

SENATE, No. 4803

STATE OF NEW JERSEY
222nd LEGISLATURE

INTRODUCED OCTOBER 15, 2026

Sponsored by:
Senator JAMES W. HOLZAPFEL
District 10 (Monmouth and Ocean)

SYNOPSIS

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

CURRENT VERSION OF TEXT

As introduced.



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

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

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

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

26 c. As used in this section:

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

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

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

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47 STATEMENT

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49 This bill provides a gross income tax deduction for certain
50 homeowners association (HOA) assessments made for a taxpayer's

1 principal residence. Homeowners associations include
2 condominium management associations and residential real estate
3 management associations but not timeshare associations.

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