

SENATE, No. 1484

STATE OF NEW JERSEY
221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Senator JOSEPH A. LAGANA

District 38 (Bergen)

Senator PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

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.

44

45 STATEMENT

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

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

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