atlantic City Luxury Sales Tax applies to the receipts from specified retail sales within Atlantic City, including sales of alcoholic beverages for on-premises consumption; cover, minimum, or entertainment charges; room rental in hotels, inns, rooming, or boarding houses; hiring of rolling chairs, beach chairs, and cabanas; and tickets of admission within Atlantic City.

Casual sales, sales to New Jersey or its political subdivisions, sales exempt under federal law, and sales by a church or nonprofit charitable organization are exempt.

Rate

The rate is 3% on sales of alcoholic beverages sold by the drink and 9% on other taxable sales. The State Sales Tax rate is reduced to the extent that the city rate exceeds 6%, and the maximum combined Atlantic City rate and New Jersey rate (excluding the State Occupancy Fee) may not exceed 13%.

Disposition of Revenues

Revenues are forwarded to the Casino Reinvestment Development Authority.

Atlantic City Tourism Promotion Fee**Description**

Municipalities with convention center facilities supported by a local retail Sales Tax are authorized under P.L. 1991, C. 376 (as amended by P.L. 2011, C. 18 and P.L. 2012, C. 34), to collect fees for the promotion of tourism, conventions, resorts, and casino gaming. The fee is imposed on and is payable by all hotels, motels, rooming houses, etc., in such municipalities. Atlantic City is the only New Jersey municipality that currently qualifies under the law. For filing purposes, the tourism promotional fee is reported and paid by the taxpayer on the Combined Atlantic City Luxury Tax/State Sales Tax Return.

Rate

The rate is \$2 per day for each occupied room in the case of hotels that provide casino gambling and \$1 per day for each occupied room in other hotels. The fee also applies to “no charge” occupancies.

Disposition of Revenues

Fees are collected by the Director, certified to the State Treasurer, and distributed to the Casino Reinvestment Development Authority.

Cape May County Tourism Sales Tax**Description**

The Tourism Improvement and Development District Act, P.L. 1992, C. 165, authorized municipalities in Cape May County to require certain businesses to collect an additional 2% retail Sales Tax on tourism-related retail sales and/or pay a Tourism Development Fee. At present, businesses in Wildwood, North Wildwood, and Wildwood Crest are affected.

Tourism-related sales include the following items (if also taxable under the Sales and Use Tax Act): room rental in hotels, motels, or boarding houses; food and drink sold by restaurants, taverns, and other similar establishments,

or by caterers (but not including vending machine sales); and admission charges to amusements (amusement rides, movie theaters, sporting, drama, or musical events) and cover charges in nightclubs and cabarets.

Rate

The rate is 2% on tourism-related retail sales. The tax is in addition to the 7% State Sales Tax. Thus, sales subject to the Cape May Tourism and the State Sales Tax are taxable at 9%.

“The Phase 2 Tourism Funding Act” imposes a 1.85% Tourism Assessment on the rent for any occupancy of a room in a hotel, motel, or other transient accommodation. The assessment is effective for all room rentals on or after April 1, 2003.

Disposition of Revenues

Revenues are collected by the State Treasurer and are placed in a special reserve fund to pay principal and interest on bonds and notes issued by the tourism authority for tourism promotion projects and activities. The 1.85% Tourism Assessment is administered by the Division of Taxation, and revenues collected are deposited in a tourism assessment fund.

Cigarette Tax

Description

The Cigarette Tax is collected primarily from licensed distributors who receive cigarettes directly from out-of-state manufacturers. Unless otherwise provided by law, every package of cigarettes must be stamped before being transferred from the original acquirer in New Jersey. This tax is not imposed on other tobacco products.

Sales to the United States Government or the Veterans Administration, and sales in interstate commerce are exempt.

Rate

The rate is \$2.70 per pack of 20 cigarettes and \$3.375 per pack of 25 cigarettes effective July 1, 2009.

A distributor is allowed a 0.00174757% discount on the purchase of 1,000 or more stamps or meter impressions.

Disposition of Revenues

Revenues are deposited in the State Treasury for general State use. Pursuant to P.L. 2009, C. 70, initial collections of \$391.5 million are deposited in the Health Care Subsidy Fund.

Controlling Interest Transfer Tax

Description

P.L. 2006, C. 33, imposes a Controlling Interest Transfer Tax on certain transfers of a controlling interest in an entity possessing Class 4A commercial real property. Class 4A commercial properties are income-producing real property other than property classified as vacant land, residential property, farm property, industrial properties, and apartments. The sale or transfer of a controlling interest subject to taxation may occur in one transaction or in a series of transactions.

Rate

The Controlling Interest Transfer Tax is imposed at the rate of 1%. There are two different methods for calculating the tax:

- If consideration in excess of \$1 million is paid for the controlling interest and the entity owning the subject commercial real property owns only the subject real property, the tax to be paid by the purchaser is 1% of the entire amount paid on the sale or transfer.
- If the entity owning the subject commercial real property also owns an interest in other property, real or personal, tax is paid on the sale or transfer of the controlling interest only if the equalized assessed value of the subject real property exceeds \$1 million. The tax to be paid by the purchaser is 1% of that percentage of the equalized assessed value that equals the percentage of the ownership interest transferred.

Disposition of Revenues

Revenues are deposited in the State Treasury for general State use.

Corporation Business Tax

Description

The Corporation Business Tax Act imposes a franchise tax on a domestic corporation for the privilege of existing as a corporation under New Jersey law, and on a foreign corporation for the privilege of having or exercising its corporate charter in this State or doing business, employing or owning capital or property, maintaining an office, deriving receipts, or engaging in contracts in New Jersey.

The tax applies to all domestic corporations and all foreign corporations having a taxable status unless specifically exempt. The tax also applies to joint-stock companies or associations, business trusts, limited partnership associations, financial business corporations, and banking corporations, including national banks. Also, a corporation is defined as any other entity classified as a corporation for federal income tax purposes and any state or federally chartered building and loan association or savings and loan association.

Taxpayers must pay the greater of their liability under the Net Income Tax or the alternative minimum assessment. The income-based tax is measured by that portion of the net income allocable to New Jersey. The tax applies to net income for the firm's accounting period (calendar year or fiscal year), or any part thereof during which the corporation has a taxable status within New Jersey. The alternative minimum assessment is based on apportioned gross receipts or gross profits.

Exempt from the tax are certain agricultural cooperative associations; federal corporations that are exempt from state taxation; corporations created under the limited-dividend housing corporation law; nonprofit cemetery corporations; nonprofit corporations without capital stock; nonstock mutual housing corporations; railroad and canal corporations; sewerage and water corporations; insurance companies subject to premiums tax; and certain municipal electric corporations.

Rate

The rate is 9% on entire net income, or the portion of entire net income allocated to New Jersey. For corporations with entire net income greater than \$50,000 and less than or equal to \$100,000, the rate is 7.5%; and for corporations with entire net income of \$50,000 or less, the rate is 6.5%.

For periods ending on or after July 1, 2007, the rate is 0% for New Jersey S corporations with entire net income that is not subject to federal income taxation, as allocable to New Jersey. However, New Jersey S corporations remain subject to the minimum tax.

For calendar years beginning in 2006 and thereafter (privilege periods beginning in 2006 through 2011 for New Jersey S corporations), the minimum tax is based on New Jersey gross receipts as follows:

<i>New Jersey Gross Receipts</i>	<i>Minimum Tax*</i>
Less than \$100,000	\$ 500
\$100,000 or more, but less than \$250,000	750
\$250,000 or more, but less than \$500,000	1,000
\$500,000 or more, but less than \$1,000,000	1,500
\$1,000,000 or more	2,000

*The minimum tax for affiliated or controlled groups is \$2,000 for each member of a group that has a total payroll of \$5,000,000 or more for a privilege period.

For privilege periods beginning in 2012 and thereafter, the minimum tax for New Jersey S corporations is based on New Jersey gross receipts as follows:

<i>New Jersey Gross Receipts</i>	<i>Minimum Tax</i>
Less than \$100,000	\$ 375.00
\$100,000 or more, but less than \$250,000	562.50
\$250,000 or more, but less than \$500,000	750.00
\$500,000 or more, but less than \$1,000,000	1,125.00
\$1,000,000 or more	1,500.00

Disposition of Revenues

Revenues collected from general business corporations are deposited in the State Treasury for general State use. Revenues collected from banking and financial corporations are distributed 25% to counties, 25% to municipalities, and 50% to the State.

Article 8, Section 2, paragraph 6 of the State Constitution was amended to dedicate 4% of Corporation Business Tax revenue to fund hazardous discharge cleanup, underground storage tank improvements, and surface water quality projects.

Chapter 40, P.L. 2002, Section 32 created within the General Fund a restricted reserve fund to be known as the "Corporation Business Tax Excess Revenue Fund."

History

Corporation Business Taxes date back to 1884, when a Franchise Tax was imposed on all domestic corporations. Between 1884 and 1946, the Franchise Tax was based on the total amount of capital stock issued by the taxpayer and outstanding as of January 1 of each year (C. 159, P.L. 1884).

There was no Franchise Tax on foreign corporations prior to 1936, when provision was made for an annual tax (C. 264, P.L. 1936). This tax was replaced in 1937 (C. 25, P.L. 1937) with a new Franchise Tax providing for allocation of capital stock of foreign corporations.

Effective January 1, 1946 (C. 162, P.L. 1945), the tax became a Net Worth Tax applicable to both domestic and foreign corporations and measured by net worth allocated to New Jersey. Allocation was measured by the greater of an assets factor or a three-part business factor (property, sales, and payroll).

Chapter 88, Laws of 1954, increased the tax on allocable net worth from $\frac{8}{10}$ mills per \$1 to 2 mills per \$1.

Chapter 63, Laws of 1958, amended the Corporation Business Tax Act by adding a tax at 1 $\frac{3}{4}$ % based on allocated net income to the tax based on allocated net worth. The 1958 amendment also changed the tax year from a calendar year for all corporations to a privilege period coinciding with the accounting year for each taxpayer.

In 1975, the Corporation Business Tax was imposed on banking corporations and incorporated financial businesses.

In 1982, there was enacted into law a measure phasing out the Corporation Business Tax on net worth. The tax was phased out at 25% per year over a four-year period with taxpayers whose accounting or privilege periods began on or after April 1, 1983 (C. 55, P.L. 1982). The Net Worth Tax has been eliminated for periods beginning after June 30, 1986.

Net Income Tax rates have changed as follows:

<i>Effective Date</i>	<i>Rate</i>
January 1, 1959 (C. 63, P.L. 1958)	1 $\frac{3}{4}$ %
January 1, 1967 (C. 134, P.L. 1966)	3 $\frac{1}{4}$ %
January 1, 1968 (C. 112, P.L. 1968)	4 $\frac{1}{4}$ %
January 1, 1972 (C. 25, P.L. 1972)	5 $\frac{1}{2}$ %
January 1, 1975 (C. 162, P.L. 1975)	7 $\frac{1}{2}$ %
January 1, 1980 (C. 280, P.L. 1980)	9

For tax years ending after June 30, 1984, a carryover of net operating loss was allowed as a deduction from entire net income for seven years following the year of the loss (C. 143, P.L. 1985).

A surtax of 0.417% was invoked for privilege periods ending between July 1, 1990, and June 30, 1991; and 0.375% for privilege periods ending between July 1, 1989, and June 30, 1990, and July 1, 1991, through June 30, 1993. The 0.375% surtax on corporate net income was repealed effective January 1, 1994. The surtax had been scheduled to end July 1, 1994 (C. 3, P.L. 1994).

A new jobs investment tax credit, enacted in 1993 (C. 170), allows corporations to take a credit against Corporation Business Tax and Property Taxes for qualified investments in new or expanded business facilities resulting in new jobs in the State. The credit against Corporation Business Tax is for up to 50% of the portion of the tax that results from investment in new or expanded facilities. The credit was extended to midsize businesses by P.L. 2002, C. 40. P.L. 1993, C. 171, allows for a credit against Corporation Business Tax for investment in qualified equipment. The credit is 2% of the cost of qualified machinery purchased (the investment credit base). Taxpayers taking the 2% equipment credit may also take an employment credit of \$1,000 per new employee (up to a maximum of 3% of the investment credit base). A small business benefit was added by P.L. 2004, C. 65. Chapter 175, P.L. 1993, allows for a credit for increased research activities.

Two changes in 1993 brought New Jersey Corporation Tax law into closer alignment with federal corporation tax law. Chapter 172 allows corporations to use the federal modified accelerated cost recovery system for depreciation of property under the New Jersey Corporation Business Tax for property placed in service for accounting years beginning after July 7, 1993. Chapter 173 allows, for the first time, an S election to be made under New Jersey law. As noted above, a New Jersey S corporation pays a reduced tax rate on that portion of entire net income not subject to federal corporate income tax. The shareholder is taxed on net pro rata share of S corporation income under the Gross Income Tax.

The allocation formula for multistate corporations was changed in 1995. Under prior law, multistate corporation income was allocated to New Jersey based on equally weighted New Jersey property, payroll, and sales compared to total property, payroll, and sales. The new formula counts sales twice, so that sales account for half the allocation formula (C. 245, P.L. 1995).

The Legislature continued to provide additional tax benefits for Corporation Business taxpayers. These include a tax benefit certificate transfer program to assist certain emerging companies (C. 334, P.L. 1997), later modified by P.L. 1999, C. 140 and P.L. 2004, C. 65, and supplemented by a credit transfer program P.L. 2004, C. 65, the Small New Jersey Based High Technology Business Investment Tax Credit Act (C. 349, P.L. 1997), the carry-forward of net operating losses under the Corporation Business Tax for certain taxpayers (C. 350, P.L. 1997), the extension of the carryforward of the research and development tax credit (C. 351, P.L. 1997), and the Neighborhood and Business Child Care Tax Incentive program (C. 102, P.L. 1999).

Other credits against Corporate Business Tax liability have also been enacted for effluent equipment (P.L. 2001, C. 321), neighborhood revitalization (P.L. 2001, C. 415), HMO credit (P.L. 2000, C. 12), the economic recovery tax credit (P.L. 2002, C. 43), and the remediation tax credit (P.L. 2003, C. 296).

Electric utilities and telephone companies were subjected to the Corporation Business Tax effective January 1, 1999.

Chapter 369, P.L. 1999, excludes certain hedge fund activity income of corporations of foreign nations from taxation under the Corporation Business Tax.

Chapter 12, P.L. 2000, provides that holders and former holders of a certificate of authority to operate a health maintenance organization are allowed a Corporation Business Tax credit for certain payments they are required to make.

Chapter 23, P.L. 2001, provided for a three-year phase-out of the corporate taxation of the regular income of S corporations with annual income of more than \$100,000, and for S corporations with net income under \$100,000 whose privilege periods end on or after July 1, 2001. Also, the bill provides for the adjusted minimum tax amount to be rounded to the next highest multiple of \$10.

Chapter 136, P.L. 2001, provides for the Corporation Business Tax payment obligations of certain partnerships and limited liability companies for privilege periods beginning on and after January 1, 2001.

Chapter 40, P.L. 2002, effects the most extensive changes in the Corporation Business Tax since 1945. This law provides for a partnership filing fee, an alternative minimum assessment, nonresident partner withholding, a "throwout rule" on corporations apportioning income outside New

Jersey, and new rules for related-party transactions. It also increases the minimum tax and broadens the definition of corporations that are subject to this tax.

Chapter 43, P.L. 2002, includes some provisions for incentives in the form of Corporation Business Tax credits to qualifying taxpayers engaged in a business in the qualified municipality during the municipality's "period of rehabilitation and economic recovery."

P.L. 2004, C. 47, limited the Corporation Business Tax application of net operating losses to 50% of taxable income for Tax Years 2004 and 2005.

P.L. 2004, C. 65, decoupled Corporation Business Tax from changes in federal bonus depreciation and certain expensing principles under IRC Section 179.

P.L. 2005, C. 127, uncoupled Corporation Business Tax from many provisions of the IRC Section 199 deduction for certain qualified production activities income.

P.L. 2005, C. 318, allows Corporation Business Tax credit to businesses providing employment to qualified handicapped persons at sheltered workshops.

P.L. 2005, C. 345, provides a credit under the Corporation Business Tax for film production expenses incurred in New Jersey and allows for the transfer of those tax credits to other taxpayers.

P.L. 2006, C. 38, imposed a 4% surcharge on the Corporation Business Tax liability and increases the minimum tax. The surcharge was in effect between July 1, 2006, and June 30, 2010.

P.L. 2007, C. 89, increased the amount of State tax credits granted to businesses providing funding to qualified neighborhood revitalization projects.

P.L. 2007, C. 257, established a Corporation Business Tax credit for 20% of the expenses of producing certain digital media content in New Jersey.

P.L. 2007, C. 346, provides that a business that makes \$75 million of qualified capital investment in a business facility in an urban transit hub and employs at least 250 full-time employees at that facility may qualify for tax credits equal to 100% of the qualified capital investment.

P.L. 2008, C. 102, provides that a net operating loss for any privilege period ending after June 30, 2009, shall be a net operating loss carryover for each of the 20 privilege periods following the period of the loss. This 20-year carryover applies only to net operating losses accruing for privilege periods ending after June 30, 2009.

P.L. 2008, C. 120, applicable to privilege periods beginning on or after July 1, 2010, eliminated the throwout provision of the apportionment formula for Corporation Business Tax and removes the “regular place of business” requirement for allocation of income.

P.L. 2009, C. 72, provided a one-year extension of the 4% surcharge on Corporation Business Tax liability and decoupled Corporation Business Tax from federal Internal Revenue Code deferral of certain discharge of indebtedness income.

P.L. 2009, C. 90, provides that a business that makes \$50 million of qualified capital investment in a business facility in an urban transit hub and, with at most three tenants, employs at least 250 full-time employees at that facility may qualify for tax credits equal to 100% of the qualified capital investment.

P.L. 2009, C. 120, extended the Neighborhood Revitalization State Tax Credit program eligibility to areas that are adjacent to current qualifying neighborhoods and that share similar socioeconomic characteristics with those eligible neighborhoods.

P.L. 2010, C. 20, temporarily reduced the annual cap imposed on the Corporation Business Tax benefit certificate transfer program available to certain technology and biotechnology companies, temporarily suspended the tax credits provided for qualified film and qualified digital media content production expenses, proportionally reduces the current set-aside for innovation zone-located companies under the program, and requires the State Treasurer to make and file a report regarding the effectiveness of the transfer program and the ability of the tax credits to meet their statutory goals and objectives.

P.L. 2010, C. 57, created the Offshore Wind Economic Development Act, established an offshore wind renewable energy certificate program, and authorizes the Economic Development Authority (EDA) to provide tax credits for qualified wind energy facilities in wind energy zones.

P.L. 2011, C. 30, provided for the creation of benefit corporations, the purpose of which is to create a “general public benefit.”

P.L. 2011, C. 59, modified the formula used to determine the portion of the income of a corporation subject to tax by New Jersey from a three-factor formula to a single-factor (sales) formula and established a specialized sales fraction formula for airlines that are subject to taxation. This change was phased in over three years.

P.L. 2011, C. 83, removed the limitation on the application of the research and development tax credit to 50% of the liability otherwise due.

P.L. 2011, C. 84, decreased the minimum Corporation Business Tax on certain New Jersey subchapter S corporations by 25%.

P.L. 2011, C. 149, established the Grow New Jersey Assistance program to encourage businesses to engage in economic development, job creation, and the preservation of existing jobs within New Jersey. The new law establishes a \$200 million tax credit incentive program that emphasizes growth of New Jersey-based companies through capital investment, creation of new jobs, and retention of existing jobs.

P.L. 2012, C. 35, amended the Urban Transit Hub Tax Credit Act to increase the cap on the total amount of tax credits authorized under the Act, and extended the application deadline to maintain consistency with the Grow NJ Assistance Act, except that the deadline for applications for tax credits for wind energy facilities established under P.L. 2010, C. 57 (C. 34:1B-209.4) is not extended.

P.L. 2013, C. 14, the New Jersey Angel Investor Tax Credit Act, revived the expired Small New Jersey-Based High Technology Business Investment Tax Credit by establishing a Corporation Business Tax credit for entities investing in New Jersey emerging technology businesses.

P.L. 2013, C. 98, prohibits the imposition of Corporation Business Tax on certain foreign corporations that carry passengers into the State in a motor vehicle or motorbus and return those passengers to a location outside the State.

P.L. 2013, C. 161, the New Jersey Economic Opportunity Act of 2013, merged five current incentive programs into two: the Grow New Jersey Assistance program (GROW NJ) and the Economic Redevelopment and Growth Grant program (ERGG). GROW NJ is the State’s job creation and retention incentive program that offers transferable tax credits. ERGG, which is the State’s incentive program for developers, grants tax benefits based on annual incremental State and local taxes.

P.L. 2014, C. 13, revised the definition of operational income in response to the Tax Court’s decision in *McKesson Water Products Co. v. Director, Div. of Taxation*, 200 N.J. 506 (N.J. 2009). Previously, operational income was defined as income from real or tangible property if the acquisition, management, and disposition of the property constitute integral parts of the taxpayer’s trade or business operations. The Court held that all three factors must be

satisfied in order for income to be deemed operational. Under the new law, income will meet the definition of operational income as long as any one of the three factors (acquisition, management, *or* disposition of the property) is an integral part of the taxpayer's regular trade or business operations. The new law also provides Corporation Business Tax parity with the federal tax treatment of net operating losses (NOLs) when an entity receives discharge of indebtedness in certain circumstances.

Installment Payments of Estimated Tax

Taxpayers are required to make installment payments of estimated tax. The requirement for making these payments is based on the amount of the total tax liability shown on the most recent return.

- (a) If the total tax liability is \$500 or more, the taxpayer must make installment payments. These payments are due on or before the 15th day of the 4th, 6th, 9th, and 12th month of the tax year.
- (b) If the total tax liability is less than \$500, installment payments may be made as shown in (a) above or, in lieu of making installment payments, the taxpayer may make a payment of 50% of the total tax liability.

The Business Tax Reform Act (C. 40, P.L. 2002) provides for two significant changes regarding corporate estimated tax. First, for the tax year beginning on or after January 1, 2002, all corporations must base their fourth quarter payment on 25% of the actual 2002 tax calculated under the changes to avoid penalty. This one-time change supersedes the prior rules for estimated returns. The fourth quarter payment must be 25% of the year 2002 liability even if the corporation may have already satisfied all or substantially all of its year 2002 Corporation Tax liability through prior years' overpayments or quarterly estimated payments in the first three quarters. The corporation must nonetheless remit 25% of the year 2002 tax to avoid penalties.

Secondly, for large corporations with sales of over \$50 million, beginning with the year 2003, the second and third quarter payments, normally due on the 15th day of the 6th and 9th months, will be combined into a single 50% payment due on the 15th day of the 6th month. No payments will be due for such corporations on the 15th day of the 9th month, and normal 25% payments will be due in the 4th and 12th months.

Partnerships

Chapter 40, P.L. 2002, established a \$150 per partner filing fee for partnerships, LLPs, and LLCs deriving income from New Jersey sources. In general, the \$150 per partner fee is based on the number of K-1s issued. For professional service corporations, the \$150 fee applies for each registered professional who owns or is employed by the enterprise and is calculated using a quarterly average. In addition to the filing fee for the year, an installment payment equal to 50% of the filing fee is also required with the New Jersey partnership return. The annual fee is capped at \$250,000.

New Jersey partnership payments made on behalf of out-of-state corporate and noncorporate partners are based on taxable income, whether the income is distributed or undistributed, and are designated as a tax at a rate of 9% for nonresident corporate partners and 6.37% for noncorporate partners. Qualified investment partnerships and partnerships listed on a U.S. national stock exchange are not subject to the tax. The calculation is based on the partnership's "entire net income" multiplied by the partnership's New Jersey apportionment percentages calculated under the Corporation Business Tax, not under Gross Income Tax.

Chapter 40, P.L. 2002, subjects savings banks and savings and loan associations to the Corporation Business Tax and repeals the Savings Institution Tax and the Corporation Income Tax.

Effective beginning with the 2002 Tax Year, P.L. 2003, C. 256, exempts investment clubs from the \$150 per owner annual partnership filing fee and from the requirement that partnerships remit Gross Income Tax payments on behalf of their nonresident noncorporate partners. To meet the definition of "investment club," the partnership must have income below \$35,000 per individual (up to a total of \$250,000) and satisfy other limitations and criteria.

P.L. 2005, C. 288, requires partners and other owners of pass-through entities to credit payments made on their behalf against estimated taxes to end double withholding. In addition, for privilege periods beginning on or after January 1, 2007, partnerships that are required to make tax payments on behalf of nonresident partners must make installment payments of 25% of that tax on or before the 15th day of the 4th, 6th, and 9th months of the privilege period, and on or before the 15th day of the 1st month following the close of the privilege period.

P.L. 2014, C. 13, clarifies the circumstances in which the tax paid by a partnership on behalf of its nonresident partners may be refunded in response to the Tax Court decision in *BIS LP, Inc. v. Director, Div. of Taxation*, 2014 N.J. Tax (App. Div. Apr. 11, 2014).

Banking and Financial Corporations

Banking and financial corporations are subject to the Corporation Business Tax at the rate of 9% on net income or to the lesser rates stated above if their income meets those thresholds.

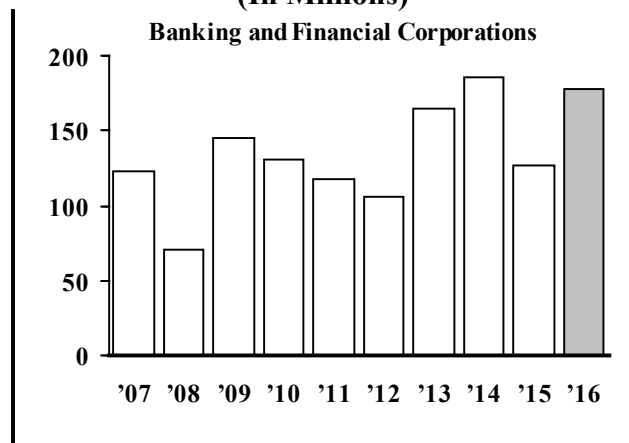
Chapter 170, P.L. 1975, provided that during each of privilege years 1976, 1977, and 1978, the amount paid by each banking corporation as taxes would be the greater of (1) the amount that such banking corporation paid in Calendar Year 1975 as Bank Stock Tax, or (2) a sum equal to the total of taxes paid by such banking corporation as Corporation Business Tax and Business Personal Property Tax.

Formerly, banks were subject to a tax of 1.5% on net worth under the Bank Stock Tax Act. Bank Stock Tax was formerly administered by the Division of Taxation and the 21 separate County Boards of Taxation. The Corporate Tax on banks is now administered solely by the Division.

Financial business corporations were formerly subject to the Financial Business Tax. These included such corporations as small loan companies and mortgage finance companies that are now subject to Corporation Business Tax.

Chapter 171, P.L. 1975, provided that during each of the years 1976, 1977, and 1978, each financial business corporation would pay as taxes, the greater of (1) a sum equal to the amount such financial business corporation paid under the Financial Business Tax Act in the Calendar Year 1975, or (2) a sum equal to the total of the taxes payable by such financial business corporation pursuant to the Corporation Business Tax Act. Chapter 40, P.L. 1978, extended the save harmless provision through 1979. It expired in 1980. As a result of changes in the federal and State banking laws, interstate banking is now permitted (C. 17, P.L. 1996). An administrative rule adopted by the Division of Taxation (N.J.A.C. 18:7-1.14, effective June 16, 1997) sets forth certain conditions under which foreign banks and certain domestic banks will be taxed in New Jersey.

Corporation Business Tax Collections (In Millions)



Fiscal Year	Collections
2006	\$153,839,428
2007	123,007,092
2008	70,850,577
2009	144,741,199
2010	130,405,775
2011	118,280,750
2012	106,378,294
2013	164,215,968
2014	185,979,732
2015	127,231,015

Investment Companies

A taxpayer qualifying and electing to be taxed as an investment company is subject to an allocation percentage of 40% of the net income base. Investment companies are subject to a minimum tax of \$500.

Regulated Investment Company means any corporation that, for a period covered by its reports, is registered and regulated under the Investment Company Act of 1940 (54 Stat. 789), as amended.

The Corporation Business Tax on regulated investment companies was eliminated (P.L. 1983, C. 75) on February 24, 1983. Regulated investment companies in New Jersey were formerly taxed on both entire net worth and entire net income. These taxes were eliminated and a flat tax of \$500 per year was imposed. For privilege periods beginning in Calendar Year 2012 and thereafter, regulated investment companies are subject to the same minimum tax on gross receipts as C corporations.

Real estate investment trusts qualifying and electing to be taxed as such under federal law are taxed at 4% of entire net income.

Allocation Factor

A taxpayer's tax liability is measured by net income allocated to New Jersey. For privilege periods beginning prior to January 1, 2012, this amount was determined according to a three-fraction formula based on an average of property, payroll, and sales, which was counted twice. The factor was calculated by adding the percentage of the property and payroll fractions, and a fraction representing two times the sales receipts, and dividing the total by four. A single-fraction (sales) formula replaced the three-fraction formula. This change was phased in over a period of three years. For privilege periods beginning on or after January 1, 2012, but before January 1, 2013, the sales fraction accounted for 70% of the allocation, and the property and payroll fractions each accounted for 15% of the allocation. For privilege periods beginning on or after January 1, 2013, but before January 1, 2014, the sales fraction accounted for 90% of the allocation, and the property and payroll fractions each accounted for 5% of the allocation. For privilege periods beginning on or after January 1, 2014, the sales fraction accounts for 100% of the allocation.

