ASSEMBLY, No. 5691

STATE OF NEW JERSEY

222nd LEGISLATURE

INTRODUCED OCTOBER 19, 2026

Sponsored by:
Assemblyman GREGORY P. MCGUCKIN
District 10 (Monmouth and Ocean)

Co-Sponsored by:
Assemblyman Clifton

SYNOPSIS

Provides gross income tax deduction for homeowner's payments of certain homeowners association assessments.

CURRENT VERSION OF TEXT

As introduced.

AN ACT providing a gross income tax deduction for homeowner's payments of certain homeowners association assessments, and supplementing Title 54A of the New Jersey Statutes.

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

1. a. A taxpayer shall be allowed to deduct from the taxpayer's gross income for the taxable year an amount paid by the taxpayer during the taxable year for qualified homeowners association assessments.

b. A qualified homeowners association that receives qualified homeowners assessments from any individual during a calendar year shall file with the Director of the Division of Taxation in the Department of the Treasury an information return at such time and in such form and manner as the director shall determine, setting forth the name, address, and other identifying information of each paying individual and the amount of qualified homeowners association assessments received from each individual during the calendar year. Every association required to file this information return shall furnish to each individual whose name is required to be set forth in that return a written statement showing the name, address and phone number of the information contact of the person required to file the return and the information required to be on the return for that individual.

c. As used in this section:

"Qualified homeowners association" means a "homeowners association," as defined in section 528(c)(1) of the federal Internal Revenue Code of 1986, 26 U.S.C. s.528, that is located in this State, but excluding a timeshare association.

"Qualified homeowners association assessment" means a fee or other charge that is a regularly occurring, mandatory financial assessment, that is paid by a taxpayer to a qualified homeowners association for the taxpayer's principal residence that arises from: (1) the taxpayer's mandatory and automatic membership in the qualified homeowners association; (2) a mandatory obligation imposed by the qualified homeowners association on unit owners to pay regularly occurring assessments; or (3) a special assessment imposed by the qualified homeowners association on unit owners to pay for the benefit of the residences and common areas of the qualified homeowners association.

2. This act shall take effect immediately and apply to taxable years beginning on or after the date of enactment.

STATEMENT

This bill provides a gross income tax deduction for certain homeowners association (HOA) assessments made for a taxpayer's principal residence. Homeowners associations include condominium management associations and residential real estate management associations but not timeshare associations.

HOA assessments can vary depending on the type of amenities that are provided within the HOA community. The purpose of an HOA is to manage the common area amenities, and assessments are collected from each member of, or unit owner within, the HOA to finance the management and maintenance of the common area amenities. HOA residential communities can vary from high-rise condominium complexes to a neighborhood of townhomes and single-family residences. In the case of condominium form of owners, the HOA may collect assessments to cover more extensive common area costs, including services that are akin to municipal government services, such as trash removal, water and sewage for common areas, and street cleaning and snow removal.