

# ASSEMBLY, No. 1495

## STATE OF NEW JERSEY 221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

**Sponsored by:**

**Assemblyman ROBERT J. KARABINCHAK**

**District 18 (Middlesex)**

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**District 19 (Middlesex)**

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**SYNOPSIS**

Exempts receipts from sales of materials, supplies, and services for certain affordable housing projects from sales and use tax.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT exempting receipts from the sales of materials, supplies,  
2 and services for certain affordable housing projects from taxation  
3 under the sales and use tax, and amending P.L.1980, c.105.  
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. Section 34 of P.L.1980, c.105 (C.54:32B-8.22) is amended  
9 to read as follows:

10 34. Receipts from sales made to contractors or repairmen of  
11 materials, supplies or services for exclusive use in erecting  
12 structures or building on, or otherwise improving, altering or  
13 repairing real property of:

14 a. Organizations described in subsections (a) and (b) of section  
15 9 of the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-9) that  
16 are exempt from the tax imposed under the "Sales and Use Tax  
17 Act";

18 b. Qualified businesses within an enterprise zone as authorized  
19 in section 20 of the "New Jersey Urban Enterprise Zones Act,"  
20 P.L.1983, c.303 (C.52:27H-79);**[and]**

21 c. Housing sponsors who have obtained financing for housing  
22 projects pursuant to the "New Jersey Housing and Mortgage  
23 Finance Agency Law of 1983," P.L.1983, c.530 (C.55:14K-1 et  
24 seq.), which projects have received other federal, State or local  
25 subsidies in order to achieve financial feasibility; and

26 d. Housing sponsors engaged in affordable housing projects  
27 where all of the units are intended for occupants with moderate,  
28 low, or very low incomes as defined in P.L.1985, c.222  
29 (C.52:27D-301 et al.) are exempt from the tax imposed under the  
30 "Sales and Use Tax Act," provided any person seeking to qualify  
31 for the exemption shall do so pursuant to such rules and regulations  
32 and upon forms as shall be prescribed by the director.

33 For the purposes of this section, a qualified business within an  
34 enterprise zone shall include any urban renewal entity established  
35 pursuant to P.L.1961, c.40 (C.40:55C-40 et seq.), provided,  
36 however, that the entity is the sole owner of an operating company  
37 which is a qualified business pursuant to subsection c. of section 3  
38 of P.L.1983, c.303 (C.52:27H-62), and that the entity and its  
39 operating company are situated within the same zone.  
40 (cf: P.L.2006, c.34, s.2)

41  
42 2. This act shall take effect immediately and shall apply to sales  
43 made on or after the date of enactment.

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 STATEMENT

2

3 This bill would exempt from the State's sales and use tax  
4 receipts from the sales of materials, supplies, and services made to  
5 contractors or repairmen for certain affordable housing projects.

6 Under current law, sales of materials, supplies, or services made  
7 to contractors or repairmen for exclusive use in erecting structures  
8 or building on, or otherwise improving, altering or repairing real  
9 property of (1) certain governmental, international, and charitable  
10 organizations; (2) qualifying businesses located within an urban  
11 enterprise zone; and (3) housing sponsors who have obtained  
12 financing for housing projects pursuant to the "New Jersey Housing  
13 and Mortgage Finance Agency Law of 1983," P.L.1983, c.530  
14 (C.55:14K-1 et seq.), and have received other federal, State, or local  
15 subsidies in order to achieve financial feasibility, are exempt from  
16 the sales and use tax.

17 This bill would provide an additional sales and use tax  
18 exemption for receipts from sales made to contractors or repairmen  
19 of materials, supplies, or services for exclusive use in erecting  
20 structures or building on, or otherwise improving, altering, or  
21 repairing real property of housing sponsors engaged in affordable  
22 housing projects where all of the units are intended for occupants  
23 with moderate, low, or very low incomes.