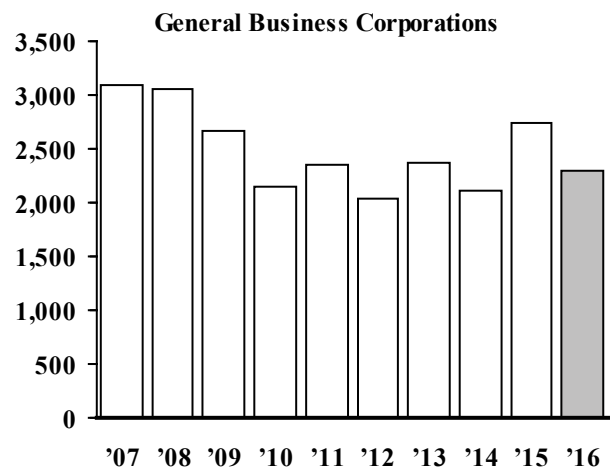
For privilege periods beginning on or after July 1, 2010, the throwout provision of the apportionment formula for Corporation Business Tax has been eliminated along with the "regular place of business" requirement for taxpayers to allocate income. To allocate less than 100% of income to New Jersey, a taxpayer is no longer required to show a regular place of business exists outside the State.

The Business Tax Reform Act (P.L. 2002, C. 40) introduced an alternative minimum assessment (AMA) on apportioned gross receipts or gross profits of C corporations when the AMA exceeds the normal Corporation Business Tax. The assessment is based on either gross receipts or gross profits, with the taxpayer electing which formula to use. This formula must also be used for the next four tax periods. S corporations, professional corporations, investment companies, and unincorporated businesses are exempt from the AMA. The AMA also applies to non-New Jersey businesses deriving income from New Jersey sources with or without physical presence in the State that are not currently subject to the Corporation Business Tax.

For privilege periods beginning after June 30, 2006, the AMA is \$0, except for taxpayers claiming exemption under Pub. L. 86-272, for whom the previously prescribed rate will continue. For privilege periods beginning after December 31, 2006, the AMA for taxpayers otherwise subject to the AMA that consent to jurisdiction and pay the Corporation Business Tax is \$0.

The use of net operating losses was suspended for Tax Years 2002 and 2003. For 2004 and 2005 net operating losses were limited to 50% of taxable income.

Corporation Business Tax Collections (In Millions)



Fiscal Year	Collections
2006	\$3,007,830,476
2007	3,084,921,689
2008	3,062,378,874
2009	2,665,161,794
2010	2,144,566,605
2011	2,344,428,939
2012	2,037,103,743
2013	2,371,400,447
2014	2,112,908,123
2015	2,738,758,941

Cosmetic Medical Procedures Gross Receipts Tax

Description

P.L. 2004, C. 53, imposed a gross receipts tax on the purchase of certain "cosmetic medical procedures." Cosmetic medical procedures are medical procedures performed in order to improve the human subject's appearance without significantly serving to prevent or treat illness or disease or to promote proper functioning of the body. The law provides that such procedures include, for example, cosmetic surgery, hair transplants, cosmetic injections, cosmetic soft tissue fillers, dermabrasion and chemical peels,

laser hair removal, laser skin resurfacing, laser treatment of leg veins, sclerotherapy, and cosmetic dentistry. They do not include reconstructive surgery or dentistry to correct or minimize abnormal structures caused by congenital defects, developmental abnormalities, trauma, infection, tumors, or disease, including procedures performed in order to improve function or give the person a more normal appearance. The tax also applies to amounts charged for property or facility occupancies, such as hospitalization or clinic stays, required for or directly associated with the cosmetic medical procedure.

Rate

The rate was originally 6% on gross receipts from cosmetic medical procedures and related property and occupancies. P.L. 2011, C. 189, phased out the tax, reducing the rate to 4% on taxable services performed on or after July 1, 2012, but before July 1, 2013. The rate was further reduced to 2% on taxable services performed on or after July 1, 2013, but before July 1, 2014. For July 1, 2014, and thereafter, no tax is imposed.

Disposition of Revenues

Revenues are deposited in the State Treasury for general State use.

Domestic Security Fee

Description

A statutory assessment designated as the “Domestic Security Fee” is imposed under P.L. 2002, C. 34, on motor vehicle rental companies for each day or part thereof that a motor vehicle is rented under rental agreements of not more than 28 days. This fee applies with respect to rental agreements in New Jersey entered into on or after August 1, 2002.

Rate

The fee is assessed at the rate of \$5 per day on all motor vehicle rental companies doing business in this State for each rental day a motor vehicle is rented under agreements of 28 days or less. The fee applies only to the first 28 days of a rental agreement with the same renter. Thus, the maximum rental fee in the aggregate is \$140 even if the actual rental extends beyond 28 days.

Disposition of Revenues

The fee is paid to the Division of Taxation for deposit in the New Jersey Domestic Security Account established in the General Fund.

Gross Income Tax

Description

This graduated tax is levied on gross income earned or received after June 30, 1976, by New Jersey resident and nonresident individuals, estates, and trusts.

Rate

Rates for tax years beginning on or after January 1, 2010, range from 1.4% – 8.97%.

Filing Threshold

For tax years beginning before January 1, 1994, filers with incomes of \$3,000 or less for the entire year (\$1,500 or less for married persons filing separately) paid no tax. For the 1994 to 1998 Tax Years, filers with incomes of \$7,500 or less for the entire year (\$3,750 or less for married persons filing separately) paid no tax. The income levels were raised for the 1999 Tax Year as part of a three-year phase-in of higher filing thresholds, and filers with incomes of \$10,000 or less for the entire year (\$5,000 or less for married persons filing separately) paid no tax. For Tax Year 2000, the filing threshold was \$10,000 or less for the entire year (single filers and estates and trusts), \$15,000 or less for the entire year (married couples filing jointly, heads of household, and surviving spouses), and \$7,500 or less for the entire year (married persons filing separately). For Tax Year 2001 and thereafter, the filing threshold is \$10,000 or less for the entire year (single filers, married persons filing separately, and estates and trusts), and \$20,000 or less for the entire year (married couples filing jointly, heads of household, and surviving spouses).

Effective for tax years beginning on or after January 1, 2007, any reference to a spouse also refers to a partner in a civil union recognized under New Jersey law.

Exemptions

- Taxpayer, \$1,000;
- Taxpayer's spouse/civil union partner or domestic partner who does not file separately, \$1,000;
- Taxpayer 65 years old or more, additional \$1,000; same for spouse/civil union partner age 65 or older who does not file separately;
- Blind or totally disabled taxpayer, additional \$1,000; same for blind or totally disabled spouse/civil union partner who does not file separately;
- Taxpayer's dependent, \$1,500;
- Taxpayer's dependent under age 22 and attending college full time, additional \$1,000.

Deductions

- Payments of alimony or for separate maintenance are deductible by the payer if reported as income by the payee;
- Unreimbursed medical expenses in excess of 2% of gross income; qualified medical savings account contributions; and for the "self-employed," qualified health insurance costs;
- Property Tax Deduction (or Credit);
- Qualified conservation contribution;
- Deduction for eligible taxpayers who provide primary care medical and/or dental services at a qualified practice located in or within five miles of a Health Enterprise Zone;
- Alternative business calculation adjustment for taxpayers with business losses.

Credits

- Payments of income or wage tax imposed by another state (or political subdivision) or by the District of Columbia, with respect to income subject to tax under this Act. This shall not exceed the proportion of tax otherwise due that the amount of the taxpayer's income subject to tax by the other jurisdiction bears to the taxpayer's entire New Jersey income;
- Amounts withheld by an employer and payments of estimated tax, including any payments made in connection with the sale or transfer of real property by a nonresident, estate, or trust;
- Amounts paid by an S corporation on behalf of a nonresident/nonconsenting shareholder;
- Amounts paid by a partnership on behalf of a nonresident partner;
- New Jersey Earned Income Tax Credit;

- Excess unemployment insurance, disability insurance, and family leave insurance contributions withheld;
- Property Tax Credit (or Deduction);
- Sheltered Workshop Tax Credit.

Withholding Requirement

All employers and others who withhold New Jersey Income Tax are required to file quarterly returns of tax withheld and to remit tax on a monthly, quarterly, or weekly basis.

Those with prior year withholdings of \$10,000 or more are required to remit the Income Tax withheld by means of Electronic Funds Transfer (EFT) on or before the Wednesday of the week following the week containing the payday(s) on which taxes were withheld.

Effective for wages paid on and after January 1, 2000, certain employers of household workers may report and remit Gross Income Tax withheld on an annual basis.

Disposition of Revenues

Revenues are deposited in the Property Tax Relief Fund to be used for the purpose of reducing or offsetting property taxes.

History

The Gross Income Tax was enacted July 8, 1976, retroactive to July 1, 1976 (C. 47, P.L. 1976).

For tax years beginning before January 1, 2000, pension income for those eligible for Social Security by reason of age (62 years or over) or disability was exempt as follows: first \$10,000 for a married couple filing jointly; \$5,000 for a married person filing separately; and \$7,500 for a single taxpayer (C. 40, P.L. 1977). Chapter 273, P.L. 1977, extended the exclusion allowed for pensions to other types of retirement income. The exclusion applies to taxpayers who are 62 years of age or older and whose earned income is not more than \$3,000. An additional exclusion was provided for taxpayers age 62 or older who are not covered by either Social Security or Railroad Retirement benefits.

Chapter 229, P.L. 1982, increased the rate from 2½% to 3½% on amounts in excess of \$50,000 effective January 1, 1983.

Property Taxes paid on the taxpayer's homestead became deductible from taxable income effective for taxes paid after 1984 (C. 304, P.L. 1985).

Chapter 219, P.L. 1989, exempted pension and annuity income of nonresidents from the Gross Income Tax.

The Gross Income Tax Act was amended in 1990 to include new graduated rates (from 2% to 7%) and two new filing statuses (head of household and surviving spouse). The legislation also increased the amount of the exemption for dependents from \$1,000 to \$1,500. In addition to these amendments, the legislation instituted a new Homestead Rebate program and repealed the residential Property Tax Deduction and Credit and Tenant Credit. The legislation extended to heads of household and surviving spouses the exclusion of up to \$7,500 of pension and annuity income. These changes took effect in 1990, except for the new tax rates, which became effective January 1, 1991 (C. 61, P.L. 1990).

Chapter 108, P.L. 1993, permitted an exemption from an employee's gross income for employer-provided commuter transportation benefits.

State benefits received for a family member with a developmental disability were removed from the definition of income for State tax purposes in 1993 (C. 98, P.L. 1993).

Chapter 173, P.L. 1993, included subchapter S corporation income in the New Jersey Gross Income Tax base, effective with tax years beginning after July 7, 1993.

Chapter 178, P.L. 1993, changed the method of calculating the income of nonresidents for purposes of New Jersey Gross Income Tax. For tax years beginning in 1993 and thereafter, a nonresident with income from New Jersey must calculate Gross Income Tax liability as though a resident, and then prorate the liability by the proportion of New Jersey source income to total income. Formerly, the calculation was based only on New Jersey source income.

A 5% reduction in the Gross Income Tax rates (to 1.9% – 6.650%) was enacted for tax year 1994 (C. 2, P.L. 1994).

The gross income filing threshold was increased to \$7,500 from \$3,000 for individuals, heads of household, surviving spouses, married persons filing jointly, and estates and trusts (\$3,750 for married persons filing separately). (C. 8, P.L. 1994.)

The State reduced the Gross Income Tax rates for Tax Years 1995 and thereafter. These rate reductions, combined with the 5% rate reductions for all brackets enacted as P.L. 1994, C. 2, resulted in cumulative decreases from the 1993 Tax Year levels of 15%, 7.5%, and 6% for certain income brackets (C. 69, P.L. 1994).

Gross Income Tax rates were reduced again for Tax Years 1996 and thereafter. In combination with the prior two rate reductions, the cumulative decrease from the 1993 Tax Year was 30% for the lowest, 15% for the middle, and 9% for the highest income brackets. Tax rates range from 1.4% to 6.37% (C. 165, P.L. 1995).

A Property Tax Deduction/Credit is provided on State Income Tax returns for resident homeowners and tenants who pay Property Taxes, either directly or through rent, on their principal residence in New Jersey. Benefits were phased in over a three-year period, beginning with 1996 returns (C. 60, P.L. 1996). For Tax Years 1998 and thereafter, taxpayers may take the larger of either a \$50 tax credit or a deduction of up to \$10,000 for Property Taxes paid.

Chapter 237, P.L. 1997, exempts New Jersey Better Educational Savings Trust account earnings and qualified distributions.

Chapter 414, P.L. 1997, exempts contributions to medical savings accounts that are excludable under section 220 of the federal Internal Revenue Code, effective for tax years beginning on or after January 1, 1998.

Chapter 3, P.L. 1998, amended the Gross Income Tax Act to adopt the new federal exclusions of up to \$500,000 in gain from the sale of a principal residence.

Chapter 57, P.L. 1998, provides a Roth IRA exclusion from taxable income that follows the federal treatment of Roth IRAs and certain rollovers to IRAs.

Chapter 409, P.L. 1998, exempts military pensions or military survivors' benefits paid to those 62 years of age or older, or disabled under the federal Social Security Act, effective beginning with Tax Year 1998.

Chapter 106, P.L. 1998, raised from \$100 to \$400 the threshold at which quarterly estimated tax payments are required, effective for the 1999 Tax Year.

Effective for the 1999 through 2001 Tax Years, certain deductions may be available to qualified childcare consortium members (C. 102, P.L. 1999).

Chapter 116, P.L. 1999, exempts qualified distributions from qualified State tuition program accounts.

Chapter 260, P.L. 1999, increased the Gross Income Tax filing threshold to \$10,000 (\$5,000 for married persons filing separately) for the 1999 Tax Year. For married persons filing jointly, heads of household, and surviving spouses, the threshold increased to \$15,000 (\$7,500 for

married persons filing separately) for Tax Year 2000, and increased to \$20,000 for Tax Year 2001 and later (\$10,000 for married persons filing separately).

Chapter 94, P.L. 1999, allows certain employers of domestic helpers to file the withholding tax return annually, instead of quarterly or more frequently, for wages paid on or after January 1, 2000.

Chapter 177, P.L. 1999, increased the pension exclusion and “other retirement income exclusion.” For Tax Year 2000, the exclusions were \$12,500 for a married couple filing jointly, \$6,250 for a married person filing separately, and \$9,375 for a single filer, head of household, or surviving spouse. For Tax Year 2001, the exclusions were \$15,000, \$7,500 and \$11,250 respectively; for Tax Year 2002, the amounts were \$17,500, \$8,750, and \$13,125. For Tax Year 2003 and later, the exclusion amounts are \$20,000 for a married couple filing jointly, \$10,000 for a married person filing separately, and \$15,000 for a single filer, head of household, or surviving spouse.

Chapter 222, P.L. 1999, allows self-employed taxpayers, including more-than-2% shareholders of S corporations, to deduct the cost of health insurance for the taxpayer and the taxpayer’s spouse and dependents (subject to certain limitations) effective for the 2000 and later Tax Years.

Beginning with the 2000 Tax Year, C. 372, P.L. 1999, provides a deduction for a qualified conservation contribution.

Chapter 80, P.L. 2001, established a New Jersey Earned Income Tax Credit, which is a percentage of a person’s federal earned income credit. To be eligible for the New Jersey credit, a person must have had at least one “qualifying child” for purposes of the federal earned income credit and must have had no more than \$20,000 in New Jersey gross income.

Chapter 84, P.L. 2001, amended the military pension or survivor’s benefit exclusion by eliminating the requirement that the taxpayer be at least 62 years old or disabled.

Under P.L. 2001, C. 93, qualified deposits into or withdrawals from an “individual development account” (established under the New Jersey Individual Development Account program and 42 U.S.C. s. 604(h) for an “eligible individual”), including interest earned on such accounts, are exempt from Gross Income Tax.

Effective beginning with the 2002 Tax Year, C. 162., P.L. 2001, increased the exclusion for commuter transportation benefits to \$1,200 and authorizes an annual inflation adjustment.

P.L. 2002, C. 40, effective beginning with the 2002 Tax Year, requires partnerships to pay a \$150 filing fee per owner (up to \$250,000) and a tax prepayment made on behalf of nonresident partners.

P.L. 2002, C. 43, effective beginning with the 2003 Tax Year, created a tax credit for qualifying first-time home-buyer-occupants who have purchased residential property in a qualifying municipality during the municipality’s “period of economic recovery.”

P.L. 2003, C. 9, created an exclusion for the income of victims who died as a result of the September 11, 2001, terrorist attacks. The exclusion applies for Tax Year 2000 and all later years up to and including the year of death.

P.L. 2003, C. 246, allows a \$1,000 personal exemption for a domestic partner who does not file separately.

Chapter 40, P.L. 2004, imposes a tax rate of 8.97% on income over \$500,000, effective beginning with the 2004 Tax Year.

Chapter 55, P.L. 2004, requires that nonresident individuals, estates, or trusts pay estimated tax on gains from the sale or transfer of real property in New Jersey as a condition for recording the deed. The law is effective for sales or transfers occurring on and after August 1, 2004.

Effective beginning with the 2004 Tax Year, section 26 of P.L. 2004, C. 65, “decouples” the calculation of depreciation and section 179 expenses from recent federal income tax provisions. Under these amendments, the expenses must be calculated by applying federal code provisions as they were in effect on December 31, 2001 (or December 31, 2002, for section 179 expenses).

P.L. 2004, C. 139, effective for tax years beginning on or after January 1, 2005, allows a limited Gross Income Tax deduction to qualified primary care physicians and dentists practicing in or within five miles of a Health Enterprise Zone.

Effective for tax years beginning on or after January 1, 2004, C. 63, P.L. 2005, provides a gross income exclusion for housing and subsistence allowances received by members of the active and reserve components of the U.S. Armed Forces and by members of the New Jersey National Guard while on State active duty.

P.L. 2005, C. 125, authorized a multistate reciprocal refund set-off program under which the New Jersey Division of Taxation may “withhold” a taxpayer’s Gross Income Tax refund to forward to another state for an income

tax debt if the other state withholds New Jersey Gross Income Tax claims from its personal Income Tax refunds.

P.L. 2005, C. 127, uncoupled New Jersey Income Tax law from many provisions of the IRC Section 199 deduction for certain qualified production activities income.

P.L. 2005, C. 130, limits the pension and other retirement income exclusions to taxpayers with gross income of \$100,000 or less, effective for tax years beginning on or after January 1, 2005.

Chapter 210, P.L. 2005, requires employers to provide certain employees with written notification of the availability of both the federal and New Jersey Earned Income Tax Credits.

P.L. 2005, C. 288, requires partners and other owners of pass-through entities to credit payments made on their behalf against estimated taxes to end “double withholding.”

P.L. 2005, C. 318, allows Gross Income Tax credits to businesses providing employment to qualified handicapped persons at sheltered workshops.

P.L. 2005, C. 345, provides Gross Income Tax credits for film production expenses incurred in New Jersey and provides for the transfer of those tax credits to other taxpayers.

P.L. 2006, C. 36, authorizes the Director of the Division of Taxation to permit or mandate reasonable methods for filing and paying, which may include electronic methods of filing and paying. The law further requires tax practitioners who prepared or filed 100 or more 2005 New Jersey resident Income Tax returns to electronically file all 2006 New Jersey resident Income Tax returns. This requirement was extended for Tax Year 2007 to preparers who filed 50 or more 2006 Gross Income Tax returns, for Tax Years 2008 and 2009 to preparers who filed 25 or more Gross Income Tax returns for the prior year, and for Tax Year 2010 and later to preparers who reasonably expect to prepare 11 or more individual Gross Income Tax returns during the tax year. The law imposes a \$50 per return penalty for noncompliance with this mandate, which may be abated, in full or in part, at the Director’s discretion.

P.L. 2006, C. 85, requires any person (other than a governmental entity, a homeowner, or a tenant) who maintains an office or transacts business in New Jersey to withhold New Jersey Gross Income Tax at the rate of 7% from payments made to unregistered, unincorporated contractors for services performed in this State.

P.L. 2006, C. 103, establishes the legal relationship of “civil union” under the State’s marriage laws. A civil union is “the legally recognized union of two eligible individuals of the same sex established pursuant to this act.” Parties to a civil union will have the same legal benefits, protections, and responsibilities as parties to a marriage, including those based on tax laws, such as those governing Local Property Tax, Homestead Benefits, Realty Transfer Fees, Gross Income Tax, and Transfer Inheritance Taxes.

P.L. 2007, C. 109, extends the eligibility of the State Earned Income Tax Credit to any individual who is eligible for the federal earned income tax credit and enhances the benefit amount.

P.L. 2007, C. 114, establishes penalties for employers who misclassify construction work employees as “independent contractors.”

P.L. 2009, C. 69, temporarily adjusted the New Jersey Gross Income Tax rates for taxpayers with taxable income exceeding \$400,000 in tax years beginning on or after January 1, 2009, but before January 1, 2010. The law provided for adjusted income taxation of the following brackets at the following rates: over \$400,000 but not over \$500,000 was adjusted from 6.37% to 8%; over \$500,000 but not over \$1,000,000 was adjusted from 8.97% to 10.25%; and over \$1,000,000 was adjusted from 8.97% to 10.75%.

The law provided that, for the 2009 Tax Year, taxpayers who had gross income of more than \$250,000 and were not (1) 65 years of age or older or (2) allowed a personal exemption as a blind or disabled individual, were not eligible for the Property Tax Deduction.

Additionally, the maximum Property Tax Deduction was capped at \$5,000 for taxpayers who had gross income of more than \$150,000 but not more than \$250,000 and were not (1) 65 years of age or older or (2) allowed a personal exemption as a blind or disabled individual.

The law also provided that, for tax years beginning on or after January 1, 2009, New Jersey Lottery winnings from prizes exceeding \$10,000 are taxable for New Jersey Gross Income Tax purposes and that the New Jersey State Lottery is required to withhold Income Tax on such taxable winnings at the rate of 3%.

P.L. 2010, C. 20, temporarily suspended the tax credits provided for qualified film and qualified digital media content production expenses and required the State

Treasurer to make and file a report regarding the ability of the tax credits to meet their statutory goals and objectives.

P.L. 2010, C. 27, reduced the New Jersey Earned Income Tax Credit from 25% of the federal amount to 20% of the federal amount, effective beginning with the 2010 Tax Year.

P.L. 2011, C. 60, permits taxpayers who have losses in certain business-related categories of income to utilize those losses to calculate an adjustment to their taxable income (“alternative business calculation adjustment”), and permits taxpayers to carry forward unused losses in those categories for a period of up to 20 years to calculate future adjustments.

P.L. 2013, C. 14, the “New Jersey Angel Investor Tax Credit Act,” revived the expired Small New Jersey-Based High Technology Business Investment Tax Credit by establishing a Gross Income Tax credit for individuals investing in New Jersey emerging technology businesses.

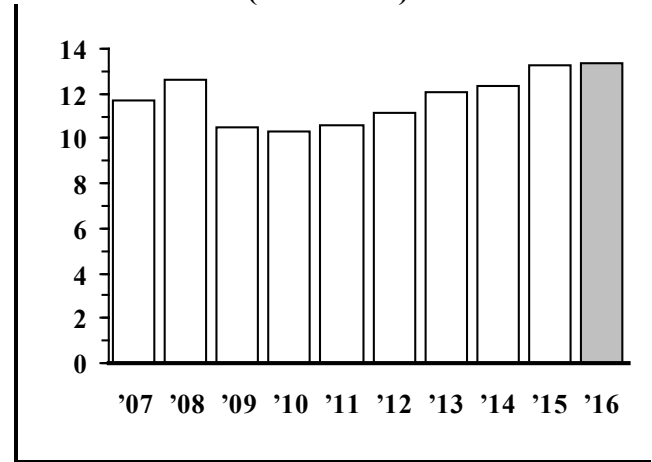
P.L. 2013, C. 61, expands the availability of the neighborhood revitalization State tax credit to include taxpayers subject to Gross Income Tax.

P.L. 2013, C. 73, clarifies that donors’ contributions to charities are not a factor in determining where a person is domiciled for the purpose of defining tax residency.

P.L. 2013, C. 171, increased compensation for wrongful imprisonment and excludes such compensation from New Jersey gross income.

P.L. 2015, C. 73, increased the New Jersey Earned Income Tax Credit from 20% of the federal amount to 30% of the federal amount, effective beginning with the 2015 Tax Year.

Gross Income Tax Collections (In Billions)



Fiscal Year	Collections
2006	\$10,506,564,988
2007	11,727,192,312
2008	12,605,545,164
2009	10,476,267,266 ¹
2010	10,322,942,702 ¹
2011	10,617,034,179
2012	11,128,418,349
2013	12,108,615,149
2014	12,311,695,518
2015	13,250,001,844

¹Rates on income over \$400,000 temporarily increased from 6.37% – 8.97% to 8% – 10.75% for tax years beginning on or after January 1, 2009, but before January 1, 2010.

Hotel/Motel Occupancy Fee/ Municipal Occupancy Tax

Description

P.L. 2003, C. 114, imposes a State Occupancy Fee and authorizes the imposition of a Municipal Occupancy Tax on charges for the rental of a room in a hotel, motel, or similar facility in most New Jersey municipalities.

Rate

The State Occupancy Fee rate is 7% for occupancies from August 1, 2003, through June 30, 2004, and 5% for occupancies on and after July 1, 2004, or at a lower rate in cities in which such occupancies are already subject to tax:

Atlantic City—1%
Newark and Jersey City—1%
The Wildwoods—3.15%

The majority of the municipalities that have enacted a Municipal Occupancy Tax have authorized the tax rate to increase to 3% as of July 1, 2004; however, Cape May City (Cape May County), Glassboro Borough (Gloucester County), Berkeley Township (Ocean County), and Somers Point City (Atlantic County) impose the tax at the rate of 2%.

Disposition of Revenues

The monies collected from the State Occupancy Fee are deposited to the General Fund and are statutorily allocated, in varying percentages, to the New Jersey State Council on the Arts for cultural projects; the New Jersey Historical Commission; the New Jersey Division of Travel and Tourism for tourism advertising and promotion; and the New Jersey Cultural Trust. Any amount over the dedication is allocated to the General Fund. Collections from the Municipal Occupancy Tax are distributed back to the municipality.

Insurance Premiums Tax

Description

The Insurance Premiums Tax applies to premiums collected on insurance risks by every insurance company transacting business in New Jersey, inclusive of stocks, mutual and assessment insurance, and health insurance. The tax base is gross contract premiums less specified deductions. Annuity considerations and reinsurance premiums are not taxed.

Rate

The rate is 1.4% on group accident, health, or legal insurance policies; 2.1% on life and non-life insurance companies; 5% on surplus lines coverage; 5.25% on marine insurance companies; and 2% on foreign fire insurance companies. If, for any insurance company, the ratio of New Jersey business to total business is greater than 12.5%, the tax is imposed on only 12.5% of that company's total premiums. Accident and health insurance premiums are excluded from the taxable premium cap. Another 1.05% is imposed on accident and health premiums.

P.L. 2011, C. 25, imposed a new tax rate on captive insurance companies that primarily insure the risks of businesses that are related to those entities through common

ownership. The annual minimum aggregate tax calculated for both direct premiums and assumed reinsurance premiums for captive insurance companies to be paid is \$7,500 and the annual maximum aggregate tax is \$200,000. Tax is imposed on direct premiums at rates ranging from 0.38% – 0.072%. For assumed reinsurance premiums, rates range from 0.214% – 0.024%.

Disposition of Revenues

The tax is prepaid based on the previous year's premiums, with payments due March 1 and June 1. Revenues, with the exception of some domestic revenues, are deposited in the State Treasury for general State use.

Municipalities and counties continue to receive payments to replace the revenue from the repealed insurance franchise tax on domestic insurance corporations. The State Treasurer pays an annual amount to each county and municipality in which the principal office of a domestic insurance company is located. Payments are made so long as the principal office of a domestic insurance company remains at the location established on January 1, 1981.

The tax on captive insurers (P.L. 2011, C. 25) is collected by the Division of Taxation, and the revenues are directed to the Department of Banking and Insurance to support regulation of the captive insurance industry.

Landfill Closure and Contingency Tax

Description

This tax is levied on the owner or operator of every sanitary landfill facility located in New Jersey on all solid waste accepted for disposal on or after January 1, 1982. In addition, the owner or operator must make a monthly payment of \$1 per ton or \$0.30 per cubic yard for the host community benefit surcharge for all solid waste accepted for disposal.

Rate

The rate is \$0.50 per ton or \$0.15 per cubic yard on all solid waste accepted for disposal. The rate for solid waste in liquid form is \$0.002 per gallon.

Disposition of Revenues

All tax revenues are credited to the Sanitary Landfill Facility Contingency Fund, administered by the New Jersey Department of Environmental Protection, established to

insure the proper closure and operation of sanitary landfill facilities in this State.

Litter Control Fee

Description

The Litter Control Fee is imposed on all gross receipts from sales of litter-generating products sold within or into New Jersey by each person engaged in business in the State as a manufacturer, wholesaler, distributor, or retailer of such products. Any retailer with less than \$500,000 in annual retail sales of litter-generating products is exempt from this fee. Restaurants are exempt if more than 50% of their food and beverage sales are for on-premises consumption.

