

ASSEMBLY, No. 5699

STATE OF NEW JERSEY 222nd LEGISLATURE

INTRODUCED OCTOBER 19, 2026

Sponsored by:

Assemblyman ROBERT J. KARABINCHAK

District 18 (Middlesex)

SYNOPSIS

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

CURRENT VERSION OF TEXT

As introduced.



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

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

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

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

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

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

26 d. Housing sponsors engaged in affordable housing projects
27 where **[all]** not less than 20 percent of the units are restricted for
28 occupants with moderate, low, or very low incomes as defined in
29 P.L.1985, c.222 (C.52:27D-301 et al.) are exempt from the tax
30 imposed under the "Sales and Use Tax Act," in an amount
31 proportional to the percentage of units in the project that are reserved
32 for occupants with moderate, low, or very low incomes, provided any
33 person seeking to qualify for the exemption shall do so pursuant to
34 such rules and regulations and upon forms as shall be prescribed by
35 the director.

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

43 (cf: P.L.2024, c.3, s.1)

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.

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