

CHAPTER 3

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

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

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

C.54:32B-8.22 Sales tax exemption for certain services, supplies to certain exempt organizations.

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

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

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

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

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

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

2. This act shall take effect on the first day of the second month next following the date of enactment and shall apply to sales made on or after the effective date.

Approved March 20, 2024.