Litter-generating products include beer, cigarettes, cleaning agents and toiletries, distilled spirits, food, glass containers, metal containers, groceries, tires, newsprint and magazine paper stock, nondrug drugstore sundry products, paper products, plastic and fiber containers, soft drinks, and wine.

Rate

Manufacturers, wholesalers, and distributors of litter-generating products pay a fee of $\frac{3}{100}$ of 1% (0.03%) on all gross receipts from wholesale sales of such products in New Jersey. Retailers are charged at the rate of $\frac{2.25}{100}$ of 1% (.0225%) on all gross receipts from retail sales of litter-generating products. The fee is paid annually on March 15 of each year.

Disposition of Revenues

Revenues are deposited in the Clean Communities Program Fund and are used for litter pickup and removal and to provide recycling grants to New Jersey counties and municipalities.

Local Property Tax

Description

An *ad valorem* tax—The Local Property Tax is measured by property values and is apportioned among taxpayers according to the assessed value of taxable property owned by each taxpayer. The tax applies to real estate and tangible personal property of telephone, telegraph, and messenger systems companies, and certain personal property of petroleum refineries.

A *local tax*—The Property Tax is a local tax assessed and collected by municipalities for the support of municipal and county governments and local school districts. No part of it is used for support of State government.

Amount of tax (a residual tax)—The amount of Local Property Tax is determined each year, in each municipality, to supply whatever revenue is required to meet budgeted expenditures not covered by monies available from all other sources. School districts and counties notify municipalities of their Property Tax requirements. Municipalities add their own requirements and levy taxes to raise the entire amount. As a residual local tax, the total Property Tax is determined by local budgets and not by property valuations or tax rates.

Property assessment (the tax base)—All taxable property is assessed (valued for taxation) by local assessors in each municipality. Assessments are expressed in terms of “taxable value,” except for qualified farm land, which is specially valued.

Rate

The Local Property Tax rate is determined each year in each municipality by relating the total amount of tax levy to the total of all assessed valuations taxable. Expressed in \$1 per \$100 of taxable assessed value, the tax rate is a multiplier for use in determining the amount of tax levied on each property. See Appendix A for the 2014 general and effective Property Tax rates in each municipality.

Disposition of Revenues

This tax is assessed and collected locally by the taxing districts for support of county and municipal governments and local school district purposes.

History

It may be said that the Property Tax originated in 1670 with a levy of one half penny per acre of land to support the central government. Through the middle of the 19th century, Property Taxes were levied on real estate and on certain personal property at arbitrary rates within certain limits called “certainties.” In 1851, the concepts of a general Property Tax and uniform assessments according to actual value were developed (Public Laws 1851, p. 273).

For almost a century following the 1851 legislation, a continuing effort was made to accomplish uniform taxation under a general Property Tax. In 1875 a constitutional amendment provided that “property shall be assessed for taxes under general laws and by uniform rules according to its true value” (Article 4, Section 7, paragraph 12).

Courts held that the 1875 amendment permitted classification of property for tax purposes and also exemption of certain classes from taxation, or the substitution of other kinds of tax “in lieu.” Thus began a long period of erosion of the “general Property Tax” concept. In 1884, a State Board of Assessors was created and given responsibility for assessment of railroad and canal property, thus setting the pattern for State assessment of certain classes of property.

Intangible personal property was eliminated from the “general Property Tax base” in 1945 (replaced with a Corporation Net Worth Tax). Such elimination shifted the emphasis for tax reform to tangible personal property.

The New Jersey State Constitution adopted in 1947 provided that “property shall be assessed for taxation under general law and by uniform rules. All real property assessed and taxed locally or by the State for allotment and payment to taxing districts shall be assessed according to the same standard of value, except as otherwise permitted herein, and such property shall be taxed at the general tax rate of the taxing district in which the property is situated, for the use of such taxing district” (Article 8, Section 1).

This Article was interpreted to preclude any classification of real estate but to leave the door open for classified taxes on personal property. In 1963 the Constitution was amended to permit assessment of farm property according to its value for agricultural use only. Chapter 51, Laws of 1960 (effective for Tax Year 1965) provided for such classification and also provided other significant modifications.

Personal property provisions of Chapter 51, Laws of 1960, were replaced by Chapter 136, Laws of 1966. For taxes payable in 1968 and until 1993, personal property used in business (other than the businesses of local exchange telephone, telegraph, and messenger system companies and other public utilities) was subject to the Business Personal Property Tax instead of the local tax. Personal property is no longer subject to any Property Tax, and inventories of all businesses are excluded from property taxation.

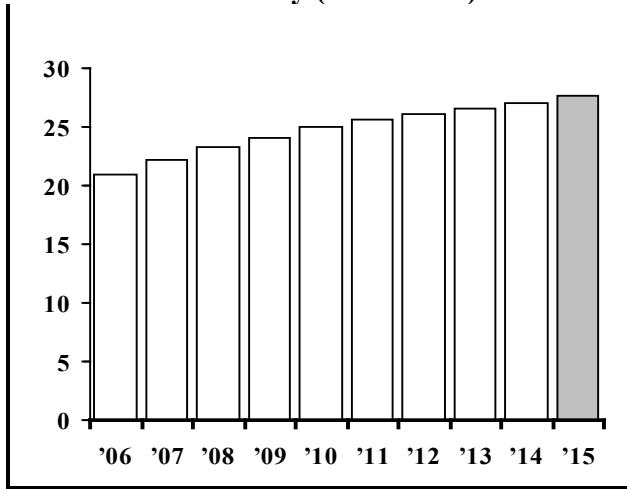
The 1966 law also provided for replacement of local personal Property Tax revenues from four tax sources: (1) Retail Gross Receipts Tax, (2) Corporation Business (Net Income) Tax, (3) Business Personal Property Tax and (4) Unincorporated Business Tax. This revenue replacement program was terminated (C. 3, P.L. 1977). Legislation was passed providing for an annual appropriation of not less than \$158.7 million.

The decision in *Switz v. Middletown Township, et al.*, 23 N.J. 580 (1957) required that all taxable property be assessed at “true value” (100% assessment). This was the beginning of a series of New Jersey court decisions that have been a major factor in the development of uniform real estate tax assessment. R.S. 54:4-23 was amended to provide that when an assessor believes that all or part of a taxing district’s property is assessed lower or higher than is consistent with uniform taxable valuation or is not in substantial compliance with the law, and that the public’s interest will be promoted by a reassessment of such property, the assessor shall make a reassessment of the property not in compliance.

Prior to making this reassessment, the assessor shall first notify in writing: the mayor, the municipal governing body, the Division of Taxation, the county tax board, and the county tax administrator of the basis for the reassessment and shall submit a compliance plan to the county board of taxation and the Division of Taxation for approval. After reassessment of a portion of a taxing district, the assessor shall certify to the county board of taxation, through adequate sampling as determined by the board, that the reassessed portion of the taxing district is in compliance with those portions of the district that were not reassessed.

A long period of legislative history has developed numerous exemptions and special Property Tax treatments. These are found principally in R.S. 54:4-3.3 and in R.S. 54:4-3.6. Generally exempt are government-owned property; and property of religious, educational, charitable, and various types of nonprofit organizations. R.S. 54:4-3.6 was amended to permit a religious or charitable organization to lease property to another exempt entity for a different exempt use without the loss of its Property Tax exemption. An amendment to R.S. 54:4-3.10 provided that property owned by any exempt firefighter’s association, firefighter’s relief association, or volunteer fire company would retain its tax-exempt status although the organization owning the property used the property for an income-producing purpose on an auxiliary basis provided that the auxiliary activity does not exceed 120 days annually and the net proceeds from the auxiliary activity are used to further the primary purpose of the organization or for other charitable purposes. Qualified senior citizens and disabled persons are permitted a tax deduction of \$250 annually as per N.J.S.A. 54:4-8.40 et seq. The veterans’ deduction was increased from \$50 to \$100 for Tax Year 2000, to \$150 for 2001, \$200 for 2002, and \$250 for 2003 and thereafter pursuant to N.J.S.A. 54:4-8.10 et seq. War-time service periods were also expanded.

**Local Property Tax
Gross Levy (In Billions)**



Fiscal Year	Gross Tax Levy
2005	\$19,567,777,307
2006	20,914,761,932
2007	22,130,902,055
2008	23,213,741,007
2009	24,048,643,407
2010	25,010,905,690
2011	25,646,727,650
2012	26,054,001,420
2013	26,504,427,647
2014	27,114,753,398

**Meadowlands Regional Hotel
Use Assessment**

Description

P.L. 2015, C. 19, imposes an assessment on charges for the occupancy of every room in the hotels located in the Meadowlands District, including any hotels located on State-owned land. The assessment is imposed on room rentals that are currently subject to the New Jersey Sales Tax and is in addition to the Sales Tax, the Hotel/Motel State Occupancy Fee, and the Municipal Occupancy Tax, as well as any other tax or fee imposed by local ordinance on hotel occupancies.

Rate

The Meadowlands Regional Hotel Use Assessment rate is 3%.

Disposition of Revenues

The monies collected from the Meadowlands Regional Hotel Use Assessment are deposited into the intermunicipal account and used to pay Meadowlands adjustment payments to municipalities in the Meadowlands District. Any remaining revenue may be used to perform projects in the areas of flood control, traffic, renewable energy, or other infrastructure improvement projects; promote the Meadowlands District as a tourism destination; fund the acquisition of property for the purpose of open space preservation; or fund the creation of parks and other recreational facilities.

Motor Fuel Tax

Description

A tax on motor fuel is applied to gasoline, diesel fuel, or liquefied petroleum gas used in motor vehicles on public highways.

Rate

The general Motor Fuel Tax rate is \$0.105 per gallon of gasoline. A tax of \$0.0525 per gallon is imposed on liquefied petroleum gas sold or used to propel motor vehicles on public highways.

The diesel fuel tax rate is \$0.135 per gallon, of which \$0.03 per gallon is refundable for fuel used in passenger automobiles and motor vehicles of less than 5,000 pounds gross weight.

Disposition of Revenues

Certain revenues are credited to a special account in the General Fund and are dedicated from the Motor Fuel Tax, the Petroleum Products Gross Receipts Tax, and the Sales and Use Tax to the Transportation Trust Fund for maintenance of the State's transportation system. See the New Jersey Constitution, Article 8, Section 2, paragraph 4.

Motor Vehicle Tire Fee

Description

P.L. 2004, C. 46, imposes a fee on the sale of new motor vehicle tires, including new tires sold as a component part of a motor vehicle, either sold or leased, that are subject to New Jersey Sales Tax. The tire fee is imposed per tire, including the spare tire sold as part of a motor vehicle.

The tire fee also applies to sales of new tires in connection with a repair or maintenance service.

Rate

The Motor Vehicle Tire Fee is \$1.50 per tire.

Disposition of Revenues

The revenue collected from the Motor Vehicle Tire Fee is deposited in the Tire Management and Cleanup Fund established in the Department of Environmental Protection. Any additional revenue collected is available for appropriation to the Department of Transportation to support snow removal operations.

9-1-1 System and Emergency Response Assessment

Description

P.L. 2004, C. 48, imposes a fee on periodic billings to mobile telecommunications and telephone exchange customers. This fee is charged by:

- Mobile telecommunications companies for each voice grade access service number as part of mobile telecommunications service provided to a customer billed by or for the customer's home service provider and provided to a customer with a place of primary use in this State; and
- Telephone exchange companies for each telephone voice grade access service line provided as part of that telephone exchange service.

The fee is not applicable to the federal government, its agencies, or instrumentalities. The law also provides an exemption for State, county and municipal governments, and school districts from the fee imposed on telephone exchange services.

Rate

The 9-1-1 System and Emergency Response Fee is \$.90 for each voice grade access service number and line to mobile telecommunications and telephone exchange customers.

Disposition of Revenues

The revenue collected pursuant to the fee will serve to replace the current 9-1-1 infrastructure Statewide with a state-of-the-art enhanced 9-1-1 system. Revenue collected

is also applied to pay for costs of funding the State's capital equipment, facilities, and operating expenses that arise from emergency preparedness, emergency response training, counterterrorism measures, security at State facilities including transportation infrastructure, preparation for first responders to chemical or biohazard emergencies, and any expenses of the Office of Emergency Management in the Division of State Police in the Department of Law and Public Safety.

Nursing Home Assessment

Description

The New Jersey Nursing Home Quality of Care Improvement Fund Act, P.L. 2003, C. 105 (as amended by P.L. 2004, C. 41), established a quarterly assessment on nursing homes in order to provide additional funds for improving the quality of care by increasing Medicaid reimbursement for services delivered to those senior citizens and other persons residing in New Jersey nursing homes.

Rate

The current rate is \$11.89 per non-Medicare day to applicable nursing homes. The annual assessment rate is calculated by the Department of Health and Senior Services, and may be up to a maximum of 6% of the aggregate amount of annual revenues received by applicable nursing homes.

Disposition of Revenues

The monies collected from the Nursing Home Provider Assessment are statutorily transferred, through appropriation, to the General Fund and allocated for the support of nursing home programs designated by the Commissioner of Health and Senior Services. The remaining monies, after the transfer to the General Fund, along with any federal Medicaid funds received by the Commissioner, are distributed directly to qualifying nursing homes.

Petroleum Products Gross Receipts Tax

Description

The Petroleum Products Gross Receipts Tax is imposed on all companies engaged in refining and/or distributing petroleum products for distribution in this State. It applies to the first sale, not for export, of petroleum products within New Jersey.

Home heating oil (including #2, #4, and #6 heating oils) and propane gas and kerosene used for residential heating are exempt from tax. Also exempt from tax are receipts from sales of petroleum products used by marine vessels engaged in interstate or foreign commerce; receipts from sales of aviation fuels used by airplanes in interstate or foreign commerce other than burnout portion; receipts from sales of asphalt and polymer grade propylene used in the manufacture of polypropylene; receipts from sales to nonprofit entities qualifying for exemption under the Sales and Use Tax Act; and receipts from sales to the United States or the State of New Jersey.

Effective January 1, 2001, P.L. 2000, C. 156, phased out, over a three-year period, the Petroleum Products Gross Receipts Tax for fuel used by any utility, co-generation facility, or wholesale generation facility to generate electricity sold at wholesale or through certain retail channels.

Rate

The Petroleum Products Tax is imposed at the rate of 2¾% on gross receipts from the first sale of petroleum products in New Jersey. In the case of fuel oils, aviation fuels, and motor fuels, this rate is converted to \$0.04 per gallon pursuant to C. 48, P.L. 2000. Eligible taxpayers may claim the Neighborhood Revitalization State Tax Credit against the Petroleum Products Gross Receipts Tax pursuant to P.L. 2001, C. 415.

Disposition of Revenues

Certain revenues are credited to a special account in the General Fund and dedicated to the Transportation Trust Fund under the New Jersey Constitution, Article 8, Section 2, paragraph 4.

Property Tax Relief Programs

The State provides Property Tax relief benefits to resident homeowners and tenants through a variety of programs. Eligibility and filing requirements differ for each program.

Beginning with benefits paid for Tax Year 2008, the total amount of all Property Tax relief benefits received (Homestead Benefit, Senior Freeze (Property Tax Reimbursement), Property Tax Deduction for senior citizens/disabled persons, and Property Tax Deduction for veterans) cannot exceed the amount of Property Taxes (or rent constituting Property Taxes) paid on the applicant's principal residence for the same year.

Homestead Rebate Program

Chapter 61, P.L. 1990, created a new Homestead Property Tax Rebate program to provide rebates for both homeowners and tenants. The new program replaced certain other direct Property Tax relief programs: (1) the original Homestead Rebate program (C. 72, P.L. 1976), which provided rebates to homeowners; (2) the Residential Property Tax Deduction and Credit provided to both homeowners and tenants on their Income Tax returns under C. 304, P.L. 1985; and (3) the Tenant Credit program (C. 47, P.L. 1976, as amended).

The application for the new Homestead Property Tax Rebate was combined with the resident Income Tax return beginning with the tax return for 1990, and benefits were linked to income level and amount of Property Taxes paid. Under this program, rebates ranged from \$100 to \$500 for homeowners, and \$35 to \$500 for tenants, depending on the applicant's filing status, gross income, and the amount of Property Taxes paid, either directly or through rent. Those with incomes over \$100,000 were not eligible for a rebate.

Beginning in 1992, the amount appropriated for Property Tax relief programs in the State Budget affected the amount of the Homestead Rebate paid to some taxpayers. Only taxpayers who were 65 years of age or older or blind or disabled were eligible to receive rebates of \$100 to \$500 (homeowners) or \$35 to \$500 (tenants), provided that their gross income did not exceed \$100,000. For other taxpayers, only those with a gross income of \$40,000 or less were eligible to receive a standard rebate amount of \$90 for homeowners and \$30 for tenants. Those with gross incomes over \$40,000 were no longer eligible for a rebate.

In November 1992, the New Jersey Tax Court ruled that anyone who resides in a dwelling that is not subject to Local Property Tax is not entitled to a Homestead Property Tax Rebate. This includes tenants living in subsidized housing or other dwellings owned by the State, county, municipal, or federal government; students living in on-campus apartments at State colleges and universities; and tenants living in dwellings owned by religious, charitable, or other nonprofit organizations, including on-campus apartments at private nonprofit colleges and universities, if the property is exempt from Local Property Taxes. Permanently and totally disabled veterans and their surviving spouses who do not pay Property Taxes are also ineligible for rebates.

Chapter 63, P.L. 1999, the NJ SAVER and Homestead Rebate Act, created the NJ SAVER Rebate program,

another new, direct Property Tax relief program to be phased in over five years beginning in 1999. Under the provisions of this Act, homeowners who qualified for both the Homestead Rebate and the NJ SAVER Rebate received either the Homestead Rebate or the NJ SAVER Rebate, depending on which program provided the greater benefit. (See *NJ SAVER Rebate Program* on page 42 for a description of that program.) This same legislation increased the Homestead Rebate income threshold for tenants to \$100,000 and set the income threshold at \$40,000 for homeowners who were not 65 or older or blind or disabled. For 1998, tenants who were under 65, not blind or disabled, and who had income between \$40,000 and \$100,000 were eligible to receive a \$30 Homestead Rebate provided they filed a Homestead Rebate Application by June 15, 1999. The legislation increased this amount to \$40 for the 1999 Tax Year, \$60 for the 2000 Tax Year, \$80 for the 2001 Tax Year, and \$100 for 2002 and thereafter.

Chapter 159, P.L. 2001, increased the maximum benefit under the Homestead Rebate program for homeowners and tenants who were 65 or older or disabled from \$500 to \$750 beginning with Homestead Rebates paid in Calendar Year 2001. For Homestead Rebates paid in 2002 and thereafter, the maximum amount would be indexed annually to the cost of living. This legislation also increased the maximum tenant Homestead Rebate paid in 2001 and thereafter to tenants who are not 65 or disabled to \$100, eliminating the three-year phase-in that, under the prior legislation (C. 63, P.L. 1999), was scheduled to end with rebates paid in 2003. It also increased the minimum rebate for tenants who were 65 or disabled to \$100.

Under State Budget provisions for Fiscal Year 2004, Homestead Rebates paid in 2003 were not adjusted by the cost-of-living increase.

From 1999 until 2004, both the Homestead Rebate and the NJ SAVER Rebate programs provided Property Tax relief benefits to qualified homeowners. Chapter 40, P.L. 2004, the 2004 Homestead Property Tax Rebate Act, folded the NJ SAVER Rebate program into the existing Homestead Rebate program, and combined certain aspects of each, eliminating the NJ SAVER Rebate for Tax Years 2004 and thereafter. The new program was given the acronym “FAIR,” which stood for Fair and Immediate Relief. The Act also provided that the NJ SAVER and Homestead Rebates for 2003 were to be calculated the same way, taking into account the applicant’s filing status, gross income, and the amount of Property Taxes paid, either directly or through rent. Eligible applicants received either the Homestead Rebate or the NJ SAVER Rebate. The rebates ranged from \$500 to \$1,200 for homeowners, and

from \$150 to \$825 for tenants. Homeowners with incomes over \$200,000 or tenants with incomes over \$100,000 were not eligible for a 2003 rebate.

For Tax Year 2004, rebate amounts were determined by income, filing status, whether a taxpayer was age 65 or older or eligible to claim an exemption as blind or disabled for the tax year, and whether the taxpayer was a homeowner or a tenant on October 1 of the tax year. Gross income could not exceed \$200,000 for eligible homeowners or \$100,000 for eligible tenants. Beginning with Tax Year 2004, tenants applied for the rebate on Form TR-1040, found in the Income Tax return booklet. A separate rebate application was mailed to homeowners. Only New Jersey residents who were either homeowners or tenants on October 1 and met the other requirements were eligible for a rebate for that year.

The amount appropriated for Property Tax relief programs in the State Budget for Fiscal Year 2006 affected rebate amounts paid for Tax Year 2004. Homeowners age 65 or older or disabled received rebates of \$500 to \$1,200. Homeowners under age 65 and not disabled received \$300 to \$350. Tenants age 65 or older or disabled received \$150 to \$825; and the rebate amount for tenants under age 65 and not disabled was \$75.

For Tax Year 2005 eligible homeowners who were age 65 or older or disabled received rebates ranging from \$500 to \$1,200. The amount appropriated for Property Tax relief programs in the State Budget for Fiscal Year 2007 affected rebate amounts for 2005 for eligible homeowners under age 65 and not disabled. Rebates for these homeowners ranged from \$200 to \$350. Tenants age 65 or older or disabled received from \$150 to \$825; and the rebate amount for tenants under age 65 and not disabled was \$75.

Chapter 62, P.L. 2007, established a new system for calculating benefits. For Tax Year 2006 eligible homeowners received 10%–20% of the first \$10,000 of Property Taxes paid, depending on their income level:

\$100,000 or less	—	20%
\$100,001 – \$150,000	—	15%
\$150,001 – \$250,000	—	10%

Eligible homeowners who were age 65 or older or disabled received the larger of either the applicable percentage of Property Taxes paid (see above) or the amount by which the Property Taxes paid exceeded 5% of gross income, but within the range specified based on income:

\$70,000 or less	—	\$1,200 – \$1,000
\$70,001 – \$125,000	—	\$800 – \$600
\$125,001 – \$200,000	—	\$500

Under the State Budget for Fiscal Year 2008, eligible tenants age 65 or older or disabled received rebates ranging from \$160 to \$860, and tenants under age 65 and not disabled received from \$80 to \$350.

The amount appropriated for Property Tax relief programs in the State Budget for Fiscal Year 2009 affected eligibility and rebate amounts for Tax Year 2007 for both homeowners and tenants. Only homeowners with income of \$150,000 or less were eligible, and the rebates for homeowners were to be based on 2006 Property Taxes.

For Tax Year 2007, eligible homeowners received either 10% or 20% of the first \$10,000 of Property Taxes paid in 2006, depending on their income level:

\$100,000 or less — 20%
 \$100,001 – \$150,000 — 10%

Eligible homeowners who were age 65 or older or disabled received the larger of either the applicable percentage of Property Taxes paid (see above) or the amount by which the Property Taxes paid exceeded 5% of gross income, but within the range specified based on income:

\$70,000 or less — \$1,200 – \$1,000
 \$70,001 – \$125,000 — \$800 – \$600
 \$125,001 – \$150,000 — \$500

Eligible tenants age 65 or older or disabled received rebates ranging from \$160 up to a maximum of \$860. Tenants under age 65 and not disabled received \$80.

The amount appropriated for Property Tax relief programs in the State Budgets for Fiscal Years 2010 through 2015 limited eligibility and benefit amounts for Tax Years 2008 through 2012 for homeowners based on income (homeowners age 65 or older or disabled with gross income of more than \$150,000 and homeowners under age 65 with gross income of more than \$75,000 were not eligible). The Budgets also required that the benefits for homeowners be based on 2006 Property Taxes. For Tax Year 2008, only tenants age 65 or older or disabled were eligible for rebates. No Homestead Benefits were issued to tenants for Tax Years 2009 through 2012.

For Tax Year 2008, eligible homeowners who were age 65 or older or disabled received the larger of either the applicable percentage of the first \$10,000 of Property Taxes paid for 2006 (20% for applicants with gross income up to \$100,000 or 10% for applicants with gross income over \$100,000 but not over \$150,000) or the amount by which Property Taxes paid exceeded 5% of New Jersey gross income, but within the following ranges:

\$70,000 or less — \$1,200 – \$1,000
 \$70,001 – \$125,000 — \$800 – \$600
 \$125,001 – \$150,000 — \$500

Eligible homeowners who were under age 65 and not disabled received either 20% or 13.34% of the first \$10,000 of Property Taxes paid for 2006, depending on their income level:

\$50,000 or less — 20%
 \$50,001 – \$75,000 — 13.34%

Eligible tenants age 65 or older or disabled received rebates ranging from \$160 up to a maximum of \$860.

For Tax Year 2009, eligible homeowners who were age 65 or older or disabled received one-quarter of the applicable percentage of the first \$10,000 of Property Taxes paid for 2006 (20% for applicants with gross income up to \$100,000 or 10% for applicants with gross income over \$100,000 but not over \$150,000).

Eligible homeowners who were under age 65 and not disabled received one-quarter of the applicable percentage of the first \$10,000 of Property Taxes paid for 2006 (20% for applicants with gross income up to \$50,000 or 13.34% for applicants with gross income over \$50,000 but not over \$75,000).

Benefits for 2009 were applied to Property Tax bills for the second quarter of 2011.

For Tax Years 2010 through 2014, eligible homeowners who were age 65 or older or disabled received either 10% or 5% of the first \$10,000 of Property Taxes paid for 2006, depending on their income level:

\$100,000 or less — 10%
 \$100,001 – \$150,000 — 5%

Eligible homeowners who were under age 65 and not disabled received either 10% or 6.67% of the first \$10,000 of Property Taxes paid for 2006, depending on their income level:

\$50,000 or less — 10%
 \$50,001 – \$75,000 — 6.67%

Credits for 2010 through 2014 were applied as follows:

<i>Tax Year</i>	<i>Applied to Property Tax bills in</i>
2010	February 2012
2011	August 2013
2012	May 2015
2013	May 2016
2014	May 2017

NJ SAVER Rebate Program

Chapter 63, P.L. 1999, the New Jersey School Assessment Valuation Exemption Relief and Homestead Property Tax Rebate Act (NJ SAVER and Homestead Rebate Act), created the NJ SAVER Rebate program. Under this program New Jersey residents, regardless of age or income, who owned, occupied, and paid Property Taxes on a home in New Jersey that was their principal residence on October 1 of any year were eligible to receive an NJ SAVER Rebate for that year.

Rebates were calculated by multiplying the equalized value of a home by the effective school tax rate for the municipality in which the home was located. The equalized value for the calculation could not exceed \$45,000. Since school tax rates varied among municipalities, NJ SAVER Rebate amounts varied. The legislation provided for a five-year phase-in period beginning in 1999. The first rebate checks mailed in 1999 represented 20% of the maximum NJ SAVER Rebate and homeowners received 40% of the maximum rebate in 2000.

Chapter 106, P.L. 2001, amended the original legislation (P.L. 1999, C. 63) to accelerate the phase-in period of the NJ SAVER Rebate program from five years to four years. The legislation increased the amount to be paid in 2001 from 60% to 83⅓% of the full amount and provided for the full benefit amount to be paid in 2002.

The amount appropriated for Property Tax relief programs in the State Budget for Fiscal Year 2003 affected NJ SAVER Rebates for 2001. Only homeowners earning \$200,000 or less received rebates, which were limited to the amounts paid for 2000.

As part of the State Budget for Fiscal Year 2004, NJ SAVER Rebates for 2002 were not paid to any individual or married couple with gross income in excess of \$200,000. Additionally, the amount paid was limited to 50% of the prior year's NJ SAVER Rebate check.

The 2004 Homestead Property Tax Rebate Act (P.L. 2004, C. 40) folded the NJ SAVER Rebate program into the existing Homestead Rebate program, and combined certain aspects of each, eliminating the NJ SAVER Rebate for Tax Years 2004 and thereafter. See *Homestead Rebate Program* on page 39 for more information.

Property Tax Reimbursement Program

Chapter 348, P.L. 1997, created the Property Tax Reimbursement ("Senior Freeze") program, which effectively freezes Property Taxes for eligible New Jersey senior citizens and disabled persons by reimbursing them for

Property Tax increases. The first year a resident satisfies all the eligibility requirements becomes their base year. Residents who remain eligible in succeeding years will be reimbursed for any increase in the amount of Property Taxes paid over the base year amount.

Residents are eligible if they (1) are age 65 or older or receiving federal Social Security disability benefits; (2) owned and lived in a homestead (or mobile home that is on a leased site in a mobile home park) for at least the last three years; (3) lived in New Jersey and paid Property Taxes either directly or through rent for at least ten consecutive years; (4) paid the full amount of Property Taxes (or site fees if a mobile home owner) due on the home for both their base year and the year for which they are claiming the reimbursement; and (5) meet certain income eligibility limits for both the base year and the year for which they are claiming a reimbursement.

The income limits will increase in subsequent years by the amount of the maximum Social Security benefit cost-of-living increase for that year. Applicants must meet all requirements for both their base year and the year for which they are claiming a reimbursement. Once an applicant's base year is established, it remains the same as long as they remain eligible in succeeding years. If a homeowner (or mobile home owner) does not satisfy the requirements in one year, then their base year will become the next year that they satisfy all the requirements.

P.L. 2009, C. 129 modified the residency requirements for reimbursement recipients who lose their eligibility temporarily when they move to a new home. The legislation shortened to two full years the period of time these residents must occupy their new home before they can again qualify to resume applying for the Property Tax Reimbursement. The new residency rules apply to applications filed for 2010 and after.

Under the provisions of the State Budget for Fiscal Year 2004, only applicants who received a reimbursement for Tax Year 2001 and who met all the eligibility requirements, including the income limits for 2002, were eligible to receive a reimbursement for 2002. The amount applicants received for Tax Year 2002 could not exceed the amount they received for 2001. For 2003, reimbursements were issued to all eligible applicants for the difference between their 2003 Property Taxes and their base year Property Taxes. For eligible applicants who filed applications for the first time for 2002 but did not receive checks, the 2003 reimbursement represented the difference between the amount of their 2003 Property Taxes paid and the amount of their 2001 (base year) taxes. For 2004 through

2008, reimbursements were issued to all eligible applicants for the difference between their Property Taxes for that year and their base year Property Taxes.

In the case of *Rita J. Hawe v. Director, Division of Taxation*, the Tax Court held that, for purposes to determining eligibility for the Property Tax Reimbursement, annual income does not include distributions from an annuity that represent a taxpayer's original investment. Only the interest generated by the annuity is to be included.

The amount appropriated for Property Tax relief programs in the State Budget for Fiscal Year 2011 affected 2009 reimbursement payments. Only those applicants who received reimbursements for 2008 and whose income for 2009 did not exceed the 2008 income limit were eligible. In addition, 2009 benefit amounts were limited to the 2008 level.

The amount appropriated for Property Tax relief programs in the State Budget for Fiscal Year 2012 affected 2010 reimbursement payments. Only those applicants whose income for 2009 did not exceed \$80,000, and whose 2010 income did not exceed \$70,000 were eligible. (The original limit was \$80,000.)

The amount appropriated for Property Tax relief programs in the State Budget for Fiscal Year 2013 limited 2011 reimbursement payments. Only applicants whose income for 2010 did not exceed \$80,000, and whose 2011 income did not exceed \$70,000 were eligible. (The original limit was \$80,000.)

The amount appropriated for Property Tax relief programs in the State Budget for Fiscal Year 2014 limited 2012 reimbursement payments. Only applicants whose income for 2011 did not exceed \$80,000, and whose 2012 income did not exceed \$70,000 were eligible. (The original limit was \$82,880.)

The amount appropriated for Property Tax relief programs in the State Budget for Fiscal Year 2015 affected reimbursement payments for 2013. Applicants were eligible to receive reimbursement payments only if their 2012 total income did not exceed \$82,880, and their 2013 total income did not exceed \$70,000. (The original limit was \$84,289.)

The amount appropriated for Property Tax relief programs in the State Budget for Fiscal Year 2016 affected reimbursement payments for 2014. Applicants were eligible to receive reimbursement payments only if their 2013 total income did not exceed \$84,289, and their 2014 total income did not exceed \$70,000. (The original limit was \$85,553.)

Other Benefits

Property Tax Deduction/Credit: Annual deduction or refundable credit given on the New Jersey resident income tax return. Qualified residents may deduct 100% of their Property Taxes due and paid or \$10,000, whichever is less. For tenants, 18% of rent paid during the year is considered Property Taxes paid. The minimum benefit is a refundable credit of \$50.

The amount appropriated for Property Tax relief programs in the State Budget for Fiscal Year 2010 affected the Property Tax Deduction for Tax Year 2009. Homeowners under age 65 and not disabled whose gross income was over \$150,000 but not over \$250,000 were limited to a \$5,000 deduction. The Property Tax Deduction was suspended for homeowners under age 65 and not disabled with gross income over \$250,000. Homeowners who were not eligible for a deduction because their gross income was over \$250,000 were still able to receive a Property Tax Credit.

Senior Citizens' or Disabled Persons' Property Tax Deduction: Annual deduction of up to \$250 from Property Taxes for homeowners age 65 or older or disabled who meet certain income and residency requirements.

Veterans' Deduction: Annual deduction of up to \$250 from taxes due on the real or personal property of qualified war veterans and their surviving spouses/civil union partners/domestic partners.

Property Tax Exemption for Disabled Veterans: Full exemption from Property Taxes on a principal residence for certain totally and permanently disabled war veterans and their surviving spouses/civil union partners/domestic partners. Surviving spouses/civil union partners/domestic partners of servicepersons who died on wartime active duty or whose disability declaration was granted after death may also qualify.

Public Community Water System Tax

Description

The Public Community Water System Tax is levied on the owner or operator of every public community water system in New Jersey based on water delivered to consumers, not including water purchased for resale, on or after April 1, 1984.

Rate

The rate is \$0.01 per 1,000 gallons of water delivered to a consumer.

Disposition of Revenues

Revenues are deposited in the Safe Drinking Water Fund administered by the New Jersey Department of Environmental Protection and used to ensure clean drinking water in New Jersey.

Public Utility Franchise Tax

Description

Public Utility Franchise Tax applies to all sewerage and water companies having lines and mains along, in, on, or over any public thoroughfare.

The rate is either 2% or 5% of a proportion of the gross receipts of the taxpayer for the preceding calendar year. The proportion of gross receipts subject to tax is the ratio of the taxpayer's total length of lines or mains that are located along, in, on, or over any street, highway, road, or other public place to the whole length of lines or mains. Measurements of lengths of lines or mains exclude service connections.

Administration

The Franchise Tax levied against the sewerage and water companies is payable to the State in three installments: 35% due May 15, 35% due August 15, and 30% due November 15.

Rate

The rate is 2% for taxpayers with calendar year gross receipts of \$50,000 or less and 5% for taxpayers with calendar year gross receipts exceeding \$50,000.

Disposition of Revenues

Revenues are deposited into an account that is used to fund the Energy Tax Receipts Property Tax Relief Fund, which is distributed to municipalities in accordance with P.L. 1997, C. 167.

Public Utility Gross Receipts Tax

Description

Public Utility Gross Receipts Tax is in addition to the Franchise Tax and is in lieu of the local taxation of certain properties of sewerage and water companies in New Jersey.

Administration

The Gross Receipts Tax levied against the sewerage and water companies is payable to the State in three installments: 35% due May 15, 35% due August 15, and 30% due November 15.

Rate

7.5% is applied to the gross receipts for the preceding calendar year.

Disposition of Revenues

Revenues are deposited into an account that is used to fund the Energy Tax Receipts Property Tax Relief Fund, which is distributed to municipalities in accordance with P.L. 1997, C. 167.

Public Utility Excise Tax

Description

Public Utility Excise Tax is an additional tax on sewerage and water public utilities.

Administration

The Public Utility Excise Tax levied against the sewerage and water companies is payable to the State in full on May 1.

Rate (Calendar Year Basis)

0.625%—on gross receipts subject to the Franchise Tax (0.25% for taxpayers with gross receipts not in excess of \$50,000 annually);

0.9375%—on gross receipts of all sewerage and water public utilities.

Disposition of Revenues

Revenues are deposited into an account that is used to fund the Energy Tax Receipts Property Tax Relief Fund, which is distributed to municipalities in accordance with P.L. 1997, C. 167.

Railroad Franchise Tax

Description

The Railroad Franchise Tax is levied on railroads (or systems of railroads) operating within New Jersey. The tax base is that portion of the road's (or system's) net railway

operating income of the preceding year allocated to New Jersey. The allocating factor is the ratio of the number of miles of all track in this State to the total number of miles of all track over which the railroad or system operates.

Rate

Railroad Franchise Tax is assessed at the rate of 10% on the net railway operating income of the preceding year allocated to New Jersey. The minimum is \$100 for taxpayers having total railway operating revenues in the preceding year of \$1 million or less and \$4,000 for taxpayers with operating revenues in excess of \$1 million in the preceding year.

Disposition of Revenues

Revenues are deposited in the State Treasury for general State use.

Railroad Property Tax

Description

Railroad Tax Law of 1948 as amended distinguishes three classes of property:

Class I: “Main stem” roadbed—that not exceeding 100 feet in width.

Class II: All other real estate used for railroad purposes including roadbed other than “main stem” (Class I), tracks, buildings, water tanks, riparian rights, docks, wharves, piers. Excluded is “tangible personal property”: rolling stock, cars, locomotives, ferryboats, all machinery, tools. Facilities used in passenger service are also excluded, being defined as Class III property.

Class III: Facilities used in passenger service: land, stations, terminals, roadbeds, tracks, appurtenances, ballast, and all structures used in connection with rendering passenger service, including signal systems, power systems, equipment storage, repair, and service facilities (N.J.S.A. 54:20A-2).

The Railroad Property Tax is a State tax on Class II property.

Exemptions

Main stem (Class I), tangible personal property, and facilities used in passenger service (Class III) are exempt from tax.

Rate

\$4.75 for each \$100 of true value of Class II railroad property.

Disposition of Revenues

Revenues are deposited in the State Treasury for general State use. However, under legislation adopted in 1966, the municipalities where railroad property is located are guaranteed the return of certain replacement revenues. No State aid has been paid since Calendar Year 1982, except for 1984–1994 payments to those municipalities in which Class II railroad property owned by New Jersey Transit Corporation is located (P.L. 1984, C. 58). Since 1995, payments have been paid on Class II railroad properties owned by New Jersey Transit Corporation through the Consolidated Municipal Tax Relief Aid program administered by the Department of Community Affairs.

Realty Transfer Fee

Description

The Realty Transfer Fee is imposed on the recording of deeds evidencing transfers of title to real property in the State of New Jersey. The Realty Transfer Fee is calculated based on the amount of consideration recited in the deed.

The Realty Transfer Fee does not apply to a deed: for a consideration of less than \$100; by or to the United States of America, this State, or any instrumentality, agency, or subdivision thereof; solely in order to provide or release security for a debt or obligation; that confirms or corrects a deed previously recorded; on a sale for delinquent taxes or assessments; on partition; by a receiver, trustee in bankruptcy or liquidation, or assignee for the benefit of creditors; eligible to be recorded as an “ancient deed” pursuant to R.S. 46:16-7; acknowledged or proved on or before July 3, 1968; between husband and wife, or parent and child; conveying a cemetery lot or plot; in specific performance of a final judgment; releasing a right of reversion; previously recorded in another county and full Realty Transfer Fee paid or accounted for, as evidenced by written instrument, attested by the grantee, and acknowledged by the county recording officer; by an executor or administrator of a decedent to a devisee or heir to effect distribution of the decedent’s estate in accordance with the provisions of the decedent’s will or the intestate laws of this State; recorded within 90 days following the entry of a divorce decree that dissolves the marriage between grantor and grantee; issued by a cooperative corporation, as part of a conversion of all of the assets

of the cooperative corporation into a condominium, to a shareholder on the surrender by the shareholder of all of the shareholder's stock in the cooperative corporation and the proprietary lease entitling the shareholder to exclusive occupancy of a portion of the property owned by the corporation.

Chapter 103, P.L. 2006, the Civil Union Act, grants civil union couples the same benefits, protections, and responsibilities under law as are granted to spouses in marriage. The law required amendatory language pertaining to partial and total exemptions from the Realty Transfer Fee to be included on the Affidavit forms (RTF-1 and RTF-1EE) and other Property Administration forms.

Rate

In accordance with Chapter 66, Laws of 2004, as amended by Chapter 19, Laws of 2005, the level or rate of the Realty Transfer Fee is as follows:

Standard Transactions and New Construction

Total Consideration Not Over \$350,000

Consideration		Rate / \$500
<i>over</i>	<i>but not over</i>	
\$ 0	\$ 150,000	2.00
150,000	200,000	3.35
200,000	350,000	3.90

Total Consideration Over \$350,000

Consideration		Rate / \$500
<i>over</i>	<i>but not over</i>	
\$ 0	\$ 150,000	2.90
150,000	200,000	4.25
200,000	550,000	4.80
550,000	850,000	5.30
850,000	1,000,000	5.80
1,000,000*		6.05

Senior Citizens or Blind or Disabled Persons; Low and Moderate Income Housing

Total Consideration Not Over \$350,000

Consideration		Rate / \$500
<i>over</i>	<i>but not over</i>	
\$ 0	\$ 150,000	0.50
150,000	350,000	1.25

Total Consideration Over \$350,000

Consideration		Rate / \$500
<i>over</i>	<i>but not over</i>	
\$ 0	\$150,000	1.40
150,000	550,000	2.15
550,000	850,000	2.65
850,000	1,000,000	3.15
1,000,000*		3.40

***Additional fee when consideration is over \$1 million**

A 1% fee is imposed on grantees (buyers) on property

transfers for consideration in excess of \$1 million for property class 2 "residential"; class 3A "farm property (regular)" if effectively transferred with other property to the same grantee; and cooperative units, which are class 4C. The 1% fee is imposed on the entire amount of such consideration recited in the deed. The 1% fee is not imposed on organizations determined by the federal Internal Revenue Service to be exempt from federal income taxation that are the buyers in deeds for a consideration in excess of \$1 million.

Chapter 33, P.L. 2006, provides that:

- A fee of 1% is imposed on Class 4A "commercial properties" for an entire consideration in excess of \$1 million as well as the classes already incurring the 1% fee.
- The 1% fee does not apply if real property transfer is incidental to a corporate merger or acquisition and the equalized assessed value of the real property transferred is less than 20% of the total value of all assets exchanged in the merger or acquisition.
- Buyers (grantees) in deeds involving Class 4A sales recorded on or before November 15, 2006, that were transferred pursuant to a contract fully executed before July 1, 2006, who remit the 1% fee shall have it refunded by filing a Claim for Refund with the Division within one year following the recording date of the deed.
- Affidavit of Consideration for Use by Seller (Form RTF-1) is required for all Class 4 property deed recordings.
- A fee of 1% is imposed on nondeed transfers of a controlling interest in an entity that possesses, directly or indirectly, a controlling interest in classified real property, payable to the Director, by the purchaser of the controlling interest.

Disposition of Revenues

The Realty Transfer Fees per \$500 of consideration will be allocated according to the type of transaction as follows:

Standard (no exemption)

Total Consideration Not Over \$350,000

Consideration		County Treasurer ¹	State Treasurer ²	New Jersey AHTF
<i>over</i>	<i>but not over</i>			
\$ 0	\$ 150,000	\$ 0.75	\$ 1.25	\$ 0.00
150,000	200,000	0.75	1.85	0.75
200,000	350,000	0.75	2.40	0.75

Total Consideration Over \$350,000

Consideration		County Treasurer ¹	State Treasurer ²	New Jersey AHTF
<i>over</i>	<i>but not over</i>			
\$ 0	\$ 150,000	\$ 0.75	\$ 2.15	\$ 0.00
150,000	200,000	0.75	2.75	0.75
200,000	550,000	0.75	3.30	0.75
550,000	850,000	0.75	3.80	0.75
850,000	1,000,000	0.75	4.30	0.75
1,000,000		0.75	4.55	0.75

**Senior Citizens or Blind or Disabled Persons;
Low and Moderate Income Housing**

Total Consideration Not Over \$350,000

Consideration		County Treasurer	State Treasurer	New Jersey AHTF
<i>over</i>	<i>but not over</i>			
\$ 0	\$ 150,000	\$ 0.50	\$ 0.00	\$ 0.00
150,000	350,000	0.50	0.00	0.75

Total Consideration Over \$350,000

Consideration		County Treasurer	State Treasurer ³	New Jersey AHTF
<i>over</i>	<i>but not over</i>			
\$ 0	\$ 150,000	\$ 0.50	\$ 0.90	\$ 0.00
150,000	550,000	0.50	0.90	0.75
550,000	850,000	0.50	1.40	0.75
850,000	1,000,000	0.50	1.90	0.75
1,000,000		0.50	2.15	0.75

New Construction

Total Consideration Not Over \$350,000

Consideration		County Treasurer ¹	State Treasurer ²	New Jersey AHTF
<i>over</i>	<i>but not over</i>			
\$ 0	\$ 150,000	\$ 0.75	\$ 1.00 ³	\$ 0.25
150,000	200,000	0.75	0.60	2.00
200,000	350,000	0.75	1.15	2.00

Total Consideration Over \$350,000

Consideration		County Treasurer ¹	State Treasurer ²	New Jersey AHTF
<i>over</i>	<i>but not over</i>			
\$ 0	\$ 150,000	\$ 0.75	\$ 1.90	\$ 0.25
150,000	200,000	0.75	1.50	2.00
200,000	550,000	0.75	2.05	2.00
550,000	850,000	0.75	2.55	2.00
850,000	1,000,000	0.75	3.05	2.00
1,000,000		0.75	3.30	2.00

¹Under the Public Health Priority Funding Act of 1977, \$0.25 per \$500 of consideration is deposited into a special fund.

²Amount per \$500 of consideration is deposited as follows:

Extraordinary Aid Account

Standard Transactions

Not over \$150,000	\$ 0.00
Over \$150,000 but not over \$200,000	0.60
Over \$200,000	1.15

New Construction

Not over \$150,000	\$ 1.00
Over \$150,000 but not over \$200,000	0.60
Over \$200,000	1.15

State General Fund

When the **total consideration is over \$350,000**, a General Purpose

Fee is imposed as follows:

Not over \$150,000	\$ 0.90
Over \$150,000 but not over \$550,000	0.90
Over \$550,000 but not over \$850,000	1.40
Over \$850,000 but not over \$1,000,000	1.90
Over \$1,000,000	2.15

³Entire amount is deposited into the State General Fund.

The proceeds of the Realty Transfer Fees collected by the county recording officer are accounted for and remitted to the county treasurer. In Fiscal Year 2015, a total of \$300,682,701 was paid to the State Treasury in Realty Transfer Fees and deposited into the State General Fund.

Amounts not in excess of \$25,000,000 paid during the State fiscal year to the State Treasury from the State portion of the basic fee are credited to the Shore Protection Fund.

In Fiscal Year 2015, \$58,299,974 was paid to the State Treasury and credited to the New Jersey Affordable Housing Trust Fund.

A “supplemental fee” is allocated between the county Public Health Priority Fund and the State Extraordinary Aid Account. In Fiscal Year 2015, the Extraordinary Aid Account received \$66,741,148.

Recycling Tax

Description

P.L. 2007, C. 311, imposes a Recycling Tax on every ton of solid waste accepted for disposal or transfer at a solid waste facility. Every owner or operator of a solid waste facility in New Jersey is subject to this tax. The tax is also imposed on every ton of solid waste collected by a solid waste collector that transports solid waste for transshipment or direct transportation to an out-of-state disposal site.

Rate

The Recycling Tax is imposed at the rate of \$3.00 per ton.

Disposition of Revenues

The revenue collected from the Recycling Tax is deposited in the nonlapsing, revolving Recycling Fund and administered by the New Jersey Department of Environmental Protection. Moneys in the fund are appropriated solely for the following purposes and no other: (1) 60% for the annual expenses of a program for direct recycling grants to municipalities or counties in those instances in which a county, at its own expense, provides for the collection, processing, and marketing of recyclable materials on a regional basis; (2) 5% for State recycling program planning and program funding; (3) 25% to provide State aid to counties for preparing, revising, and implementing solid waste management plans; (4) 5% to be used by counties for public information and education programs concerning recycling activities; and (5) 5% to provide grants to institutions of higher education to conduct research in recycling.

Sales and Use Tax

Description

Sales and Use Tax applies to receipts from retail sale, rental, or use of tangible personal property or specified digital products; retail sale of producing, fabricating, processing, installing, maintaining, repairing, and servicing tangible personal property or specified digital products; maintaining, servicing, or repairing real property; certain mail processing services; tattooing, tanning, and massage services; investigation and security services; information services; limousine services; sales of restaurant meals and prepared food; rental of hotel and motel rooms; certain admission charges; certain membership fees; parking charges; storage services; sales of magazines and periodicals; delivery charges; and telecommunications services, except as otherwise provided in the Sales and Use Tax Act.

A compensating Use Tax is also imposed when taxable property and services are purchased and New Jersey Sales Tax is either not collected or is collected at a rate less than New Jersey's Sales Tax rate. The Use Tax is due when such property, or the property on which taxable services are performed, comes into New Jersey. If sales tax was paid to another state, the Use Tax is only due if the tax was paid at a rate less than New Jersey's rate.

All persons required to collect the tax must file a Business Registration Application (Form NJ-REG). Each registrant's authority to collect the Sales Tax is certified by a Certificate of Authority issued by the Division, which must be prominently displayed at each place of business to which it applies.

Major exemptions include: sales of newspapers; magazines and periodicals sold by subscription and membership periodicals; casual sales except motor vehicles and registered boats; clothing; farm supplies and equipment; flags of New Jersey and the United States; unprepared food and food ingredients purchased for human consumption; food sold in school cafeterias; prescription and certain nonprescription drugs and other medical aids; motor fuels; textbooks; professional and personal services unless otherwise taxable under the Act; real estate sales; tangible personal property used in research and development; production machinery and equipment.

The Sales and Use Tax Act was amended, effective October 1, 2005, to conform New Jersey's law to the requirements of the Streamlined Sales and Use Tax Agreement (SSUTA), which is a multistate effort to simplify and modernize the collection and administration of sales and use taxes. The adoption of the SSUTA resulted in significant changes in New Jersey's tax policy and administration, including uniform product definitions and changes in the taxability of specific items. In addition, the SSUTA provided for the creation of a new central registration system, certain amnesty provisions, and minor changes in the treatment of exemption certificates.

Rate

The rate of tax is 7% on taxable sales.

Disposition of Revenues

Revenues are deposited in the State Treasury for general State use.

History

New Jersey's first Sales Tax became effective on July 1, 1935. The tax rate was set at 2%. Chapter 268, P.L. 1935, provided that sales taxation would cease as of June 13, 1938.

Sales and Use Tax next became effective July 1, 1966. Rate of tax was set at 3% (C. 30, P.L. 1966).

Additional exemptions from the tax were provided by C. 25, P.L. 1967. Chapter 7, P.L. 1970, increased the tax rate to 5% effective March 1, 1970. This Act and C. 25,

P.L. 1970, contained certain transitional provisions relating to this increased rate.

Effective July 1, 1972, sales of alcoholic beverages, except draught beer sold by the barrel, to any retail licensee were made subject to Sales and Use Tax (C. 27, P.L. 1972). The 1972 amendment repealed taxation of sales of packaged liquor by retailer to consumer. The tax applied at the wholesale-retail level. Its base was the minimum consumer retail price as filed with the Board of Alcoholic Beverage Control.

Sale, rental, or lease of commercial motor vehicles weighing more than 18,000 pounds became exempt from Sales and Use Tax effective January 1, 1978 (C. 217, P.L. 1977).

Production machinery and equipment became exempt from Sales and Use Tax effective January 1, 1978.

The Division took over administration of the Atlantic City Luxury Sales Tax (C. 60, P.L. 1980).

A new tax imposed on wholesale receipts of alcoholic beverage licensees at 6.5% of the wholesale price superseded the prior tax imposed under the Sales and Use Tax law at 5% of the minimum consumer resale price (C. 62, P.L. 1980).

Recycling equipment was exempted from Sales and Use Tax effective January 12, 1982 (C. 546, P.L. 1981).

The Sales and Use Tax rate increased to 6% effective January 3, 1983 (C. 227, P.L. 1982).

Nonprescription drugs, household paper products, and soaps and detergents were exempted from Sales and Use Tax effective July 1, 1983.

The Sales and Use Tax rate increased to 7% effective July 1, 1990. Several major exempt items and services became taxable July 1, 1990, e.g., cigarettes; alcoholic beverages; household soap and paper products; janitorial services; telecommunications services; and sales, rentals, leasing, parts, and services for certain commercial motor vehicles (C. 40, P.L. 1990).

Chapter 115, P.L. 1990, approved November 19, 1990, reinstated, with modifications, the exemption for certain sales, rentals, leases, and repair and replacement parts for commercial motor vehicles, retroactive to July 1, 1990.

Household paper products became exempt again September 1, 1991 (C. 209, P.L. 1991).

The Sales and Use Tax rate decreased to 6% effective July 1, 1992 (C. 11, P.L. 1992).

Local public pay-phone calls were exempted from the tax under a law passed January 15, 1993, and retroactive to July 1, 1990 (C. 10, P.L. 1993).

Effective July 1, 1994, retail sales of certain tangible personal property in Salem County were taxed at 3% (C. 373, P.L. 1993).

Sales and Use Tax was repealed on advertising space in a telecommunications user or provider directory or index distributed in New Jersey effective April 1, 1996 (C. 184, P.L. 1995).

Certain radio and television broadcast production equipment was exempted from Sales and Use Tax effective April 1, 1996 (C. 317, P.L. 1995).

Sales and Use Tax was imposed on sales of energy (C. 162, P.L. 1997).

Effective January 8, 1998, the farm use exemption was amended to apply to tangible personal property (except automobiles, and except property incorporated into a building or structure) used "directly and primarily" in the production for sale of tangible personal property for sale on farms, ranches, nurseries, greenhouses, and orchards (C. 293, P.L. 1997).

Imprinting services performed on manufacturing equipment that is exempt under N.J.S.A. 54:32B-8.13 were exempted from Sales and Use Tax effective March 1, 1998 (C. 333, P.L. 1997).

Sales and Use Tax was repealed on sales of advertising services, other than direct-mail services performed in New Jersey, on and after November 1, 1998 (C. 99, P.L. 1998).

Chapter 221, P.L. 1999, provides for expanded Sales and Use Tax exemptions for film and video industries.

Chapter 246, P.L. 1999, exempts repairs to certain aircraft from Sales and Use Tax.

Chapter 248, P.L. 1999, clarifies the imposition of New Jersey Sales and Use Tax on the retail sale of prepaid telephone calling arrangements. The statute shifts the incidence of the tax from the point of use to the point at which the arrangement is sold to the consumer.

Sales and Use Tax exemption for the amount of sales through coin-operated vending machines was increased from \$0.10 to \$0.25 (C. 249, P.L. 1999).

The Firearm Accident Prevention Act (C. 253, P.L. 1999) exempts sales of firearm trigger locks from Sales and Use Tax.

The Secure Firearm Storage Act exempts sales of firearm vaults from Sales and Use Tax (C. 254, P.L. 1999).

Chapter 273, P.L. 1999, provides for general exemption from Sales and Use Tax of costs of purchase and repair of commuter ferryboats.

“Farm use” exemption was revised through C. 314, P.L. 1999.

Chapter 365, P.L. 1999, provides Sales and Use Tax exemptions for certain purchases by flood victims of Hurricane Floyd.

Chapter 416, P.L. 1999, grants exempt organization status under the New Jersey Sales and Use Tax Act to the National Guard, Marine Corps League, and war veterans’ posts or associations. This law also created a Sales and Use Tax Review Commission.

Chapter 90, P.L. 2001, provides for a Sales and Use Tax exemption for the sale and repair of limousines.

The Uniform Sales and Use Tax Administration Act (C. 431, P.L. 2001) authorized New Jersey to participate in discussions of the Streamlined Sales Tax Project in an effort to simplify and modernize Sales and Use Tax collection and administration.

Chapter 45, P.L. 2002, brought the Sales and Use Tax Act into compliance with the federal Mobile Telecommunications Sourcing Act.

Chapter 136, P.L. 2003, provides that the receipts from rentals of tangible personal property between “related persons” are exempt from Sales and Use Tax.

Chapter 266, P.L. 2003, provides a Sales and Use Tax exemption for the sale of zero emission motor vehicles.

Through the enactment of P.L. 2005, C. 126, New Jersey joined a national coalition of states in conforming the New Jersey Sales and Use Tax Act to the provisions of the Streamlined Sales and Use Tax Agreement (SSUTA). The SSUTA was developed over the course of several years through the joint effort of over 40 states participating in the Streamlined Sales and Use Tax Project. The underlying purpose of the Agreement is to simplify and modernize the administration of the sales and use tax laws of the member states in order to facilitate multistate tax administration and compliance. The provisions of the new law took effect on October 1, 2005.

Chapter 44, P.L. 2006, increased the Sales and Use Tax rate from 6% to 7%, effective July 15, 2006. The law also expanded the Sales and Use Tax base effective October 1,

2006, by imposing tax on various products and services that were not previously taxed as well as by limiting existing exemptions for other products and services.

P.L. 2007, C. 94, provides an exemption from Sales and Use Tax on energy and utility services and from the Transitional Energy Facility Assessment unit rate surcharge for manufacturing facilities producing products using recycled materials and satisfying several precise and complex criteria (initially applicable only to one manufacturing facility in the State). The exemption was in effect for seven years, and during that time the economic effect of allowing the facility’s exemption was reviewed annually.

P.L. 2007, C. 105, effective July 1, 2007, carved out certain exceptions to two new impositions of tax that were part of the expansion of Sales and Use Tax. The Act amended N.J.S.A. 54:32B-3(h), which imposes tax on fees and dues for use of the facilities of health and fitness, athletic, sporting, and shopping clubs and organizations. The amendment exempts such fees and dues if the club or organization is either an exempt private organization or an exempt public entity. The Act also amended N.J.S.A. 54:32B-3(i), which imposes tax on receipts for parking or garaging a motor vehicle, with certain exceptions. The amendment carved out additional exceptions: municipal parking and garaging, even when not “metered,” and certain parking fees at Atlantic City casinos.

P.L. 2008, C. 123, effective January 1, 2009, repealed the Fur Clothing Retail Gross Receipts Tax and Use Tax and replaced it by adding “fur clothing” as taxable tangible personal property under the Sales and Use Tax Act (N.J.S.A. 54:32B-1 et seq.).

P.L. 2009, C. 90, broadened the exemption provided by P.L. 2007, C. 94 to include any postconsumer material manufacturing facility instead of only including manufacturing facilities producing products using recycled materials.

P.L. 2009, C. 240, clarified the meaning of “contiguous property” and removed limitations on exemption for natural gas and utility service used for cogeneration.

P.L. 2011, C. 49, made various technical changes in the Sales Tax law to maintain compliance with the Streamlined Sales and Use Tax Agreement (SSUTA). The bill replaced “digital property” with “specified digital product” and made other ancillary changes; provided new compliance provisions that incorporate SSUTA provisions relieving certain sellers from liability due to changes in the Sales and Use Tax rate; removed remaining references to the term “vendor,” replacing them with “seller”; and

removed charges for installation as part of the enumerated charges included in the definition of “sales price.”

P.L. 2012, C. 40, established a grant program to provide a one-time rebate of the Sales and Use Tax paid for the purchase of certain materials and supplies used for the construction of certain off-track wagering facilities.

P.L. 2013, C. 193, provides a Sales and Use Tax exemption for cosmetic makeup services provide in conjunction with reconstructive breast surgery.

P.L. 2014, C. 13, created the presumption that a remote seller making sales to New Jersey customers of tangible personal property, specified digital products, or services taxable under the Sales and Use Tax Act has nexus with New Jersey and is required to collect and remit New Jersey Sales Tax if that seller enters into an agreement to pay a commission or other consideration to an independent contractor or other representative located in this State who refers customers to that seller, whether by a link on a website or otherwise.

Urban Enterprise Zones

The New Jersey Urban Enterprise Zones Act (C. 303, P.L. 1983), approved August 15, 1983, provides tax advantages and other business tools to enhance development efforts in the State’s economically distressed urban centers. The statute was amended in 2002 to add Urban Enterprise Zone-impacted business districts. Urban Enterprise Zone-impacted business districts are areas that have been negatively impacted by the presence of two or more adjacent Urban Enterprise Zones. Under the program, qualified municipalities apply to the Urban Enterprise Zone Authority to have a portion of the municipality designated as an Urban Enterprise Zone or Urban Enterprise Zone-impacted business district. Businesses must apply to the local municipal zone coordinator to be certified as a “qualified business” before they can take advantage of these benefits.

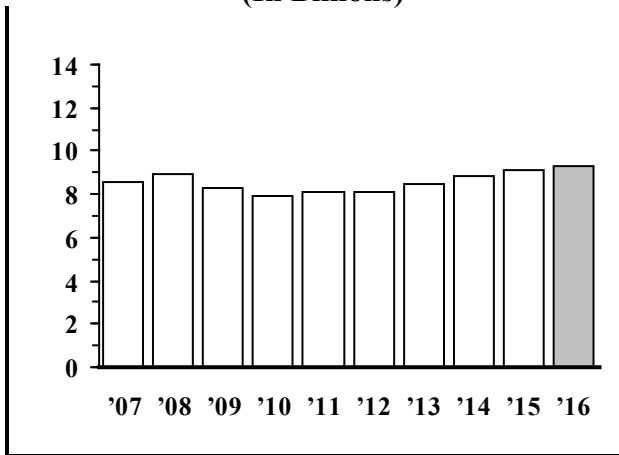
Initially 10 zones (the maximum number provided under the statute) were established in: Bridgeton, Camden, Elizabeth, Jersey City, Kearny, Millville/Vineland, Newark, Orange, Plainfield, and Trenton. Chapter 367, P.L. 1993, approved January 5, 1994, allowed for the designation of 10 additional enterprise zones. This increased the number of zones from 10 to 20, adding Asbury Park/Long Branch, Carteret, Lakewood, Mount Holly, Passaic, Paterson, Perth Amboy, Phillipsburg, Pleasantville, and Union City. In 1996, 7 new zones were added: East Orange, Guttenberg, Hillside, Irvington, North Bergen, Pemberton, and West New York. In 2002, 3 additional zones were designated: Bayonne City, Roselle Borough, and a joint zone consisting of North Wildwood City, Wildwood City, Wildwood Crest Borough, and West Wildwood Borough (P.L. 2001 C. 347). Gloucester City was added effective April 1, 2004 (P.L. 2003, C. 285). New Brunswick was added as the 32nd zone effective July 1, 2004 (P.L. 2004, C. 75).

In 2002, legislation was passed that requires the Urban Enterprise Zone Authority to extend a zone’s initial designation as an Urban Enterprise Zone if the particular enterprise zone meets certain requirements. The same legislation provides for the replacement of the final 5-year period of the 20-year Urban Enterprise Zone designation for the eligible zones with a new 16-year period.

The possible tax benefits conferred on qualified businesses within a designated Urban Enterprise Zone include:

- Corporation Business Tax credits for hiring new employees;

**Sales and Use Tax Collections
(In Billions)**



Fiscal Year	Collections
2006	\$6,853,417,869
2007	8,609,639,460 ¹
2008	8,915,515,422
2009	8,264,162,457
2010	7,898,166,015
2011	8,144,397,344
2012	8,099,548,866
2013	8,454,788,087
2014	8,849,369,361
2015	9,146,025,530

¹Rate increased to 7% effective July 15, 2006.

- Sales and Use Tax exemption for purchases of building materials, most tangible personal property, and most services for business use;
- Unemployment Tax rebates;
- Authorization to impose State Sales Tax at 50% of the regular rate.

The only benefit conferred on qualified businesses within a designated Urban Enterprise Zone-impacted business district is the authorization to impose State Sales Tax at 50% of the regular rate.

Sales Tax Benefits

A seller within an Urban Enterprise Zone or Urban Enterprise Zone-impacted business district wishing to collect Sales Tax at the reduced rate must first be certified as a “qualified business,” and then apply to the Division of Taxation for authority to collect tax at the reduced rate. No business may collect Sales Tax at the reduced rate without the proper certification. The certification is valid for one year. Recertification is automatic unless the business changes or loses its qualified status.

A qualified business may collect Sales Tax at the reduced rate only on a face-to-face retail sale of tangible property to a buyer who comes to its business location within the zone or district and accepts delivery from the location. Thus, telephone, mail-order, or catalog sales do not qualify for the reduced rate. Sales of certain items are not eligible for the reduced Sales Tax rate. Tax must be collected at the full regular rate on sales of: restaurant meals and prepared food, cigarettes, alcoholic beverages, energy, and the sale, rental, or lease of motor vehicles. The reduced rate does not apply to sales of any services by a qualified business.

A qualified business may purchase items of tangible personal property (office and business equipment, supplies, furnishings, fixtures, etc.), and taxable services (construction work, repair, and installation services, etc.) that are for the exclusive use of the business at its location in the zone without paying Sales Tax. Building materials used at the zone location are also exempt from tax, whether purchased by the qualified business or the contractor. The exemption from Sales Tax does not apply to purchases or repairs of motor vehicles, or purchases of telecommunications services and energy. Qualified businesses located within Urban Enterprise Zone-impacted business districts are not entitled to this benefit.

P.L. 2004, C. 65, amended the Urban Enterprise Zones Act to include a Sales and Use Tax exemption for energy and utility service sold to certain qualified Urban

Enterprise Zone businesses. In order to be eligible, a qualified business, or a group of vertically integrated qualified businesses within a single redevelopment area, must employ at least 500 people within an enterprise zone, at least 50% of whom are directly employed in a manufacturing process.

P.L. 2005, C. 374, amended the exemption for energy and utility service sold to certain qualified Urban Enterprise Zone businesses by changing “500 people” to “250 people.” It also extended the exemption to qualifying Salem County businesses that employ at least 50 people.

P.L. 2006, C. 34, effective July 15, 2006, amended the Urban Enterprise Zones Act to require that to qualify as a UEZ business an applicant must meet all outstanding tax obligations. The law also required that UEZ qualified businesses having annual gross receipts of \$1,000,000 or more obtain exemption from Sales and Use Tax on purchases by filing a claim for refund of tax, rather than by using a point-of-purchase exemption certificate.

P.L. 2007, C. 328, effective January 13, 2008, instituted a new filing procedure for qualified Urban Enterprise Zone (UEZ) businesses claiming a refund of Sales Tax paid. Documentation is no longer required to be submitted with a refund claim form. In addition, the definition of “small business” applicable to the UEZ Sales Tax Rebate Program was amended by raising the maximum annual gross receipts threshold from less than \$1 million to less than \$3 million.

P.L. 2008, C. 118, broadened the small qualified business definition under the Urban Enterprise Zone Sales Tax Rebate program by raising the maximum annual gross receipts threshold from less than \$3 million to less than \$10 million.

P.L. 2011, C. 28, effective for sales or services made or rendered on or after April 1, 2011, allows all qualified Urban Enterprise Zone (UEZ) businesses to be eligible to receive the Sales Tax exemption at the point of purchase regardless of annual gross receipts.

Spill Compensation and Control Tax

Description

The Spill Compensation and Control Tax is imposed on owners or operators of one or more major facilities used to refine, store, produce, handle, transfer, process, or transport hazardous substances, including petroleum

products, to ensure compensation for cleanup costs and damages due to discharge of hazardous substances.

The tax is also imposed on owners of a hazardous substance that is transferred to a public storage terminal, and to any transferor of a previously untaxed nonpetroleum hazardous substance from a major facility to one that is a nonmajor facility.

Rate

1. Nonpetroleum hazardous substances—1.53% of fair market value;
2. Petroleum products—\$0.023 per barrel;
3. Precious metals—\$0.023 per barrel;
4. Elemental phosphorus—\$0.023 per barrel; and
5. Elemental antimony or antimony trioxide—\$0.023 per barrel, with annual approval.

The tax rate may be increased in the case of a major discharge or series of discharges of petroleum products to a rate not to exceed \$0.04 per barrel until the revenue produced by the increased rate equals 150% of the total dollar amount of all pending reasonable claims resulting from the discharge.

The tax for an individual taxpayer facility that paid the tax in 1986 is capped at a certain percentage of the taxpayer's 1986 liability. Other tax cap benefits may apply.

Disposition of Revenues

The proceeds constitute a fund (New Jersey Spill Compensation Fund) to ensure compensation for cleanup costs and damage associated with the discharge of petroleum products and other hazardous substances.

Sports and Entertainment Facility Tax

Description

The Sports and Entertainment District Urban Revitalization Act (P.L. 2007, C. 30) authorized eligible municipalities to create "sports and entertainment districts" to promote the development of sports and entertainment facility projects in the districts. Eligible municipalities are those falling within a certain range of population size and density and that contain part of an Urban Enterprise Zone.

Municipalities establishing these districts may impose one or more specified local taxes and dedicate the revenue from some or all of those taxes to financing projects in

the sports and entertainment districts. At present, only the City of Millville has adopted an ordinance establishing a sports and entertainment district.

Rate

The tax rate in the Millville sports and entertainment district is 2% on receipts from retail sales (including rentals) of tangible personal property, food and drink, rents for hotel occupancies, and admission charges that are also taxable under the Sales and Use Tax Act. These taxes are in addition to any other State or local tax or fee imposed on the same transaction.

Disposition of Revenues

Revenues are deposited in the State Treasury and placed in the Sports and Entertainment Facility Revenue Fund established for the district. Moneys deposited in the fund may be used to provide financial assistance to a developer toward the costs of financing the infrastructure improvements of a project.

Tobacco Products Wholesale Sales and Use Tax

Description

The Tobacco Products Wholesale Sales and Use Tax is imposed on the receipts from every sale of tobacco products, other than cigarettes, by a distributor or a wholesaler to a retail dealer or consumer. Cigarettes are exempt from this tax.

Chapter 448, P.L. 2001, converted the Tobacco Products Wholesale Sales and Use Tax from one imposed on the price that a distributor receives from the sale of tobacco products to a seller or consumer to one imposed on the (lower) price that the distributor pays to buy the products from the manufacturer.

Chapter 37, P.L. 2006, amended the Tobacco Products Wholesale Sales and Use Tax to impose a separate weight-based tax on moist snuff. Previously, moist snuff had been taxed based on price with other tobacco products.

Rate

The Tobacco Products Wholesale Sales and Use Tax is imposed at the rate of 30% on the invoice price the distributor pays to buy the tobacco products, excluding moist snuff, from the manufacturer.

The Tobacco Products Wholesale Sales and Use Tax is imposed on moist snuff at the rate of \$0.75 per ounce on the net weight as listed by the manufacturer and a proportionate rate on all fractional parts of an ounce of the net weight of moist snuff.

Distributors and wholesalers that also sell tobacco products at retail or otherwise use the tobacco products must pay a compensating Use Tax of 30% measured by the sales price of a similar tobacco product, excluding moist snuff, to a distributor. Moist snuff is taxed at the rate of \$0.75 per ounce.

Disposition of Revenues

Revenues are deposited in the State Treasury for general State use. Pursuant to P.L. 1997, C. 264, initial collections of \$5 million are deposited in the Health Care Subsidy Fund.

Transfer Inheritance and Estate Taxes

Description

The Transfer Inheritance Tax applies to the transfer of all real and tangible personal property located in New Jersey and intangible personal property wherever situated in estates of resident decedents. In estates of nonresident decedents, the tax applies to real property and tangible personal property located in the State of New Jersey.

The Estate Tax is imposed in addition to the Transfer Inheritance Tax on the estates of resident decedents. An Estate Tax is payable if the Inheritance Tax paid to New Jersey is less than the portion of the federal credit for state death taxes that is attributable to New Jersey property.

Rate

The Transfer Inheritance Tax rates depend on the amount received and the relationship between the decedent and the beneficiary. No tax is imposed on Class A beneficiaries (father, mother, grandparents, descendants, spouses, civil union partners, or domestic partners). Class C beneficiaries (brother or sister of decedent; husband, wife, or widow(er) of a child of decedent; civil union partner or surviving civil union partner of a child of decedent) are taxed at 11%–16%, with the first \$25,000 exempt. Class D beneficiaries (not otherwise classified) are taxed at 15%–16%, with no tax on transfers having an aggregate value of less than \$500. Charitable institutions are exempt from tax.

For decedents dying on or before December 31, 2001, the Estate Tax is based on the credit for state inheritance, estate, succession, or legacy taxes allowable under the provisions of the Internal Revenue Code in effect on the decedent's date of death. For decedents dying after December 31, 2001, the Estate Tax is based on the credit for state inheritance, estate, succession, or legacy taxes allowable under the provisions of the Internal Revenue Code in effect on December 31, 2001.

During 2001 there was no federal estate tax due on federal estates of less than \$675,000. Under the provisions of the federal Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), the applicable federal exclusion amounts were increased to:

2002 and 2003	\$1.0 Million
2004 and 2005	1.5 Million
2006, 2007, and 2008	2.0 Million
2009	3.5 Million
2010	Tax Repealed

The New Jersey Estate Tax exclusion was frozen at the 2001 level for decedents dying in 2002 and thereafter. The Estate Tax is an amount equal to the federal credit for inheritance, estate, succession, and legacy taxes allowable under provisions of the Internal Revenue Code in effect on December 31, 2001. A reduction is permitted for that portion of the credit that is attributable to property located outside New Jersey plus any Inheritance Tax paid to New Jersey.

Exemptions From Transfer Inheritance Tax

- All transfers having an aggregate value under \$500;
- Life insurance proceeds paid to a named beneficiary;
- Charitable transfers for the use of any educational institution, church, hospital, orphan asylum, public library, etc.;
- Transfers for public purposes made to New Jersey or any political subdivision thereof;
- Federal civil service retirement benefits payable to a beneficiary other than the estate, executor, or administrator;
- Annuities payable to survivors of military retirees; and
- Qualified employment annuities paid to a surviving spouse, civil union partner, or domestic partner.

Disposition of Revenues

Revenues are deposited in the State Treasury for general State use.

History

New Jersey first imposed an Inheritance Tax in 1892 at a rate of 5% on property transferred from a decedent to a beneficiary.

In 1909, legislation was enacted that formed the basis of the present Transfer Inheritance Tax (N.J.S.A. 54:33-1 et seq.).

In 1934, legislation was enacted that formed the basis of the Estate Tax (N.J.S.A. 54:38-1 et seq.). On June 30, 1992, the filing date for estate taxes for decedents dying after March 1, 1992, was shortened. The due date had been the later of 18 months after the date of death or 60 days after the federal notification of federal estate tax due. The new due date is 9 months after date of death (C. 39, P.L. 1992). Estate taxes are paid by the estate to the extent that inheritance taxes are below the federal credit for State taxes.

On February 27, 1985, an amendment to the Transfer Inheritance Tax Act (C. 57, P.L. 1985) eliminated from taxation transfers from decedents to surviving spouses (retroactive to January 1, 1985) and to other Class A beneficiaries on a phased-out basis through July 1, 1988. On July 1, 1988, other Class A beneficiaries became totally exempt from the tax. Class C beneficiaries were granted a \$25,000 exemption effective on July 1, 1988.

In July 2002, legislation (C. 31, P.L. 2002) was enacted changing the manner in which Estate Tax is calculated for the estates of decedents dying after December 31, 2001. Under the changes made to the federal estate tax law, New Jersey’s Estate Tax would have been phased out over a three-year period.

P.L. 2003, C. 246, the Domestic Partnership Act, recognized domestic partnerships and provided certain rights and benefits to individuals participating in them. The Act made significant changes to the New Jersey Inheritance Tax for individuals dying on or after July 10, 2004. Transfers made to a surviving domestic partner were made exempt from the Inheritance Tax.

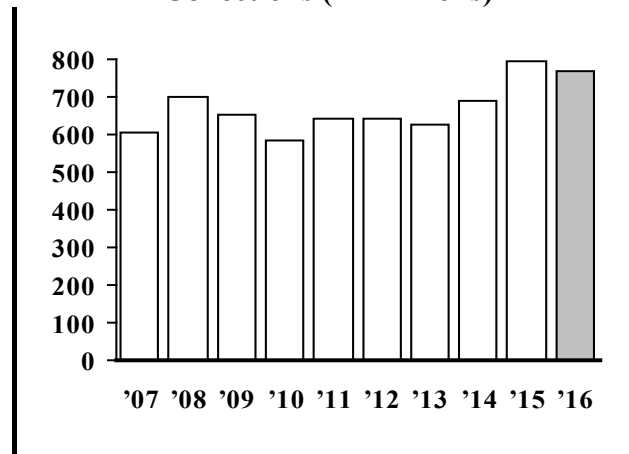
P.L. 2004, C. 132, enacted August 31, 2004, and effective on the 180th day following enactment, makes important changes in the way estates and trusts must be administered. This change would indirectly affect both Inheritance and Estate Tax.

P.L. 2005, C. 331, provides a surviving domestic partner with the same intestacy rights as a surviving spouse. Additionally, a surviving domestic partner now has the right to take an elective share in a deceased partner’s estate, be

appointed administrator of the estate, and make funeral arrangements.

P.L. 2006, C. 103, provides a civil union partner with the same rights as a spouse. Surviving civil union partners are exempt from the Inheritance Tax and are entitled to the same New Jersey Estate Tax marital deduction as a surviving spouse.

Transfer Inheritance and Estate Tax Collections (In Millions)



Fiscal Year	Collections
2006	\$610,847,697
2007	604,700,439
2008	698,694,013
2009	653,439,759
2010	581,624,419
2011	642,182,390
2012	641,867,808
2013	623,839,887
2014	687,436,282
2015	793,508,218

Uniform Transitional Utility Assessment

Description

The Uniform Transitional Utility Assessment is assessed against public utilities engaged in the sale and/or transmission of energy (therms of natural gas or kilowatt-hours of electricity) that were subject to the Public Utility Energy Unit Tax prior to January 1, 1998, and against

telecommunication providers previously subject to the Public Utility Franchise and Gross Receipts Tax assessed under C. 4, P.L. 1940.

Administration

The Uniform Transitional Utility Assessment is assessed against the public utility energy companies and the public utility telecommunications companies, or their successors or assignees, and is due May 15. Any amount paid by a taxpayer is available only as a nonrefundable credit against the tax in which the estimation is made, and cannot be claimed until after August 1 of the year the assessment is paid.

Rate

For energy taxpayers, the assessment is equal to 50% of the total of the taxpayer's estimate of Sales and Use Tax on energy (natural gas or electricity) and utility service (transportation or transmission of natural gas or electricity by means of mains, wires, lines, or pipes to users or customers) remittance for the calendar year and Corporation Business Tax liability for the calendar year.

For telecommunication taxpayers, the assessment is equal to 50% of the taxpayer's estimate of its Corporation Business Tax liability for the calendar year.

Disposition of Revenues

Revenues are deposited into accounts that are used to fund the Energy Tax Receipts Property Tax Relief Fund, which is distributed to municipalities in accordance with C. 167, P.L. 1997.

New Jersey Division of Taxation

LEGISLATION AND COURT DECISIONS

LEGISLATION

Gross Income Tax

P.L. 2015, C. 73 — Earned Income Tax Credit Increase

Signed into law on July 6, 2015, and effective immediately, amends the New Jersey Gross Income Tax Act to increase the amount of the New Jersey Earned Income Tax Credit from 20 percent of the federal earned income credit to 30 percent for tax years beginning on and after January 1, 2015.

P.L. 2015, C. 185 — Achieving a Better Life Experience (ABLE) Program for Persons With Certain Disabilities

Signed into law on January 11, 2016, and effective on the first day of the tenth month after enactment, allows persons with certain disabilities to establish ABLE accounts, which may be used for certain qualifying disability expenses. Earnings on qualified distributions from qualified ABLE accounts will be exempt from State income taxation. In addition, ABLE accounts will not be considered when determining income eligibility for State assistance programs.

P.L. 2015, C. 278 — Checkoff for New Jersey Yellow Ribbon Fund

Signed into law on January 11, 2016, effective immediately, and applicable to tax years beginning on or after January 1, 2017, allows taxpayers to donate to the New Jersey Yellow Ribbon Fund by specifying that a certain amount of their Income Tax overpayments should go to that fund or by enclosing a contribution with their Gross Income Tax returns.

Local Property Tax

P.L. 2015, C. 277 — Tax Deferment for Deployed Military Personnel

Signed into law on January 19, 2016, and effective immediately, allows New Jersey residents enlisted in any branch of the United States Armed Forces to defer the amount of any property tax bill for taxes assessed on property they own alone or with a spouse that becomes due during the period of their deployment for active duty in time of war. The deferment begins on the due date for the property tax payment and ends 90 days after the end of the resident's deployment. No interest will be charged if the property taxes owed are paid in full before the expiration of this 90-day grace period. Any portion of the property taxes not paid before the grace period expires will be subject to interest from the original due date until paid in full. The Act requires the State to annually pay each municipality the total amount of property taxes

deferred. Tax collectors must reimburse the State when they receive payment of the deferred taxes.

P.L. 2016, C. 5 — Atlantic City Alliance Abolishment

Signed into law on May 27, 2016, provides that beginning with calendar year 2017, and for the succeeding nine calendar years, casino gaming properties located in Atlantic City are exempt from local property taxation on real property and existing improvements, including accessory hotels, conference centers, parking garages and other appurtenant facilities, and are now responsible for making P.I.L.O.T. (Payments-in-Lieu-of-Tax) payments.

Miscellaneous

P.L. 2015, C. 69 — Economic Redevelopment and Growth Grant Program Tax Credits for Parking Projects

Signed into law on July 6, 2015, and effective immediately, amends the New Jersey Economic Stimulus Act of 2009 (P.L. 2009, C. 90) to allow municipal redevelopers, including municipalities, redevelopment agencies, municipal parking authorities and developers, to receive Economic Redevelopment and Growth Grant program tax credits when they develop certain mixed-use parking projects.

P.L. 2015, C. 88 — State Agency Permit Review

Signed into law on August 10, 2015, and effective immediately, amends N.J.S.A. 52:14B-26 and requires each State agency to periodically identify and review all permits it issues and submit a written report of its findings to the Secretary of State. The frequency of this review is to be determined by the Secretary of State.

The review must identify all permits that:

1. Can be administered through an expedited process and/or processed online;
2. Should be eliminated because they are obsolete, no longer necessary, or cost more to administer than the benefits they provide; and
3. Can lawfully and practicably be extended.

The agency's written report to the Secretary of State must include:

1. A description of each permit the agency issues;
2. A description of recent actions taken by the agency with respect to 1 – 3 above and any recent actions taken to reduce the number of permits backlogged (if any);
3. Recommendations and explanations with respect to 1 – 3 above for the agency's permits for which no recent actions have been taken; and

4. A list of any rules, regulations and statutes that need to be revised or eliminated to accomplish those recommendations.

Motor Fuels

P.L. 2015, C. 113 — Motor Fuel Sales During a State of Energy Emergency

Signed into law on October 1, 2015, and effective immediately, applies to sales of certain motor fuel during a state of energy emergency, as declared by the governor. During a state of energy emergency, a retail motor fuel dealer that exhausts its supply of lowest grade motor fuel may sell any remaining supply of higher grade motor fuel at the same price as the lowest grade motor fuel.

Multiple Taxes

P.L. 2015, C. 194 — Business Employment Incentive Program

Signed into law on January 11, 2016, and effective immediately, allows certain businesses that have previously been approved for a grant under the Business Employment Incentive program to direct the New Jersey Economic Development Authority to convert the grant to a tax credit. The Act establishes a priority schedule for the issuance of tax credits that favors older, outstanding grant obligations over grants that will become payable in future years. The tax credits issued can be applied to reduce a business's tax liability under the Corporation Business Tax or Insurance Premiums Tax prior to all other credits and payments. If the tax credit issued exceeds the amount of the tax liability otherwise due from a business that pays tax under the Corporation Business Tax, the amount of the excess may be treated as an overpayment of tax and refunded to the business.

P.L. 2015, C. 217 — Economic Incentive Programs

Signed into law on January 11, 2016, and effective immediately, modifies and clarifies provisions of the GROW NJ Assistance program, the Economic Redevelopment and Growth Grant program (ERG) and a tax credit program for redevelopers that provide public infrastructure to government entities.

P.L. 2016, C. 9 — Business Employment Incentive Program (BEIP) Revised Payout Schedule

Signed into law on June 30, 2016, revises the payout schedule for the Business Employment Incentive program (BEIP) tax credits originally established by P.L. 2015, C. 194. Under chapter 194, a business that was previously approved for a BEIP grant could elect to convert its grant to a tax credit. Under this new law, the credit for grant amounts accrued but not paid during Calendar Years 2008 through 2013 is to be paid in five installments over a five-year period beginning in 2017 as follows: 5 percent of the accrued amount in year one, 20 percent of the accrued amount in year two and 25 percent of the accrued amount in years three, four and five.

Sales and Use Tax

P.L. 2015, C. 170 — Boat and Other Vessel Partial Sales and Use Tax Exemption/Cap

Signed into law on December 9, 2015, amends the Sales and Use Tax Act to provide a 50 percent Sales and Use Tax exemption on the sale, lease, or rental of new and used boats and other vessels; and caps the amount of Sales and Use Tax imposed at \$20,000. In addition, residents who purchase boats outside of New Jersey may use the boat in this state for 30 days before incurring a Use Tax obligation. The law is effective immediately, and the exemption and cap apply to sales and uses on or after February 1, 2016. The grace period for the imposition of Use Tax applies to uses on or after January 1, 2016.

COURT DECISIONS

Administration

Untimely Complaint

Joy L. DeMaio v. Director, Division of Taxation; decided May 25, 2016; Tax Court Docket No. 011697-2015.

On May 7, 2009, the Division issued a notice of assessment for unpaid Cigarette Tax and Sales and Use Tax to Joy DeMaio (Plaintiff). Plaintiff did not protest, appeal or pay the assessment. The Division issued a notice and demand for payment of tax on November 1, 2011.

On December 15, 2011, Plaintiff protested the notice and demand for payment of tax, claiming that she did not purchase the cigarettes. On January 20, 2012, the Division issued a protest denial notice to Plaintiff, which stated that the period to protest or appeal the original notice of assessment expired in August 2009 (90 days after it was issued). The denial notice, which was sent by certified mail, advised Plaintiff that she had 90 days to appeal the Division's decision to Tax Court. The return receipt was signed but the date was not identified. On January 26, 2012, the Division filed a certificate of debt. Plaintiff then sent letters to the Division in February and April of 2012 claiming that she never received the notice of assessment and did not know why the certificate of debt was filed against her.

On July 23, 2015, Plaintiff filed a complaint with the Tax Court challenging the notice of assessment and protest denial notice. The Division moved to dismiss Plaintiff's complaint due to untimely filing.

The Court reviewed the sequence of events and found Plaintiff's complaint was untimely filed by more than three years. As such, the Court did not have jurisdiction to hear the case. The Court noted that the protest denial notice provided Plaintiff with the address for filing the complaint and the telephone number of the Tax Court Management Office to address any questions regarding filing the complaint.

Filing Date of Complaint

Smart Publications, LLC and Anthony Lombardo v. Director, Division of Taxation; decided April 6, 2016; Appellate Division, Docket No. A-3516-13T4, affirming Tax Court, Docket No. 012506-2013, revised April 29, 2014.

The Division issued a final determination to taxpayer, Smart Publications, LLC (Plaintiff), on May 6, 2013. The final determination, which was sent by certified mail, advised Plaintiff that a complaint should be filed with the Tax Court of New Jersey if Plaintiff did not agree with the notice.

The notice clearly stated that the Tax Court must receive the complaint within 90 days from the date of the notice. Plaintiff's counsel mailed the complaint by certified mail to the Tax Court on August 6, 2013. The Tax Court received the complaint on August 9, 2013, 95 days after the date of the final determination (May 6, 2013). The Division moved to dismiss the complaint as untimely, and the Tax Court granted the motion. Plaintiff filed a motion for reconsideration, which the Court denied.

Plaintiff filed an appeal with the Appellate Division arguing that the complaint was mailed on August 6, 2013, and therefore timely filed on August 6, 2013, under the "timely mailed, timely filed rule." In support of this argument, Plaintiff relied on N.J.S.A. 54:49-3.1, which states that the date mailed is the date of receipt for tax returns, protests and other documents that are "delivered by United States mail to the director, bureau, office, officer or person with which or with whom the document is required to be filed." The Appellate Division ruled that this statute pertained to appealing an action to the Division, not an action to the Tax Court.

The Appellate Division found that case law has established that the filing of a complaint is completed when the Court receives the complaint rather than when it was actually mailed. The Appellate Division found that both N.J.S.A. 54:51A-14(a) and Tax Court procedure Rule 8:4-1(b) require that "complaints shall be filed within 90 days after the date of the action to be reviewed." In this case, the complaint was filed when the Tax Court received the complaint on August 9, 2013, which was not within the 90-day window and therefore untimely.

The Appellate Division rejected Plaintiff's other arguments without discussion. In particular, Plaintiff Anthony Lombardo (the sole member of Smart Publications, LLC) claimed that his mother was not authorized to accept certified mail at his home and that the date he reviewed the letter should be the date of receipt. The Court concluded that these positions lacked sufficient merit to warrant discussion.

New Jersey Residents Not Entitled to Credit for Taxes Paid to Other Jurisdiction

Ravinder Palwai v. Director, Division of Taxation, decided November 18, 2015; Tax Court, Docket No. 017418-2010.

Ravinder Palwai and his wife (Plaintiffs) closed on the purchase of their home in New Jersey in 2005 and moved into the State in 2006. They filed a joint 2006 NJ-1040 and did not claim a credit for taxes paid to another jurisdiction. Plaintiffs also filed a 2006 Form IT-203 (New York Nonresident and Part-Year Resident Income Tax Return) reporting a zero tax liability after deducting allowable New York state refundable credits.

After reviewing Plaintiffs' return, the Division of Taxation adjusted their New Jersey gross income as follows: (1) increased wage income for New York wages that were not reported to New Jersey; (2) added back a deduction for an IRC Section 125 cafeteria plan; and (3) denied the credit for taxes paid to New York because Plaintiffs reported \$0 tax was due to New York after deducting the credit for taxes paid to other jurisdictions.

Plaintiffs filed a timely administrative protest but failed to participate in the process, so the Division's determination was upheld. Plaintiffs filed a timely complaint with the Tax Court. After numerous adjournments, the Division filed a summary judgment motion to dismiss the complaint. The Tax Court granted the motion finding that: (1) Plaintiffs were New Jersey residents and were subject to tax on all earnings regardless of where earned, so the New York wages were reportable to New Jersey; (2) Plaintiffs failed to provide any documentation to prove that the contributions to the IRC Section 125 cafeteria plan qualified to be excluded from gross income; and (3) a resident is allowed a credit for taxes paid to another jurisdiction only if the income is actually taxed in New Jersey and the other jurisdiction. Their New York return showed \$0 tax due; therefore, Plaintiffs are not entitled to a credit for taxes paid because the income earned in New York was not actually taxed.

Erroneous Refunds

Robert H. Hill and Sarah K. Hill v. Director, Division of Taxation; decided June 17, 2016; Appellate Division Docket No. A-1980-13T1, affirming Tax Court 27 N.J. Tax 311 (2013).

Robert Hill and Sarah Hill (Plaintiffs) were two minors who resided in Pennsylvania. Both were beneficiaries of New Jersey resident trusts created by their grandparents. The trustee paid New Jersey tax on behalf of each Plaintiff on the income from the trusts for tax years 2006 and 2007. The Plaintiffs' father filed a refund claim for each, claiming that neither Plaintiff received New Jersey source income in either 2006 or 2007. The Division initially denied the refunds but subsequently approved and issued them in 2008.

In 2010, a tax audit determined that Plaintiffs received New Jersey source income from the trusts in tax years 2006 and 2007. As a result, the Division issued a notice of deficiency to each Plaintiff.

The Tax Court determined that the trust income was taxable to New Jersey and that N.J.S.A. 54A:9-4(c)(4) permitted the Division to recover the previously issued refunds because they resulted in an underpayment of Gross Income Tax. Based on prior court decisions pertaining to the Corporation Business Tax Act, the judge limited the Division's ability to recoup erroneous Gross Income Tax refunds to situations

where the refunds were paid as a result of purely clerical errors rather than judgment errors. The Court noted that *Lennox, Inc. v. Director, Division of Taxation*, 20 N.J. Tax 464, 475 (Tax 2002) defined an error in judgment to refer "only to an erroneous final determination of the merits of a taxpayer's liability for tax, resulting from a mistaken interpretation of substantive law or a misunderstanding of the facts relating to the determination." Because the Division did not issue final determinations to the Plaintiffs, the Tax Court held that the refunds were recoverable as they were the result of clerical errors.

Plaintiffs appealed the Tax Court decision. The Appellate Division affirmed substantially for the reasons expressed in the Tax Court opinion, finding the decision was well-reasoned and based on controlling precedent.

Earned Income Tax Credit

Nnebe v. Director, Division of Taxation; decided May 23, 2016; Tax Court Docket No. 000024-2015.

In 2010, Ebere Nnebe (Plaintiff) and his wife, who at the time were living in Hamilton, New Jersey, entered into a separation agreement whereby they would live apart but not divorce. Plaintiff gave sole and exclusive use of the home to his wife, and they shared joint custody of their children. Plaintiff filed his 2012 NJ-1040 Gross Income Tax return using the Hamilton address, reporting his filing status as head of household, claiming his third child as his dependent and claiming the New Jersey Earned Income Tax Credit (NJEITC). In 2014, the Division audited Plaintiff's NJ-1040 and denied his NJEITC and his head of household filing status, finding that Plaintiff did not maintain a New Jersey residence for more than six months and that his principal residence was New York.

Plaintiff argued that because the Internal Revenue Service (IRS) did not deny his federal 2012 Earned Income Credit (EIC), he was entitled to the NJEITC. The Tax Court responded that even though the IRS did not deny the federal EIC, the Division was not prevented from challenging and denying a claim for the NJEITC.

The Tax Court ruled that a taxpayer has the burden of proving that he is entitled to a tax credit. The federal EIC requires that a claimant have a qualifying child who qualifies as a dependent and shares the same principal place of abode with the claimant for more than six months of the year. Additionally, a claimant who is married must qualify to file his/her return with the filing status of married filing jointly or head of household. Plaintiff testified that all three children stayed with their mother every night and that he lived in New York during the week. Because the child for whom Plaintiff claimed the NJEITC lived with his wife, the child did not

share Plaintiff's abode. Consequently, the Court found that Plaintiff did not qualify to file his return using the head of household filing status. As a result, he was not eligible for the NJEITC. The Court dismissed Plaintiff's complaint and upheld the Division's denial of the NJEITC.

Local Property Tax

Disabled Veteran's Exemption

Krystal and David Fisher vs. City of Millville, decided March 21, 2016; Tax Court, Nos. 014080-2014 and 007736-2015.

The issue is whether a disabled veteran qualifies for property tax exemption on her principal residence. More specifically, the issue is whether Krystal Fisher provided "direct support" in the "theatre of operation."

Krystal Fisher enlisted for active duty in the United States Army on June 4, 2002. The military was engaged in Operation Enduring Freedom during her enlistment. She trained for active deployment to Afghanistan as part of the Combat Aviation Brigade.

Ms. Fisher was injured during training, which eventually resulted in her being 100% permanently disabled. Despite her injury, she completed her training and was transferred to her active duty station at Fort Stewart, Georgia, serving from March 12, 2003, through December 28, 2003. Her duties while a part of the Rear Detachment included: shipping weapons, food, clothing and processed supplies; keeping inventory of weapons; assembling protective shield units for military vehicles for the overseas portion of her unit; and military police training for deployment to Afghanistan.

Ms. Fisher applied to the City of Millville for a disabled war veteran's property tax exemption pursuant to N.J.S.A. 54:4-3.30. The Millville tax assessor denied the exemption because Ms. Fisher did not serve the required minimum of 14 days in the actual combat zone.

Ms. Fisher appealed to the Cumberland County Board of Taxation, which denied the appeal. She then made a timely appeal with the Tax Court.

Ms. Fisher argued that Operation Enduring Freedom is not confined to a specific geographic area but is worldwide. The plaintiff pointed to the provision of the legislative enactment that generally requires participation in the "theatre of operation" rather than a specific geographic area. However, the statutory provision in question does not merely require support but, more specifically, requires direct support. In *Wellington v. Township of Hillsborough*, 27 NJ Tax 37, the Court found that Mr. Wellington was indeed entitled

to benefits because he sustained injury testing hazardous chemical agents collected from the battlefield while serving at a laboratory in the United States. The injuries sustained in the testing were in direct support of the military operation.

In clarifying the legislative intent of the statute, the Tax Court noted the tightening and narrowing of the eligibility requirements for later missions in terms of specific service in geographic regions, length of service and service in direct support of the military operation.

The Court declined to address the nature and extent of the theatre of operation because it held the overriding issue was whether "direct support" was provided by the veteran.

The Court concluded that Ms. Fisher completed her training at Fort Leonard Wood, Missouri, and was then transferred to her active duty assignment at Fort Stewart, Georgia, as part of the Rear Detachment for the portion of her unit deployed in Afghanistan.

The Court opined that while the Rear Detachment does indeed provide support to a deployed unit, Ms. Fisher was never directly exposed to the dangers or potential dangers of the battlefield. The activities of the Rear Detachment generally do not rise to the level of "direct support" that the Legislature envisioned necessary to satisfy the requisites of exemption from taxation. The direct support requirement can be satisfied by the service member's exposure to danger, not whether the member handled materials that are ultimately shipped to a dangerous locale. While exposure to danger is not the sole consideration for direct support, the Legislature did not intend the "direct support," requirement to be merely dependent upon the final destination of material that a service member handles.

The property tax exemption on the principal residence of the disabled veteran was denied.

Sales and Use Tax

Purchased Parts Assembled and Shipped Out-of-State

J&J Snack Food Sales Corp. v. Director, Division of Taxation, decided October 16, 2015, Appellate Division Motion for Reconsideration No. M-000780-15; decided September 18, 2015, Appellate Division Docket No. A-2609-13T2; decided December 31, 2013, Tax Court Docket No. 004986-2012.

Plaintiff (J&J) manufactures soft pretzels and distributes them both frozen and unfrozen to food service providers (Providers). Plaintiff developed the Model 2000 pretzel warmer (Warmer), which was designed to thaw frozen pretzels, warm them and keep them warm. Plaintiff loans the

Warmers to those Providers who purchase a required volume of pretzels. Providers who purchase below that threshold must purchase the Warmer from Plaintiff. The Warmers are made as needed, so Plaintiff does not maintain an inventory and reflects the cost for parts and labor as a marketing expense rather than costs of goods sold. Plaintiff paid use tax on the Warmers it sold or loaned to its New Jersey customers, but did not pay tax on the parts purchased for the Warmers and received in New Jersey. The Division of Taxation issued an assessment for use tax on all the Warmer parts, even if the assembled Warmers were shipped out of the State. Plaintiff protested the assessment, lost and then appealed the Final Determination to the Tax Court. The Division filed for summary judgment, which the Tax Court granted, upholding the assessment. Plaintiff appealed.

On appeal Plaintiff argued that the Warmer parts were purchased for resale and, therefore, it was error for the Tax Court to presume that the Warmer parts purchases were a retail sale pursuant to N.J.S.A. 54:32B-6(A). The Appellate Division declined to consider this argument because Plaintiff did not raise it in Tax Court.

Plaintiff then argued that it detrimentally relied upon the 1992 audit of its predecessor wherein the Division concluded that sales or use tax was only due on marketing and promotional equipment delivered to New Jersey customers for use in New Jersey. The Appellate Division found that Plaintiff's reliance was credible but did not rise to the required level for estoppel, nor were the facts enough to invoke laches. The Appellate Division affirmed the Tax Court decision, concluding that the "Tax Court correctly held that the audit failed to provide the extraordinary or extreme circumstances which outweigh the strong public and governmental interest in the collection of the tax imposed by the Legislature."

Plaintiff subsequently filed a motion for reconsideration, which the Appellate Division denied without comment.

Sales Tax Collected is Sales Tax Stated on the Invoice

Dick Greenfield Dodge, Inc. v. Director, Division of Taxation, decided April 28, 2016, Tax Court Docket No. 010644-2012.

Dick Greenfield Dodge (Plaintiff) is a car dealership that also operates a service department that repairs and services cars. During the course of a Sales Tax audit, the auditor found that the amount of Sales Tax the Plaintiff showed on its service invoices was higher than the amount of Sales Tax posted in the Plaintiff's internal sales ledger. Because the amount indicated as collected was more than the Plaintiff remitted, the auditor issued an assessment for the unpaid Sales Tax.

According to Plaintiff, before performing work on a customer's vehicle, Plaintiff would provide an invoice that

stated the estimated charges for labor and parts and the amount of Sales Tax due for those charges. After the work was completed, Plaintiff would provide the customer with a final invoice that stated the total charges for labor and parts, the amount of Sales Tax on the total charges and, in some cases, a discount. The separately stated Sales Tax was not reduced to reflect any discount. The final invoice included some coding that Plaintiff purports is the allocation of the discount between parts/services and Sales Tax. Plaintiff posted a corresponding journal entry in its ledger for each invoice that allocated the discount between parts, service and Sales Tax. Plaintiff remitted the amount in the Sales Tax account to the Division.

Plaintiff asserts that the Sales Tax amount stated on the invoice was not actually collected and, therefore, Plaintiff did not have to remit it. N.J.S.A. 54:32B-12(a) requires that on the receipt given to the customer the Sales Tax be stated, charged and shown separately. N.J.S.A. 54:32B-18 requires that all Sales Tax collected by the seller must flow through to the Division, even if the amount collected constitutes an overpayment. The Tax Court held that Plaintiff must remit the amount of Sales Tax stated on the customer's invoice as the amount being collected. Although Plaintiff argued that the invoice included a Sales Tax discount, the invoice did not specifically show that. The coding that Plaintiff purports as the allocation of the discount to the tax was not decipherable by anyone except the Plaintiff. The Court found that a seller who is collecting tax on behalf of the State is required to turn square corners when dealing with the taxpaying public.

The Court determined that the requirement that a seller turn over to the Division all tax amounts that it informed customers would be collected satisfies a number of policy considerations:

5. The taxpaying public must have confidence in the tax system. Allowing the use of written documents that don't accurately reflect the tax paid undermines that confidence;
6. Accepting a seller's claim that the printed invoices don't reflect reality could lead to "mischief" by the seller;
7. Including the Sales Tax discount with another discount misleadingly inflates the discount the seller is giving the customer and can skew the market;
8. Allowing proof of anything other than what the invoice shows as having been collected for taxes would "introduce an administrative and adjudicatory quagmire" to determine the actual amount of tax that is due; and
9. The amount of separately stated Sales Tax can be used for other tax purposes, such as federal tax deductions. If the amount stated on an invoice is inflated, then the corresponding deductions may be overstated as well.

New Jersey Division of Taxation

APPENDICES

- A** | General and Effective Property Tax Rates (2015)
- B** | Abstract of Ratables and Exemptions (2015)
- C** | Assessed Value of Partial Exemptions and Abatements (2015)
- D** | County Tax Board Appeals (2015)
- E** | Taxable Value of Land and Improvements (2006 – 2015)
- F** | Public Utility Taxes (2016)
- G** | Individual Income Tax Returns—County Profile (2014)
- H** | Average Gross Income and Income Tax by County (2014)
- I** | Sales and Use Tax Collections by Business Type (2013 – 2015)

2015 General and Effective Property Tax Rates By Municipality

County	General Tax Rate	Effective Tax Rate	County	General Tax Rate	Effective Tax Rate
Atlantic			Englewood Cliffs Borough	0.930	0.970
Absecon City	3.135	2.905	Fair Lawn Borough	3.078	2.833
Atlantic City	3.422	3.399	Fairview Borough	2.919	2.717
Brigantine City	1.773	1.634	Fort Lee Borough	2.202	2.016
Buena Borough	2.751	3.062	Franklin Lakes Borough	1.599	1.511
Buena Vista Township	2.321	2.492	Garfield City	2.641	2.579
Corbin City	2.611	1.735	Glen Rock Borough	2.746	2.567
Egg Harbor City	4.276	4.503	Hackensack City	3.500	3.097
Egg Harbor Township	2.963	2.897	Harrington Park Borough	2.654	2.481
Estell Manor City	2.365	2.226	Hasbrouck Heights Bor.	2.986	2.626
Folsom Borough	3.051	1.947	Haworth Borough	2.795	2.334
Galloway Township	3.042	2.748	Hillsdale Borough	2.628	2.476
Hamilton Township	2.878	2.727	Ho-Ho-Kus Borough	1.989	1.818
Hammonton Town	2.486	2.502	Leonia Borough	2.791	2.640
Linwood City	3.225	3.186	Little Ferry Borough	3.349	3.134
Longport Borough	0.907	0.864	Lodi Borough	3.203	2.990
Margate City	1.488	1.358	Lyndhurst Township	2.747	2.768
Mullica Township	4.197	2.578	Mahwah Township	1.723	1.624
Northfield City	3.065	2.972	Maywood Borough	2.822	2.541
Pleasantville City	3.827	4.302	Midland Park Borough	2.811	2.563
Port Republic City	3.705	2.167	Montvale Borough	2.201	2.000
Somers Point City	2.794	2.814	Moonachie Borough	2.111	1.915
Ventnor City	2.166	2.249	New Milford Borough	3.255	2.871
Weymouth Township	2.267	2.256	North Arlington Borough	3.013	3.007
Bergen			Northvale Borough	2.633	2.464
Allendale Borough	2.245	2.220	Norwood Borough	2.281	2.169
Alpine Borough	0.770	0.617	Oakland Borough	2.666	2.473
Bergenfield Borough	3.122	3.062	Old Tappan Borough	1.922	1.912
Bogota Borough	3.729	3.374	Oradell Borough	2.911	2.562
Carlstadt Borough	2.070	2.018	Palisades Park Borough	1.861	1.744
Cliffside Park Borough	2.275	2.152	Paramus Borough	1.734	1.583
Closter Borough	2.190	2.156	Park Ridge Borough	2.503	2.266
Cresskill Borough	2.559	2.191	Ramsey Borough	2.701	2.315
Demarest Borough	2.412	2.049	Ridgefield Borough	2.167	1.913
Dumont Borough	3.364	3.119	Ridgefield Park Village	3.550	3.336
Elmwood Park Borough	2.783	2.721	Ridgewood Village	2.433	2.247
East Rutherford Borough	1.967	1.672	River Edge Borough	3.217	2.808
Edgewater Borough	1.755	1.533	River Vale Township	2.348	2.481
Emerson Borough	2.550	2.480	Rochelle Park Township	2.367	2.378
Englewood City	2.535	2.325	Rockleigh Borough	0.989	1.014
			Rutherford Borough	2.533	2.658

County	General Tax Rate	Effective Tax Rate	County	General Tax Rate	Effective Tax Rate
Bergen (continued)			Southampton Township	2.665	2.464
Saddle Brook Township	2.715	2.349	Springfield Township	2.846	2.808
Saddle River Borough	0.987	0.892	Tabernacle Township	2.757	2.577
South Hackensack Twp.	2.746	2.581	Washington Township	1.648	1.632
Teaneck Township	3.047	3.010	Westampton Township	2.232	2.342
Tenafly Borough	2.418	2.206	Willingboro Township	3.625	3.828
Teterboro Borough	1.200	1.219	Woodland Township	1.961	2.265
Upper Saddle River Bor.	2.238	1.797	Wrightstown Borough	3.674	2.700
Waldwick Borough	2.572	2.608			
Wallington Borough	2.736	2.682	Camden		
Washington Township	2.270	2.154	Audubon Borough	3.242	3.474
Westwood Borough	2.544	2.345	Audubon Park Borough	5.283	5.238
Woodcliff Lake Borough	2.123	2.048	Barrington Borough	3.628	3.864
Wood-Ridge Borough	3.768	2.513	Bellmawr Borough	3.559	3.866
Wyckoff Township	1.713	1.752	Berlin Borough	2.988	3.038
			Berlin Township	5.647	3.514
Burlington			Brooklawn Borough	3.059	3.591
Bass River Township	2.203	1.979	Camden City	2.754	2.815
Beverly City	4.262	4.505	Cherry Hill Township	3.577	3.384
Bordentown City	3.307	3.097	Chesilhurst Borough	3.162	3.184
Bordentown Township	2.998	2.658	Clementon Borough	3.640	4.282
Burlington City	3.371	3.222	Collingswood Borough	3.240	3.392
Burlington Township	2.865	2.739	Gibbsboro Borough	4.867	3.585
Chesterfield Township	2.575	2.579	Gloucester City	3.666	3.666
Cinnaminson Township	3.130	2.847	Gloucester Township	3.322	3.585
Delanco Township	2.936	2.713	Haddon Township	3.399	3.256
Delran Township	3.452	3.140	Haddonfield Borough	2.842	2.936
Eastampton Township	3.005	2.760	Haddon Heights Borough	3.024	3.099
Edgewater Park Township	2.620	2.712	Hi-Nella Borough	4.365	4.504
Evesham Township	2.602	2.644	Laurel Springs Borough	7.335	4.944
Fieldsboro Borough	2.586	2.808	Lawnside Borough	3.907	3.649
Florence Township	2.280	2.460	Lindenwold Borough	4.493	4.231
Hainesport Township	2.250	2.193	Magnolia Borough	3.881	4.025
Lumberton Township	2.243	2.312	Merchantville Borough	3.838	3.936
Mansfield Township	3.086	2.599	Mount Ephraim Borough	4.255	4.302
Maple Shade Township	3.250	2.938	Oaklyn Borough	4.227	3.811
Medford Township	3.046	2.894	Pennsauken Township	3.488	3.327
Medford Lakes Borough	2.998	2.957	Pine Hill Borough	3.931	4.447
Moorestown Township	2.466	2.093	Pine Valley Borough	1.676	1.673
Mount Holly Township	2.642	2.869	Runnemede Borough	3.799	3.721
Mount Laurel Township	2.570	2.417	Somerdale Borough	4.082	3.916
New Hanover Township	2.432	1.831	Stratford Borough	4.041	3.875
North Hanover Township	2.073	2.173	Tavistock Borough	1.787	1.772
Palmyra Borough	3.648	3.217	Voorhees Township	3.565	3.240
Pemberton Borough	2.914	1.628	Waterford Township	3.779	3.631
Pemberton Township	3.708	2.248	Winslow Township	3.246	3.222
Riverside Township	3.318	3.438	Woodlynne Borough	7.021	8.128
Riverton Borough	3.272	3.096			
Shamong Township	2.673	2.496			

County	General Tax Rate	Effective Tax Rate	County	General Tax Rate	Effective Tax Rate
Cape May			North Caldwell Borough	2.230	2.104
Avalon Borough	0.541	0.510	Nutley Township	3.316	3.048
Cape May City	0.865	0.882	Orange City	4.653	4.208
Cape May Point Borough	0.498	0.552	Roseland Borough	2.223	2.043
Dennis Township	1.519	1.520	S. Orange Village Twp.	3.739	3.262
Lower Township	1.618	1.565	Verona Township	3.000	2.698
Middle Township	1.663	1.679	West Caldwell Township	2.334	2.390
North Wildwood City	1.128	1.194	West Orange Township	3.817	3.698
Ocean City	0.895	0.865			
Sea Isle City	0.589	0.658	Gloucester		
Stone Harbor Borough	0.525	0.577	Clayton Borough	3.620	3.648
Upper Township	1.725	1.592	Deptford Township	2.820	2.840
West Cape May Borough	1.149	1.217	East Greenwich Township	3.082	2.971
West Wildwood Borough	1.430	1.504	Elk Township	3.273	3.187
Wildwood City	2.287	2.228	Franklin Township	3.081	2.932
Wildwood Crest Borough	1.176	1.243	Glassboro Borough	3.390	3.529
Woodbine Borough	1.369	1.515	Greenwich Township	2.974	2.893
			Harrison Township	2.823	2.719
Cumberland			Logan Township	2.180	1.979
Bridgeton City	4.310	4.282	Mantua Township	3.146	3.041
Commercial Township	2.164	2.660	Monroe Township	3.397	3.544
Deerfield Township	3.187	3.050	National Park Borough	4.022	4.049
Downe Township	2.008	2.234	Newfield Borough	3.237	3.467
Fairfield Township	2.312	2.479	Paulsboro Borough	3.623	3.391
Greenwich Township	4.077	3.217	Pitman Borough	4.008	3.825
Hopewell Township	3.664	2.950	S. Harrison Township	2.818	2.692
Lawrence Township	2.370	2.655	Swedesboro Borough	3.886	3.844
Maurice River Township	2.488	2.440	Washington Township	3.349	3.189
Millville City	3.222	2.979	Wenonah Borough	3.902	3.762
Shiloh Borough	2.691	2.881	West Deptford Township	2.918	2.929
Stow Creek Township	2.893	2.879	Westville Borough	4.146	3.906
Upper Deerfield Twp.	2.841	2.797	Woodbury City	4.449	4.231
Vineland City	2.481	2.410	Woodbury Heights Borough	4.045	3.931
			Woolwich Township	3.549	3.348
Essex					
Belleville Township	3.704	3.556	Hudson		
Bloomfield Township	3.825	3.616	Bayonne City	7.674	3.158
Caldwell Borough	2.587	2.447	East Newark Borough	9.064	2.841
Cedar Grove Township	2.174	2.146	Guttenberg Town	3.620	3.178
East Orange City	4.978	4.422	Harrison Town	7.007	3.043
Essex Fells Township	2.025	2.020	Hoboken City	1.497	1.313
Fairfield Township	2.019	1.997	Jersey City	7.482	2.216
Glen Ridge Borough	3.426	3.126	Kearny Town	10.326	3.144
Irvington Township	5.423	4.623	North Bergen Township	5.291	2.793
Livingston Township	2.463	2.319	Secaucus Town	3.702	2.149
Maplewood Township	3.600	3.231	Union City	6.771	3.130
Millburn Township	2.105	1.835	Weehawken Township	5.066	2.231
Montclair Township	3.526	3.002	West New York Town	7.162	2.623
Newark City	3.309	2.902			

County	General Tax Rate	Effective Tax Rate	County	General Tax Rate	Effective Tax Rate
Hunterdon			Edison Township	4.864	2.336
Alexandria Township	2.555	2.295	Helmetta Borough	2.745	2.543
Bethlehem Township	2.899	2.735	Highland Park Borough	7.602	3.261
Bloomsbury Borough	2.798	2.520	Jamesburg Borough	5.858	3.107
Califon Borough	3.021	3.276	Metuchen Borough	5.642	2.526
Clinton Town	3.117	2.883	Middlesex Borough	8.182	2.883
Clinton Township	2.550	2.438	Milltown Borough	5.199	2.716
Delaware Township	2.520	2.259	Monroe Township	2.305	2.231
East Amwell Township	2.266	2.076	New Brunswick City	5.726	2.203
Flemington Borough	3.054	2.869	North Brunswick Township	5.249	2.873
Franklin Township	2.419	2.349	Old Bridge Township	4.567	2.226
Frenchtown Borough	3.214	2.892	Perth Amboy City	2.900	2.900
Glen Gardner Borough	2.956	2.644	Piscataway Township	2.577	2.492
Hampton Borough	3.092	2.952	Plainsboro Township	2.475	2.378
High Bridge Borough	3.706	3.400	Sayreville Borough	4.775	2.446
Holland Township	2.560	2.427	South Amboy City	2.656	2.766
Kingwood Township	2.160	2.122	South Brunswick Township	4.709	2.138
Lambertville City	1.942	1.915	South Plainfield Borough	5.697	2.068
Lebanon Borough	2.166	2.157	South River Borough	7.285	2.322
Lebanon Township	2.647	2.230	Spotswood Borough	2.958	2.826
Milford Borough	3.305	3.332	Woodbridge Township	9.751	2.822
Raritan Township	2.345	2.379	Monmouth		
Readington Township	2.755	2.408	Aberdeen Township	2.560	2.539
Stockton Borough	2.065	2.077	Allenhurst Borough	0.922	0.815
Tewksbury Township	2.357	1.977	Allentown Borough	2.831	2.926
Union Township	2.635	2.271	Asbury Park City	2.214	1.856
West Amwell Township	2.296	2.198	Atlantic Highlands Borough	2.553	2.143
Mercer			Avon-by-the-Sea Borough	1.109	1.054
East Windsor Township	3.098	3.117	Belmar Borough	1.919	1.293
Ewing Township	5.261	3.503	Bradley Beach Borough	1.396	1.441
Hamilton Township	4.349	2.578	Brielle Borough	1.663	1.718
Hightstown Borough	4.060	3.806	Colts Neck Township	1.735	1.690
Hopewell Borough	2.695	2.677	Deal Borough	0.715	0.677
Hopewell Township	2.576	2.566	Eatontown Borough	2.223	2.241
Lawrence Township	2.670	2.512	Englishtown Borough	2.130	2.261
Pennington Borough	2.617	2.590	Fair Haven Borough	1.944	1.947
Princeton	2.212	2.013	Farmingdale Borough	1.884	2.080
Robbinsville Township	2.861	2.845	Freehold Borough	2.534	2.775
Trenton City	5.733	4.665	Freehold Township	2.258	2.173
West Windsor Township	2.570	2.381	Hazlet Township	2.550	2.476
Middlesex			Highlands Borough	2.795	2.562
Carteret Borough	3.121	2.671	Holmdel Township	1.999	1.983
Cranbury Township	1.898	1.995	Howell Township	2.374	2.263
Dunellen Borough	12.176	3.094	Interlaken Borough	1.438	1.369
East Brunswick Township	10.179	2.690	Keansburg Borough	3.503	3.184
			Keyport Borough	2.597	2.594

County	General Tax Rate	Effective Tax Rate	County	General Tax Rate	Effective Tax Rate
Monmouth (continued)	2.559	2.322	Lincoln Park Borough	2.554	2.606
Lake Como Borough	1.825	1.918	Long Hill Township	2.932	2.213
Little Silver Borough	2.009	1.921	Madison Borough	1.840	1.653
Loch Arbour Village	2.063	1.990	Mendham Borough	2.070	1.894
Long Branch City	2.227	1.985	Mendham Township	2.027	1.937
Manalapan Township	2.025	1.982	Mine Hill Township	2.494	2.619
Manasquan Borough	1.661	1.346	Montville Township	2.220	2.054
Marlboro Township	2.142	2.103	Morris Township	2.536	1.829
Matawan Borough	2.735	2.889	Morris Plains Borough	2.153	2.034
Middletown Township	2.136	2.110	Morristown Town	2.625	2.225
Millstone Township	2.274	2.222	Mountain Lakes Borough	2.468	2.225
Monmouth Beach Bor.	1.257	1.234	Mount Arlington Borough	2.549	2.299
Neptune Township	2.114	2.128	Mount Olive Township	3.087	3.146
Neptune City Borough	2.534	2.743	Netcong Borough	2.479	3.157
Ocean Township	2.250	2.079	Parsippany-Troy Hills Twp.	2.699	2.272
Oceanport Borough	2.074	1.863	Pequannock Township	2.141	2.010
Red Bank Borough	2.033	2.171	Randolph Township	3.616	2.419
Roosevelt Borough	2.919	2.910	Riverdale Borough	1.857	1.724
Rumson Borough	1.453	1.446	Rockaway Borough	2.804	2.568
Sea Bright Borough	2.006	1.378	Rockaway Township	3.060	2.840
Sea Girt Borough	0.724	0.737	Roxbury Township	4.099	2.676
Shrewsbury Borough	2.176	2.121	Victory Gardens Borough	2.405	2.407
Shrewsbury Township	3.266	3.158	Washington Township	2.374	2.384
Spring Lake Borough	0.698	0.680	Wharton Borough	2.863	2.772
Spring Lake Heights Bor.	1.373	1.407			
Tinton Falls Borough	2.007	1.921	Ocean		
Union Beach Borough	2.739	2.627	Barneгат Township	2.546	2.592
Upper Freehold Township	2.347	2.308	Barneгат Light Borough	0.831	0.821
Wall Township	2.888	1.898	Bay Head Borough	0.833	0.817
West Long Branch Borough	2.175	2.121	Beach Haven Borough	1.269	1.059
			Beachwood Borough	1.831	2.104
Morris			Berkeley Township	2.012	2.011
Boonton Town	2.707	2.595	Brick Township	2.078	2.041
Boonton Township	2.192	2.017	Eagleswood Township	2.273	2.231
Butler Borough	3.369	2.487	Harvey Cedars Borough	0.989	0.976
Chatham Borough	1.911	1.697	Island Heights Borough	1.804	1.815
Chatham Township	1.752	1.607	Jackson Township	2.154	2.186
Chester Borough	2.659	2.398	Lacey Township	1.944	1.941
Chester Township	2.291	2.223	Lakehurst Borough	3.011	2.567
Denville Township	3.119	2.133	Lakewood Township	2.777	2.249
Dover Town	2.055	2.310	Lavallette Borough	0.929	0.856
East Hanover Township	2.140	1.504	Little Egg Harbor Twp.	2.349	2.285
Florham Park Borough	1.408	1.517	Long Beach Township	0.985	0.907
Hanover Township	1.663	1.557	Manchester Township	2.487	2.221
Harding Township	1.080	0.990	Mantoloking Borough	0.683	0.658
Jefferson Township	2.675	2.560	Ocean Township	1.855	1.769
Kinnelon Borough	3.122	2.358	Ocean Gate Borough	2.038	2.243

County	General Tax Rate	Effective Tax Rate	County	General Tax Rate	Effective Tax Rate
Ocean (continued)			Somerset		
Pine Beach Borough	2.165	1.922	Bedminster Township	1.359	1.332
Plumsted Township	2.250	2.120	Bernards Township	1.916	1.890
Point Pleasant Borough	1.915	1.869	Bernardsville Borough	1.837	1.807
Pt. Pleasant Beach Borough	1.506	1.422	Bound Brook Borough	3.311	3.249
Seaside Heights Borough	2.135	2.067	Branchburg Township	2.186	2.148
Seaside Park Borough	1.369	1.288	Bridgewater Township	2.061	1.953
Ship Bottom Borough	1.080	0.987	Far Hills Borough	1.299	1.300
South Toms River Borough	2.183	2.626	Franklin Township	2.265	2.258
Stafford Township	2.247	2.199	Green Brook Township	2.546	2.334
Surf City Borough	0.962	0.905	Hillsborough Township	2.347	2.273
Toms River Township	2.127	1.876	Manville Borough	2.417	2.999
Tuckerton Borough	2.277	2.343	Millstone Borough	2.653	2.634
Passaic			Montgomery Township	2.860	2.406
Bloomington Borough	4.054	3.747	North Plainfield Borough	3.437	3.665
Clifton City	5.209	2.915	Peapack & Gladstone Bor.	1.884	1.856
Haledon Borough	4.304	4.119	Raritan Borough	2.241	2.216
Hawthorne Borough	5.604	2.963	Rocky Hill Borough	2.038	2.048
Little Falls Township	3.076	2.766	Somerville Borough	3.334	3.198
North Haledon Borough	2.780	2.520	South Bound Brook Bor.	3.209	3.426
Passaic City	7.573	3.256	Warren Township	2.048	2.004
Paterson City	4.108	3.943	Watchung Borough	2.118	2.088
Pompton Lakes Borough	6.832	3.740	Sussex		
Prospect Park Borough	4.716	4.698	Andover Borough	2.811	2.781
Ringwood Borough	3.516	3.152	Andover Township	3.562	3.157
Totowa Borough	2.284	2.432	Branchville Borough	1.939	2.033
Wanaque Borough	3.596	3.207	Byram Township	3.339	3.219
Wayne Township	5.275	2.914	Frankford Township	2.563	2.262
West Milford Township	3.666	3.488	Franklin Borough	3.572	3.344
Woodland Park Borough	2.964	2.884	Fredon Township	2.783	2.772
Salem			Green Township	3.345	3.005
Alloway Township	2.718	2.568	Hamburg Borough	3.704	3.355
Carneys Point Township	2.697	2.799	Hampton Township	2.589	2.486
Elmer Borough	2.797	2.935	Hardyston Township	2.612	2.430
Elsinboro Township	2.422	2.711	Hopatcong Borough	3.243	2.826
Lower Alloways Crk. Twp.	1.441	1.000	Lafayette Township	2.777	2.569
Mannington Township	2.523	2.660	Montague Township	2.496	2.615
Oldmans Township	2.389	2.288	Newton Town	4.060	3.880
Penns Grove Borough	3.731	4.284	Ogdensburg Borough	3.401	3.431
Pennsville Township	3.480	3.354	Sandyston Township	2.465	2.324
Pilesgrove Township	2.600	2.840	Sparta Township	3.889	2.901
Pittsgrove Township	3.026	2.856	Stanhope Borough	3.863	3.440
Quinton Township	2.630	2.578	Stillwater Township	2.936	2.653
Salem City	3.866	4.739	Sussex Borough	2.994	3.031
Upper Pittsgrove Twp.	2.264	2.540	Vernon Township	2.608	2.823
Woodstown Borough	3.060	3.215	Walpack Township	2.356	2.003
			Wantage Township	2.589	2.600

County	General Tax Rate	Effective Tax Rate	County	General Tax Rate	Effective Tax Rate
Union			Warren		
Berkeley Heights Twp.	3.947	2.200	Allamuchy Township	2.873	2.650
Clark Township	8.024	2.451	Alpha Borough	3.036	3.246
Cranford Township	5.801	2.471	Belvidere Town	5.460	3.990
Elizabeth City	26.099	3.412	Blairstown Township	2.276	2.262
Fanwood Borough	13.242	2.769	Franklin Township	2.950	3.132
Garwood Borough	9.295	2.679	Frelinghuysen Township	2.441	2.438
Hillside Township	7.490	4.067	Greenwich Township	3.117	2.679
Kenilworth Borough	4.668	2.644	Hackettstown Town	2.794	2.831
Linden City	6.277	3.478	Hardwick Township	3.055	2.597
Mountainside Borough	7.164	1.989	Harmony Township	2.446	2.289
New Providence Borough	4.634	2.472	Hope Township	2.512	2.792
Plainfield City	7.592	3.623	Independence Township	3.168	2.831
Rahway City	6.317	3.624	Knowlton Township	3.301	2.843
Roselle Borough	8.077	4.623	Liberty Township	2.881	3.010
Roselle Park Borough	13.587	3.727	Lopatcong Township	2.771	2.911
Scotch Plains Township	10.321	2.572	Mansfield Township	3.151	3.024
Springfield Township	6.692	2.982	Oxford Township	3.105	3.573
Summit City	4.217	1.881	Phillipsburg Town	3.872	3.366
Union Township	18.335	3.095	Pohatcong Township	3.637	3.450
Westfield Town	8.849	2.222	Washington Borough	4.657	3.899
Winfield Township	222.550	18.645	Washington Township	3.462	3.221
			White Township	2.094	2.286

Abstract of Ratables and Exemptions 2015

	Col. 1	Col. 2	Col. 3	Col. 4	
	TAXABLE VALUE				
COUNTY	(a) Land	(b) Improvements (Includes Partial Exemptions & Abatements)	Total Taxable Value of Land and Improvements (Col. 1(a) + (b))	Total Taxable Value—Partial Exemptions and Abatements (Assessed Value)	Net Total Taxable Value of Land and Improvements (Col. 2 – 3)
Atlantic	\$ 15,979,448,641	\$ 19,268,234,409	\$ 35,247,683,050	\$ 3,201,100	\$ 35,244,481,950
Bergen	77,512,874,732	75,335,444,029	152,848,318,761	19,856,445	152,828,462,316
Burlington	13,654,302,278	29,462,475,137	43,116,777,415	55,010,370	43,061,767,045
Camden	11,475,825,169	24,700,135,894	36,175,961,063	36,037,000	36,139,924,063
Cape May	31,154,836,600	16,404,748,600	47,559,585,200		47,559,585,200
Cumberland	2,159,393,700	6,312,018,700	8,471,412,400	17,427,500	8,453,984,900
Essex	31,863,596,223	43,462,768,766	75,326,364,989	88,338,900	75,238,026,089
Gloucester	6,852,635,800	17,954,625,900	24,807,261,700	11,754,830	24,795,506,870
Hudson	11,541,236,011	18,932,646,664	30,473,882,675	87,106,480	30,386,776,195
Hunterdon	7,473,900,879	12,005,169,263	19,479,070,142	4,276,900	19,474,793,242
Mercer	14,345,389,782	22,419,454,426	36,764,844,208	52,417,050	36,712,427,158
Middlesex	20,939,371,050	34,339,522,704	55,278,893,754	74,435,717	55,204,458,037
Monmouth	51,572,910,279	55,529,209,671	107,102,119,950	21,567,500	107,080,552,450
Morris	36,542,571,677	42,627,673,642	79,170,245,319	12,589,000	79,157,656,319
Ocean	45,208,624,068	41,702,229,272	86,910,853,340	1,260,200	86,909,593,140
Passaic	13,666,176,100	19,123,408,400	32,789,584,500	3,274,300	32,786,310,200
Salem	1,593,402,431	3,673,086,196	5,266,488,627		5,266,488,627
Somerset	22,293,503,909	33,449,173,682	55,742,677,591	5,589,100	55,737,088,491
Sussex	6,231,989,070	9,503,413,336	15,735,402,406		15,735,402,406
Union	9,609,202,750	13,826,386,928	23,435,589,678	5,037,800	23,430,551,878
Warren	3,287,943,484	6,967,686,426	10,255,629,910	11,299,100	10,244,330,810
TOTALS	\$434,959,134,633	\$546,999,512,045	\$981,958,646,678	\$510,479,292	\$981,448,167,386

Abstract of Ratables and Exemptions 2015 (continued)

	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	
	Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies	Net Valuation Taxable (Col. 4 + 5)	General Tax Rate to Apply per \$100 Valuation	County Equalization Table—Average Ratio of Assessed to True Value of Real Property (<u>R.S. 54:3-17 to</u> <u>R.S. 54:3-19</u>)	TRUE VALUE		EQUALIZATION
COUNTY					(a) U.E.Z. Abatement Expired	(b) Class II Railroad Property (C.139, L. 1966)	(a) Amounts Deducted Under <u>R.S. 54:3-17 to</u> <u>R.S. 54:3-19</u>
Atlantic	\$ 51,462,791	\$ 35,295,944,741				\$ 294,058,357	
Bergen	96,580,480	152,925,042,796				547,870,305	
Burlington	57,520,111	43,119,287,156				512,790,634	
Camden	94,416,999	36,234,341,062				814,774,394	
Cape May	26,891,523	47,586,476,723				1,446,776,558	
Cumberland	25,925,493	8,479,910,393				121,737,985	
Essex	162,417,409	75,400,443,498				53,060,998	
Gloucester	142,009,810	24,937,516,680				197,627,008	
Hudson	46,315,097	30,433,091,292					
Hunterdon	12,636,655	19,487,429,897				70,453,552	
Mercer	83,948,444	36,796,375,602			\$1,652,036	17,724,278	
Middlesex	93,881,425	55,298,339,462				110,815,751	
Monmouth	83,587,247	107,164,139,697				562,627,054	
Morris	33,841,181	79,191,497,500				586,703,571	
Ocean	69,129,118	86,978,722,258				352,900,564	
Passaic	34,040,195	32,820,350,395				140,527,402	
Salem	10,575,325	5,277,063,952				211,533,254	
Somerset	77,926,959	55,815,015,450				331,096,474	
Sussex	31,267,079	15,766,669,485				233,079,850	
Union	33,407,982	23,463,959,860					
Warren	15,008,677	10,259,339,487				204,832,226	
TOTALS	\$1,282,790,000	\$982,730,957,386			\$1,652,036	\$ 6,810,990,215	

Abstract of Ratables and Exemptions 2015 (continued)

	Col. 10	Col. 11	Col. 12—APPORTIONMENT OF TAXES				
			Section A County Taxes				
	EQUALIZATION (b)	Net Valuation on Which County Taxes Are Apportioned (Col. 6 – 9(a) + 9(b) – 10(a) + 10(b))	I Total County Taxes Apportioned (Including Total Net Adjustments)	II ADJUSTMENTS RESULTING FROM			
COUNTY	Amounts Added Under <u>R.S. 54:3-17 to R.S. 54:3-19 and N.J.S.A. 54:11D-7</u>			County Equalization Table Appeals (<u>R.S. 54:51A-4</u>)		Appeals and Corrected Errors (<u>R.S. 54:4-49; R.S. 54:4-53</u>)	
				(a) Deduct Overpayment	(b) Add Underpayment	(c) Deduct Overpayment	(d) Add Underpayment
Atlantic	\$ 1,668,869,363	\$ 36,670,755,747	\$ 167,168,749.26			\$ 6,522,742.82	
Bergen	12,082,684,902	164,459,857,393	391,043,594.97			4,076,886.97	
Burlington	3,169,116,917	45,775,613,439	156,231,647.65			711,615.46	\$ 2,981.81
Camden	1,400,444,384	36,820,011,052	297,583,952.00			587,235.00	
Cape May	1,086,465,659	47,226,165,824	101,278,931.57			221,189.12	
Cumberland	331,612,669	8,689,785,077	90,723,598.38			1,028,598.38	
Essex	7,372,243,590	82,719,626,090	419,310,995.97			6,061,994.02	
Gloucester	745,933,812	25,485,823,484	156,806,413.64			1,015,102.38	8,688.74
Hudson	31,157,099,789	61,590,191,081	329,755,964.89			6,012,211.78	
Hunterdon	1,477,540,975	20,894,517,320	64,562,851.73			82,170.82	65,319.09
Mercer	6,475,163,220	43,252,162,508	250,243,437.29			326,998.56	5,340.27
Middlesex	42,968,184,517	98,155,708,228	360,868,758.82			3,401,231.81	37,472.99
Monmouth	6,202,182,457	112,803,695,100	308,552,209.25			1,552,209.25	
Morris	12,106,365,125	90,711,159,054	218,791,907.00			892,151.43	
Ocean	5,764,385,262	92,390,206,956	325,754,171.15			1,366,587.15	
Passaic	12,825,296,351	45,505,119,344	341,723,773.79			6,156,043.72	50,136.95
Salem	199,942,051	5,265,472,749	51,602,990.15			154,897.34	
Somerset	1,922,664,546	57,406,583,522	182,534,429.99			320,828.99	
Sussex	1,565,650,799	17,099,240,434	81,714,412.15			133,390.15	
Union	41,084,382,201	64,548,342,061	337,062,662.59			1,779,339.27	
Warren	632,848,874	10,687,356,135	73,249,259.46	\$36,566.43		1,424,336.03	
TOTALS	\$192,239,077,463	\$1,168,157,392,598	\$4,706,564,711.70	\$36,566.43		\$43,827,760.45	\$169,939.85

Abstract of Ratables and Exemptions 2015 (continued)

Col. 12—APPORTIONMENT OF TAXES						
COUNTY	Section A County Taxes			Section B		
	III Net County Taxes Apportioned	IV Municipal Budget State Aid (<u>R.S. 52:27D-118.40</u>)	V Net County Taxes Apportioned Less Municipal Budget State Aid (Col. AIII-IV- Addendum 1(a))	(a) County Library Taxes	(b) County Health Service Taxes	(c) County Open Space Taxes
Atlantic	\$ 160,646,006.44		\$ 160,646,006.44	\$ 6,562,181.00	\$ 3,258,112.00	\$ 458,385.48
Bergen	386,966,708.00		386,966,708.00			4,111,496.43
Burlington	155,523,014.00		155,523,014.00	10,500,000.00		18,259,464.12
Camden	296,996,717.00		296,996,717.00	9,303,365.00		7,364,002.21
Cape May	101,057,742.45		101,057,742.45	8,054,027.12		4,722,616.58
Cumberland	89,695,000.00		89,695,000.00		2,369,580.00	870,476.06
Essex	413,249,001.95	\$935,700.00	412,313,301.95			12,407,918.39
Gloucester	155,800,000.00		155,800,000.00	4,651,078.00		10,494,300.00
Hudson	323,743,753.11		323,743,753.11			3,079,509.55
Hunterdon	64,546,000.00		64,546,000.00	6,055,589.23		6,284,551.00
Mercer	249,921,779.00		249,921,779.00	13,241,973.00		10,795,138.00
Middlesex	357,505,000.00		357,505,000.00			29,144,658.00
Monmouth	307,000,000.00		307,000,000.00	14,250,000.00	2,295,000.00	16,920,554.27
Morris	217,899,755.57		217,899,755.57			9,071,115.91
Ocean	324,387,584.00		324,387,584.00	34,357,582.00	10,511,300.00	11,102,563.00
Passaic	335,617,867.02		335,617,867.02			4,550,490.63
Salem	51,448,092.81		51,448,092.81			1,053,094.55
Somerset	182,213,601.00		182,213,601.00	16,317,141.00		17,217,306.00
Sussex	81,581,022.00	200.00	81,580,822.00	3,576,108.35	1,711,832.00	394,258.00
Union	335,283,323.32		335,283,323.32			9,682,251.30
Warren	71,788,357.00		71,788,357.00	4,292,636.00		4,103,735.79
TOTALS	\$4,662,870,324.67	\$935,900.00	\$4,661,934,424.67	\$131,161,680.70	\$20,145,824.00.	\$182,087,885.27

Abstract of Ratables and Exemptions 2015 (continued)

Col. 12—APPORTIONMENT OF TAXES

Section C Local Taxes to be Raised for

COUNTY	I DISTRICT SCHOOL PURPOSES			II LOCAL MUNICIPAL PURPOSES	
	(a) District School Budget (Adjusted by Addendum 1(b))	(b) Regional Consolidated and Joint School Budgets	(c) Local School Budget	(a) Local Municipal Budget (Adjusted by Addendum 1(c))	(b) Local Municipal Open Space
Atlantic	\$ 351,279,362.00	\$ 66,344,985.00	\$ 4,328,639.50	\$ 336,987,366.38	\$ 846,619.00
Bergen	1,845,449,691.00	258,139,696.00		1,107,637,433.84	4,315,303.83
Burlington	579,298,424.00	183,721,326.00		245,102,016.26	10,362,766.95
Camden	573,302,360.00	63,754,388.00		299,469,756.44	2,810,927.09
Cape May	136,210,455.00	20,338,999.00		190,724,410.04	
Cumberland	62,098,170.00	8,764,729.00		70,284,086.66	
Essex	867,955,076.00	188,649,679.00	14,446,547.00	861,580,440.40	3,668,016.19
Gloucester	372,087,254.00	66,912,514.00		182,479,194.70	2,706,173.85
Hudson	412,975,812.00		16,325,008.00	638,244,970.07	2,231,636.00
Hunterdon	210,087,613.00	131,359,862.00		71,096,378.58	4,502,689.13
Mercer	360,554,417.00	224,172,698.00	1,705,839.50	288,362,448.40	6,198,470.65
Middlesex	1,385,042,949.00	740,094.28		617,769,821.74	6,060,655.95
Monmouth	936,171,923.00	347,004,741.00		527,434,372.48	12,058,317.49
Morris	925,050,148.00	285,765,119.00		450,563,357.62	10,702,848.66
Ocean	552,249,076.00	238,232,363.00	5,073,483.00	470,376,845.94	6,644,842.24
Passaic	548,361,816.00	52,264,009.00		474,138,418.54	1,919,507.00
Salem	50,629,503.00	22,689,748.00		25,928,996.30	380,186.50
Somerset	508,726,294.00	276,713,412.00		220,647,868.97	14,046,494.58
Sussex	205,739,734.00	86,829,797.00		105,483,549.23	728,450.79
Union	765,161,283.00	82,544,011.00	4,449,262.00	604,742,371.57	365,071.21
Warren	123,974,873.00	47,011,541.00		57,089,737.01	2,018,423.77
TOTALS	\$11,772,406,233.00	\$2,651,953,711.28	\$46,328,779.00	\$7,846,143,841.17	\$92,567,400.88

Abstract of Ratables and Exemptions 2015 (continued)

	Col. 12		Col. 13		
	Section C	Section D	REAL PROPERTY EXEMPT FROM TAXATION		
	Local Taxes to be Raised for	Total Tax Levy	(a)	(b)	(c)
	II	on Which	Public School	Other School	Public Property
	LOCAL MUNICIPAL PURPOSES	Tax Rate is	Property	Property	
	(c)	Computed			
	Local Municipal	(Cols. AV + B(a), (b), (c)			
	Library	+ CI(a), (b), (c)			
		+ CII(a), (b), (c)			
COUNTY					
Atlantic	\$ 5,963,282.31	\$ 936,674,938.09	\$ 1,504,552,367	\$ 74,647,218	\$ 3,359,222,332
Bergen	49,137,591.33	3,655,757,920.43	2,986,664,000	894,466,200	9,241,504,900
Burlington	4,179,583.06	1,206,946,594.39	1,393,266,710	138,628,400	2,650,943,004
Camden	5,802,806.12	1,258,804,321.86	2,015,353,480	120,030,200	1,872,191,291
Cape May	6,413,718.42	467,521,968.61	384,563,300	32,603,400	1,703,715,000
Cumberland	1,505,277.12	235,587,318.84	434,153,000	37,316,100	1,191,374,000
Essex	26,575,003.28	2,387,595,982.21	2,961,652,344	1,999,155,946	8,683,189,045
Gloucester	5,144,461.70	800,274,976.25	1,105,146,700	267,711,400	879,611,100
Hudson	19,731,206.72	1,416,331,895.45	841,726,000	626,524,800	2,964,267,580
Hunterdon	432,934.86	494,365,617.80	400,172,282	2,085,500	978,478,677
Mercer	6,432,007.52	1,161,384,771.07	952,791,776	2,488,732,954	3,009,969,650
Middlesex	32,255,544.26	2,428,518,723.23	1,681,915,022	1,704,590,800	1,999,654,890
Monmouth	11,111,998.29	2,174,246,906.53	2,052,050,900	443,698,800	5,040,456,900
Morris	25,496,609.44	1,924,548,954.20	1,360,078,900	414,621,700	3,424,678,600
Ocean	661,763.62	1,653,597,402.80	1,413,197,500	445,587,500	5,150,517,550
Passaic	14,773,600.77	1,431,625,708.96	1,166,404,500	282,298,800	2,627,457,900
Salem	60,908.42	152,190,529.58	203,848,200	13,538,900	275,819,000
Somerset	7,478,197.96	1,243,360,315.51	924,705,296	131,745,751	1,618,122,194
Sussex	1,043,605.00	487,088,156.37	372,922,600	38,570,100	959,548,776
Union	21,355,098.06	1,823,582,671.46	690,136,700	226,903,400	1,486,908,600
Warren	881,942.64	311,161,246.21	240,730,958	95,191,100	417,180,618
TOTALS	\$246,437,140.90	\$27,651,166,919.85	\$25,086,032,535	\$10,478,648,969	\$59,534,811,607

Abstract of Ratables and Exemptions 2015 (continued)

	Col. 13				Col. 14
	REAL PROPERTY EXEMPT FROM TAXATION				AMOUNT OF MISCELLANEOUS REVENUE FOR THE SUPPORT OF THE LOCAL MUNICIPAL BUDGET
COUNTY	(d) Church and Charitable Property	(e) Cemeteries and Graveyards	(f) Other Exemptions Not Included in Foregoing Classifications	(g) Total Amount of Real Property Exempt From Taxation (Cols. a + b + c + d + e + f)	(a) Surplus Revenue Appropriated
Atlantic	\$ 5,583,451,706	\$ 29,873,700	\$ 3,106,071,061	\$ 8,657,818,384	\$ 22,684,625.00
Bergen	1,738,357,100	748,400,300	3,360,488,350	18,969,880,850	97,920,294.12
Burlington	979,480,555	28,939,765	1,189,214,547	6,380,472,981	39,851,272.72
Camden	1,598,397,990	89,928,950	1,702,972,700	7,398,874,611	48,019,644.26
Cape May	490,749,900	5,196,000	503,380,700	3,120,208,300	24,059,939.49
Cumberland	284,220,000	7,264,200	423,521,600	2,377,848,900	14,470,341.21
Essex	2,594,506,850	200,584,700	3,277,568,100	19,716,656,985	35,917,244.12
Gloucester	506,131,100	20,271,900	617,831,900	3,396,704,100	24,759,889.02
Hudson	575,316,290	67,642,500	5,747,496,664	10,822,973,834	59,085,188.58
Hunterdon	239,342,614	13,215,400	222,621,763	1,855,916,236	13,005,376.25
Mercer	619,939,851	33,951,400	993,425,970	8,098,811,601	30,984,020.22
Middlesex	1,069,454,291	154,599,500	2,269,900,108	8,880,114,611	70,084,217.76
Monmouth	1,225,274,500	161,542,100	2,784,676,700	11,707,699,900	79,808,806
Morris	1,103,123,700	72,308,800	971,712,500	7,346,524,200	148,644,689.10
Ocean	868,608,295	37,991,900	970,886,888	8,886,789,633	68,523,707.07
Passaic	901,562,600	124,555,800	719,449,000	5,821,728,600	27,166,638.00
Salem	126,387,021	3,933,700	209,822,245	833,349,066	6,398,693.83
Somerset	527,169,700	36,748,100	904,210,671	4,142,701,712	44,002,006.62
Sussex	261,078,407	7,055,200	232,782,600	1,871,957,683	15,100,623.18
Union	668,690,000	114,996,200	995,168,250	4,182,803,150	75,579,287.00
Warren	200,596,750	8,553,400	272,267,878	1,234,520,704	11,408,850.07
TOTALS	\$17,161,839,220	\$1,967,553,515	\$31,475,470,195	\$145,704,356,041	\$957,475,353.56

Abstract of Ratables and Exemptions 2015 (continued)

COUNTY	Col. 14			Col. 15	
	AMOUNT OF MISCELLANEOUS REVENUE FOR THE SUPPORT OF THE LOCAL MUNICIPAL BUDGET			DEDUCTIONS ALLOWED	
	(b) Miscellaneous Revenues Anticipated	(c) Receipts from Delinquent Tax and Liens	(d) Total of Miscellaneous Revenues (Cols. a + b + c)	(a) Full Estimated Amount of Senior Citizen, Totally Disabled and Surviving Spouse Deductions Allowed	(b) Veterans Deductions
	(b)	(c)	(d)	(a)	(b)
Atlantic	\$ 192,966,026.87	\$ 9,070,801.00	\$ 224,721,452.87	\$ 567,750	\$ 1,852,750
Bergen	262,131,602.69	32,417,462.36	392,469,359.17	1,047,750	4,967,375
Burlington	110,249,996.28	14,815,391.81	164,916,660.81	782,875	3,906,250
Camden	243,060,832.26	14,761,713.18	305,842,189.70	1,423,250	3,130,250
Cape May	76,261,476.47	4,554,115.22	104,875,531.18	251,075	1,099,650
Cumberland	54,158,856.00	5,219,800.00	73,848,997.21	561,125	911,000
Essex	624,371,568.55	36,104,172.36	696,392,985.03	512,750	2,034,250
Gloucester	66,080,575.24	19,928,547.15	110,769,011.41	684,750	2,334,875
Hudson	542,535,714.91	9,632,123.24	611,253,026.73	580,500	1,034,250
Hunterdon	32,846,146.65	6,432,321.71	52,283,844.61	117,250	832,250
Mercer	219,256,814.82	6,714,954.00	256,955,789.04	488,125	1,903,500
Middlesex	293,574,201.87	11,762,266.00	375,420,685.63	1,184,750	4,337,000
Monmouth	222,216,218.57	24,568,179.90	326,593,202.41	649,800	3,852,250
Morris	16,696,005.01	233,878,874.26	399,219,568.37	500,750	2,886,750
Ocean	165,355,399.53	23,631,740.36	257,510,846.96	2,234,250	7,173,500
Passaic	190,357,954.83	14,140,241.00	231,664,833.83	614,750	2,052,410
Salem	32,304,921.97	4,448,440.00	43,152,055.80	183,750	618,000
Somerset	93,092,048.63	10,333,900.00	147,427,955.25	315,062	1,607,500
Sussex	27,048,884.59	8,461,983.00	50,611,490.77	224,250	1,137,000
Union	208,717,276.85	23,749,683.89	308,046,247.74	762,125	2,363,750
Warren	26,985,839.52	6,931,126.00	45,325,815.59	197,750	831,500
TOTALS	\$3,700,268,361.11	\$521,557,835.44	\$5,179,301,550.11	\$13,884,437	\$50,866,060

Abstract of Ratables and Exemptions 2015 (continued)

	Col. 16	Addendum 1			Addendum 2		
	Total Ratables Determined Pursuant to <u>R.S. 54:1-35</u> After Equalization Under <u>R.S. 54:1-33</u> and <u>R.S. 54:1-34</u>	STATE AID ADJUSTMENT FOR BUSINESS PERSONAL PROPERTY TAX			REGIONAL EFFICIENCY AID PROGRAM (R.E.A.P.) DISTRIBUTION SUMMARY		
COUNTY		(a) County Adjustment	(b) School Adjustment	(c) Municipal Adjustment	(a) Eligible Property Assessments	(b) R.E.A.P. Aid Credit	(c) R.E.A.P. Tax Rate Credit
Atlantic	\$ 36,491,167,040		\$ 102,263				
Bergen	163,812,126,614		174,258				
Burlington	45,611,066,123		95,481				
Camden	36,658,484,242		344,898				
Cape May	47,120,252,450		7,370				
Cumberland	8,552,385,301		22,634				
Essex	81,756,632,883	\$935,700	3,859,589				
Gloucester	25,374,030,640		104,059				
Hudson	60,819,867,487				\$1,054,580,255	\$2,404,841	\$0.436
Hunterdon	20,832,385,684						
Mercer	43,017,439,279		41,558				
Middlesex	97,697,237,219						
Monmouth	112,551,345,308						
Morris	90,417,097,996		440,570				
Ocean	92,486,816,421		8,480				
Passaic	45,908,267,423		21,466	\$15,607			
Salem	5,170,258,510		51,666				
Somerset	58,004,645,407						
Sussex	17,049,872,320						
Union	64,033,822,836						
Warren	10,630,895,527						
TOTALS	\$1,163,996,096,713	\$935,700	\$5,274,292	\$15,607	\$1,054,580,255	\$2,404,841	\$0.436

2015 Assessed Value of Partial Exemptions and Abatements (Summary Addendum to Abstract of Ratables)

COUNTY	Pollution Control	Fire Suppression	Fallout Shelter	Water/ Sewage Facility	Renewable Energy	UEZ Abatement	Home Improvement	Multifamily Dwelling	Class 4 Abatement
Atlantic	–	\$ 1,910,800	–	–	–	–	–	–	–
Bergen	–	6,780,145	–	–	–	–	–	–	–
Burlington	–	13,253,000	\$ 2,500	–	–	\$ 532,400	–	–	–
Camden	–	2,295,400	–	–	–	5,515,000	–	–	–
Cape May	–	–	–	–	–	–	–	–	–
Cumberland	\$ 2,497,300	300,000	–	–	–	2,555,300	–	–	–
Essex	458,000	816,700	–	–	\$5,394,300	52,515,000	–	–	–
Gloucester	2,311,700	–	5,778,100	–	–	–	–	–	–
Hudson	10,000	3,310,100	–	\$2,500,000	–	–	–	\$2,398,000	–
Hunterdon	–	291,800	–	–	–	–	–	–	–
Mercer	–	22,602,850	–	–	–	26,356,100	–	–	–
Middlesex	9,785,100	51,325,600	–	2,428,217	42,000	–	–	–	–
Monmouth	–	5,797,100	–	2,102,400	–	–	–	–	–
Morris	198,400	12,231,700	–	151,300	–	–	–	–	–
Ocean	48,600	1,066,000	–	–	49,500	–	–	–	–
Passaic	–	1,052,100	–	–	–	–	–	–	–
Salem	–	–	–	–	–	–	–	–	–
Somerset	501,600	2,226,100	–	–	–	–	–	–	–
Sussex	–	–	–	–	–	–	–	–	–
Union	–	130,500	–	–	–	5,686,600	–	–	–
Warren	10,605,000	15,200	–	–	–	–	–	–	–
TOTALS	\$26,415,700	\$125,405,095	\$5,780,600	\$7,181,917	\$5,485,800	\$93,160,400	–	\$2,398,000	–

2015 Assessed Value of Partial Exemptions and Abatements (continued)

(Summary Addendum to Abstract of Ratables)

COUNTY	Dwelling Abatement	Dwelling Exemption	New Dwelling/ Conversion Abatement	New Dwelling/ Conversion Exemption	Multiple Dwelling/ Abatement	Multiple Dwelling/ Exemption	Commercial/ Industrial Exemption	Total Assessed Value (Col. 3 of Abstract)
Atlantic	-	\$ 185,500	\$ 13,900	\$ 46,300	-	-	\$ 1,044,600	\$ 3,201,100
Bergen	-	12,976,300	-	-	-	-	100,000	19,856,445
Burlington	\$ 1,877,470	834,900	-	-	-	\$27,918,400	-	44,418,670
Camden	2,287,300	18,928,800	-	-	-	-	7,010,500	36,037,000
Cape May	-	-	-	-	-	-	-	-
Cumberland	-	1,413,900	-	-	-	-	10,661,000	17,427,500
Essex	813,500	18,462,000	347,100	1,532,400	\$ 7,851,600	-	148,300	88,338,900
Gloucester	-	2,264,030	-	-	-	-	1,401,000	11,754,830
Hudson	6,515,100	7,654,880	22,079,200	908,100	13,689,500	223,900	27,817,700	87,106,480
Hunterdon	222,800	-	-	-	-	-	3,762,300	4,276,900
Mercer	-	862,200	-	-	-	2,494,500	101,400	52,417,050
Middlesex	427,700	4,852,900	-	-	-	-	5,574,200	74,435,717
Monmouth	1,766,700	1,638,300	6,005,300	1,269,200	-	-	2,988,500	21,567,500
Morris	-	7,600	-	-	-	-	-	12,589,000
Ocean	-	71,100	-	-	-	-	25,000	1,260,200
Passaic	2,222,200	-	-	-	-	-	-	3,274,300
Salem	-	-	-	-	-	-	-	-
Somerset	1,803,600	319,200	-	-	-	-	738,600	5,589,100
Sussex	-	-	-	-	-	-	-	-
Union	-	-	-	-	-	-	-	5,817,100
Warren	-	-	-	-	-	-	678,900	11,299,100
TOTALS	\$17,936,370	\$70,471,610	\$28,445,500	\$3,756,000	\$21,541,100	\$30,636,800	\$62,052,000	\$500,666,892

Summary of 2015 County Tax Board Appeals Reported Pursuant to C. 499 P.L. 1979 (N.J.S.A. 54:3-5.1)

Col. 1

DISPOSITIONS

COUNTY	Assessment Revised	Assessment Affirmed	Stipulated	Freeze Act	Dismissed With Prejudice	Dismissed Without Prejudice	Withdrawn	Property Tax Deduction Granted	Property Tax Deduction Denied	Farmland Assessment Granted
Atlantic	4,480	739	3,651	0	683	406	265	3	0	0
Bergen	734	308	1,736	0	196	954	309	1	1	0
Burlington	146	64	926	0	90	66	124	9	1	0
Camden	188	160	951	0	151	22	420	65	3	0
Cape May	75	37	541	0	63	28	81	1	0	0
Cumberland	17	11	394	0	15	3	94	35	0	1
Essex	221	412	1,059	0	487	2,543	680	19	1	0
Gloucester	157	105	611	1	109	20	220	1	1	2
Hudson	1,097	108	2,478	0	407	856	1,948	0	0	0
Hunterdon	30	14	94	0	12	21	25	0	0	0
Mercer	71	40	516	0	225	53	110	0	0	0
Middlesex	330	188	864	0	204	678	881	0	0	0
Monmouth	1,345	930	2,428	0	458	165	712	10	0	0
Morris	38	245	524	0	144	158	500	0	0	0
Ocean	297	421	1,953	0	392	116	665	36	2	0
Passaic	554	624	578	1	275	1,339	267	0	0	0
Salem	14	21	362	0	60	8	50	0	0	0
Somerset	41	45	426	0	63	78	106	4	0	0
Sussex	80	190	481	0	60	28	138	0	0	1
Union	91	830	1,199	0	423	1,232	1,000	0	0	0
Warren	25	67	226	0	29	285	42	0	0	0
TOTALS	10,031	5,559	21,998	2	4,546	9,059	8,637	184	9	4

Summary of 2015 County Tax Board Appeals Reported Pursuant to C. 499 P.L. 1979 (N.J.S.A. 54:3-5.1)

	Col. 1		Col. 2				Col. 3			
COUNTY	DISPOSITIONS					Total Number of Appeals	CLASSIFICATION			
	Farmland Assessment Denied	Classification	R.E.A.P. Credit	Disaster Relief	Other		Class 1 Vacant Land	Class 2 Residential	Class 3A Farm Regular	Class 3B Farm Qualified
Atlantic	0	0	0	0	0	10,227	915	8,409	29	0
Bergen	0	2	0	0	1	4,242	96	3,340	0	2
Burlington	2	1	0	0	0	1,429	38	1,163	4	2
Camden	1	5	0	0	3	1,969	91	1,663	1	0
Cape May	1	0	0	0	0	827	108	620	2	0
Cumberland	0	0	0	2	0	572	23	451	11	1
Essex	0	2	0	0	31	5,455	282	3,214	0	0
Gloucester	11	1	0	0	1	1,240	68	1,028	9	6
Hudson	0	4	0	0	0	6,898	238	5,329	0	0
Hunterdon	0	5	0	0	3	204	25	123	11	3
Mercer	3	0	0	0	2	1,020	36	841	5	3
Middlesex	0	0	0	0	2	3,147	472	2,244	2	0
Monmouth	0	15	0	0	0	6,063	255	5,245	40	46
Morris	0	0	0	0	1	1,610	75	1,307	4	1
Ocean	0	10	0	80	2	3,974	676	3,087	4	4
Passaic	0	0	0	0	63	3,701	229	2,422	2	0
Salem	0	1	0	0	0	516	107	370	6	0
Somerset	0	4	0	0	0	767	33	649	4	0
Sussex	0	2	0	0	0	980	120	722	15	7
Union	0	1	0	0	0	4,776	177	3,452	0	0
Warren	0	0	0	0	43	717	121	501	13	8
TOTALS	18	53	0	82	152	60,334	4,185	46,180	162	83

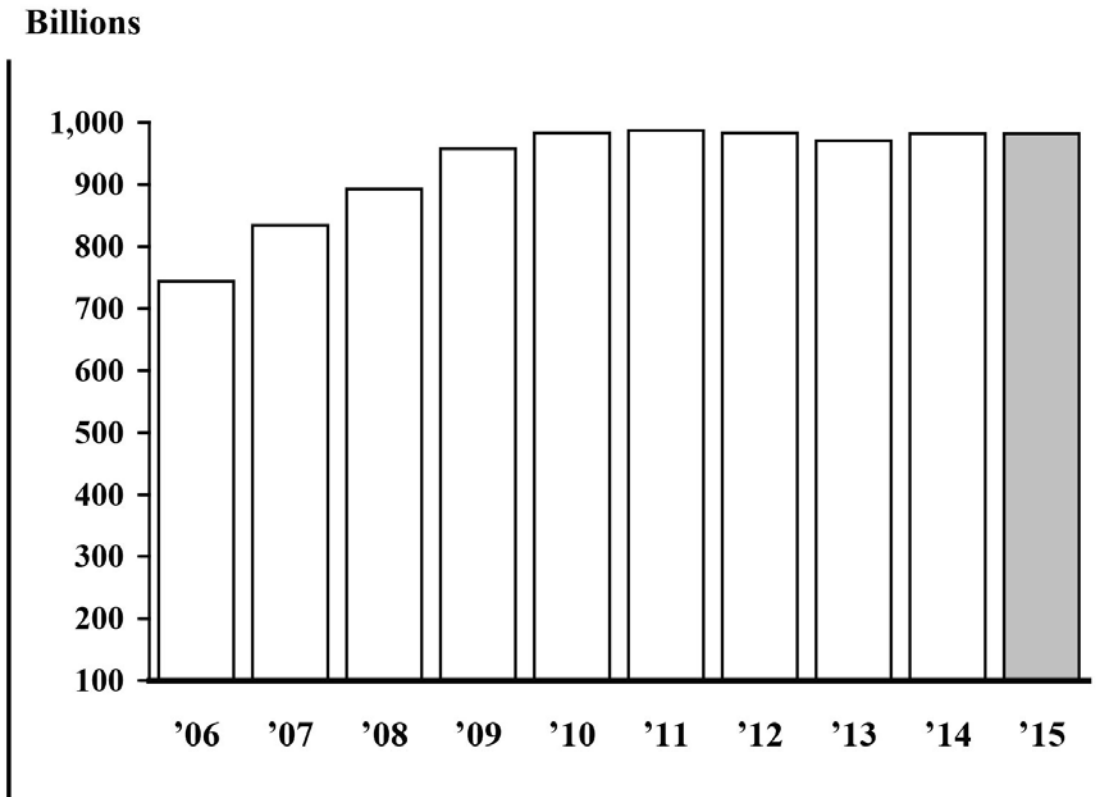
Summary of 2015 County Tax Board Appeals Reported Pursuant to C. 499 P.L. 1979 (N.J.S.A. 54:3-5.1)

Col. 3				Col. 4				
COUNTY	CLASSIFICATION			FILING FEE				
	Class 4 Commercial Industrial Apartment	Other	Total Number of Appeals by Class	\$5	\$25	\$100	\$150	Class \$25
Atlantic	866	8	10,227	3,427	5,690	647	225	0
Bergen	777	27	4,242	168	2,061	1,269	472	0
Burlington	183	39	1,429	286	828	142	54	2
Camden	203	11	1,969	754	954	97	37	13
Cape May	97	0	827	107	400	193	113	0
Cumberland	84	2	572	274	206	22	17	2
Essex	1,947	12	5,455	1,478	2,611	1,097	213	0
Gloucester	120	9	1,240	183	876	77	20	2
Hudson	1,082	249	6,898	4,270	2,094	233	202	0
Hunterdon	28	14	204	17	102	40	10	9
Mercer	134	1	1,020	415	259	152	36	4
Middlesex	417	12	3,147	1,030	1,560	327	43	0
Monmouth	452	25	6,063	165	2,715	1,821	575	0
Morris	209	14	1,610	58	887	476	111	5
Ocean	197	6	3,974	855	2,086	713	179	8
Passaic	1,043	5	3,701	949	2,099	422	60	0
Salem	29	4	516	260	227	18	6	0
Somerset	79	2	767	21	481	161	38	0
Sussex	105	11	980	278	507	104	9	6
Union	1,140	7	4,776	2,619	1,432	219	21	2
Warren	69	5	717	248	392	46	6	0
TOTALS	9,261	463	60,334	17,862	28,467	8,276	2,447	53

Summary of 2015 County Tax Board Appeals Reported Pursuant to C. 499 P.L. 1979 (N.J.S.A. 54:3-5.1)

	Col. 4			Col. 5	Col. 6	Col. 7	Col. 8
	FILING FEE			ASSESSED VALUATION AMOUNTS			
COUNTY	Other \$25	No Fee	Total	Original Amount of Assessed Valuation Appealed	Total Amount of Assessed Valuation Reduction	Total Amount of Assessed Valuation Increase	Adjusted Net Assessments (Col. 5 – 6 + 7)
Atlantic	5	233	10,227	\$ 2,810,559,386	\$ 475,614,400	\$ 954,700	\$ 2,335,899,686
Bergen	0	272	4,242	3,862,173,164	252,308,146	852,600	3,610,717,618
Burlington	1	116	1,429	924,132,599	60,798,627	1,035,400	864,369,372
Camden	0	114	1,969	476,100,947	33,568,927	263,100	442,795,120
Cape May	0	14	827	533,180,900	60,551,100	101,800	472,731,600
Cumberland	0	51	572	144,495,200	27,648,700	370,600	117,217,100
Essex	0	56	5,455	2,119,010,114	74,307,437	60,100	2,044,762,777
Gloucester	12	70	1,240	632,972,900	31,970,390	1,149,100	602,151,610
Hudson	10	89	6,898	1,822,463,071	158,542,652	456,400	1,664,376,819
Hunterdon	26	0	204	98,872,585	8,477,100	32,800	90,428,285
Mercer	0	154	1,020	343,786,060	32,885,975	13,500	310,913,585
Middlesex	0	187	3,147	936,173,673	50,598,470	3,514,200	889,089,403
Monmouth	6	781	6,063	4,266,956,508	351,409,278	18,646,000	3,934,193,230
Morris	2	71	1,610	955,783,554	45,751,130	533,100	910,565,524
Ocean	0	133	3,974	1,592,825,390	140,004,890	1,835,100	1,454,655,600
Passaic	0	171	3,701	1,224,659,508	62,696,800	21,967,200	1,183,929,908
Salem	0	5	516	105,822,167	16,434,124	0	89,388,043
Somerset	0	66	767	376,484,742	25,108,742	494,300	351,870,300
Sussex	0	76	980	328,472,500	29,689,600	1,950,330	300,733,230
Union	1	482	4,776	877,084,750	58,063,108	272,900	819,294,542
Warren	0	25	717	193,999,632	13,300,953	164,100	180,862,779
TOTALS	63	3,166	60,334	\$24,626,009,350	\$2,009,730,549	\$54,667,330	\$22,670,946,131

Total Taxable Value Land and Improvements in New Jersey 2006 – 2015



2015 County Values

Atlantic	\$ 35,247,683,050	Middlesex	\$ 55,278,893,754
Bergen	152,848,318,761	Monmouth	107,102,119,950
Burlington	43,116,777,415	Morris	79,170,245,319
Camden	36,175,961,063	Ocean	86,910,853,340
Cape May	47,559,585,200	Passaic	32,789,584,500
Cumberland	8,471,412,400	Salem	5,266,488,627
Essex	75,326,364,989	Somerset	55,742,677,591
Gloucester	24,807,261,700	Sussex	15,735,402,406
Hudson	30,473,882,675	Union	23,435,589,678
Hunterdon	19,479,070,142	Warren	10,255,629,910
Mercer	36,764,844,208	Total	\$981,958,646,678

Taxes Administered by the Public Utility Tax Section for 2016 (Calendar Year Due)

Public Utility Taxes (Excise, Franchise, and Gross Receipts Taxes), Transitional Energy Facility Assessment (TEFA), and Uniform Transitional Utility Assessment (UTUA)

Assessed by the State and Available for Appropriation and Distribution to Municipalities
Distribution Subject to Budgetary and Statutory Limitations and Restrictions

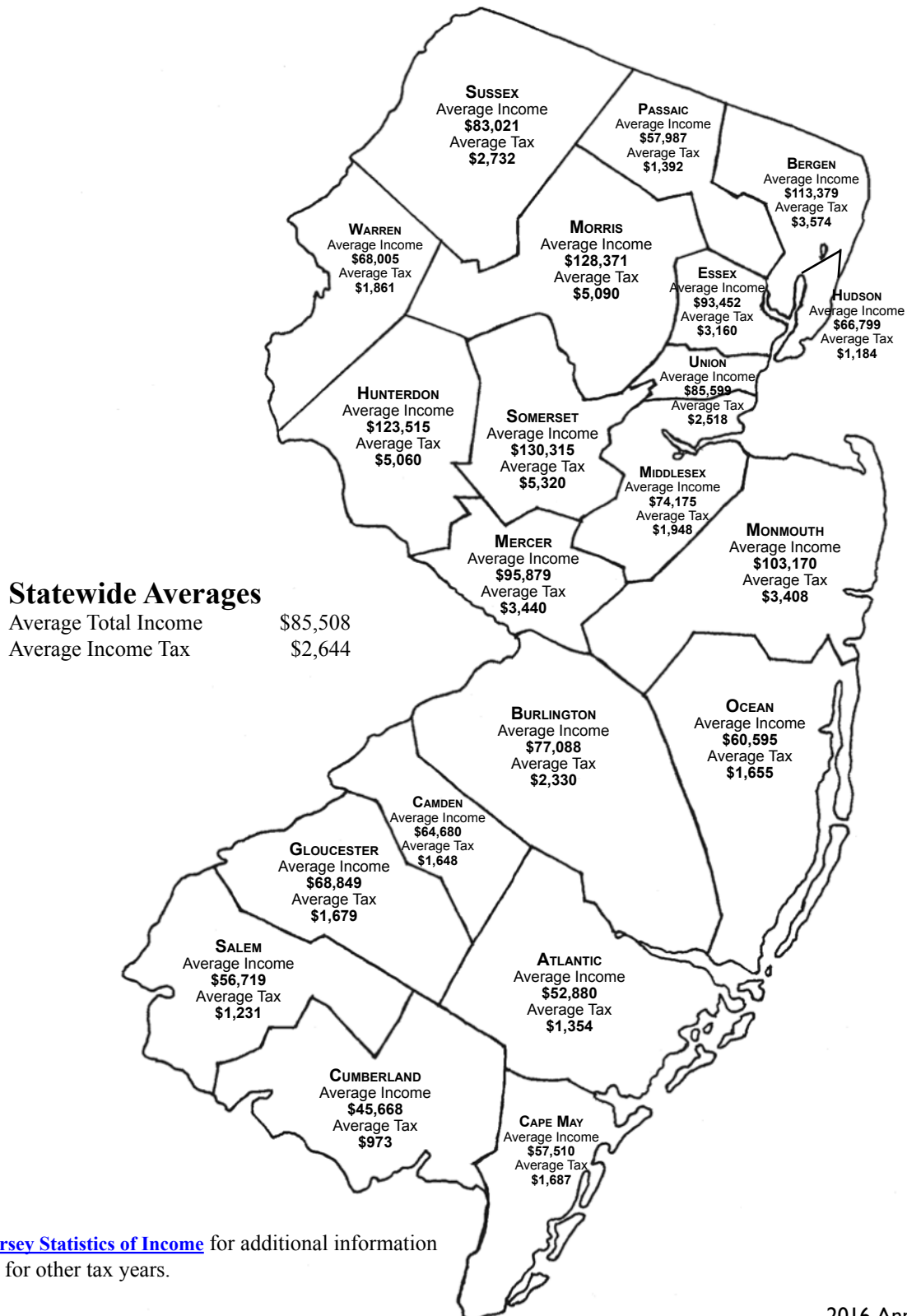
PUBLIC UTILITY TAXES							
Classification	No. of Companies	Excise Taxes	Franchise Taxes	Gross Receipts Taxes	TEFA	UTUA (CBT)	UTUA (S&U-EN)
Sewer Companies.....	13	\$ 700,670	\$ 2,031,174	\$ 3,420,885	NA	NA	NA
Water Companies.....	28	16,451,348	49,671,680	78,798,983	NA	NA	NA
Energy Companies.....	16	NA	NA	NA	NA	\$31,940,297	\$323,768,114
Telephone Companies.....	3	NA	NA	NA	NA	1,462,706	NA
Totals.....	60	\$17,152,018	\$51,702,854	\$82,219,868	\$0	\$33,403,003	\$323,768,114
Total Net Tax Assessed						\$508,245,857	

Individual Income Tax Returns County Profile 2014*

County	No. of Returns	NJ Taxable Income	Net Charged Tax
Atlantic	127,626	\$ 5,910,002,861	\$ 172,813,175
Bergen	431,102	44,966,654,506	1,540,922,989
Burlington	203,963	14,091,161,168	475,136,458
Camden	224,662	12,908,376,863	370,340,742
Cape May	45,454	2,305,736,956	76,703,012
Cumberland	63,945	2,563,882,202	62,217,408
Essex	338,972	29,326,835,781	1,071,105,564
Gloucester	129,431	7,886,969,865	217,371,301
Hudson	301,747	18,677,867,147	357,400,592
Hunterdon	60,194	6,802,557,618	304,563,463
Mercer	161,883	14,234,024,967	556,882,669
Middlesex	377,992	25,171,604,064	736,247,328
Monmouth	298,326	28,034,133,564	1,016,773,341
Morris	236,366	27,963,258,459	1,203,106,962
Ocean	260,093	13,734,290,114	430,343,377
Passaic	234,339	11,992,199,352	326,294,714
Salem	28,469	1,422,767,238	35,056,456
Somerset	156,103	18,838,153,298	830,461,478
Sussex	68,694	5,086,481,613	187,704,302
Union	253,460	19,787,788,075	638,157,594
Warren	49,886	2,989,699,638	92,829,134
County Unknown	4,345	514,768,688	26,205,911
Totals	4,057,052	\$315,209,214,037	10,728,637,968

*See [New Jersey Statistics of Income](#) for additional information and reports for other tax years.

Average Total Income and Average Income Tax By County — Tax Year 2014*



*See [New Jersey Statistics of Income](#) for additional information and reports for other tax years.

Sales and Use Tax Collections by Business Type
Return Years 2013–2015
(Dollar Amounts in Thousands)

Business Type	Number of Vendors			Total Collections			% Change	
	2013	2014	2015	2013	2014	2015	2013–2014	2014–2015
Exempt Organizations	780	792	798	\$ 6,866	\$ 6,664	\$ 7,015	-2.9%	5.3%
Manufacturing	28,089	29,093	29,956	648,079	670,615	717,601	3.5	7.0
Service	94,360	94,795	95,163	2,357,583	2,441,515	2,507,783	3.6	2.7
Wholesale	12,270	12,459	12,594	420,724	433,709	445,292	3.1	2.7
Construction	19,427	19,267	19,313	225,016	219,923	227,909	-2.3	3.6
Retail	68,696	68,003	67,289	4,496,589	4,570,887	4,698,393	1.7	2.8
Government	29	29	30	4,808	5,752	540	19.6	-90.6
Not Classified	7,298	6,907	6,618	122,340	128,675	145,961	5.2	13.4
Totals	230,949	231,345	231,761	\$8,282,004	\$8,477,740	\$8,750,493	2.4%	3.2%

Contact Information

Online

www.njtaxation.org

Email

nj.taxation@treas.nj.gov

WebFile

www.state.nj.us/treasury/taxation/pcfile/njwebfile.shtml

By Phone

Customer Service Center — 609-292-6400

Automated Tax Information — 1-800-323-4400
609-826-4400

Homestead Benefit Hotline — 1-800-238-1233

NJ Business Taxes Telefile — 609-341-4800

Regional Information Centers

Camden

2 Riverside Drive, Suite 200
Camden, NJ 08103

Northfield

1915-A New Road (Route 9)
Northfield, NJ 08225

Fair Lawn

22-08 Route 208 South
Fair Lawn, NJ 07410

Somerville

75 Veterans Memorial Drive East
Suite 103
Somerville, NJ 08876

Neptune

1828 West Lake Avenue, 3rd Floor
Neptune, NJ 07753

Trenton

Taxation Building
50 Barrack Street
1st Floor Lobby
Trenton, NJ 08695

Newark

124 Halsey Street, 2nd Floor
Newark, NJ 07102

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