

ASSEMBLY, No. 1524

STATE OF NEW JERSEY 217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

Sponsored by:

Assemblyman ERIK PETERSON

District 23 (Hunterdon, Somerset and Warren)

Assemblyman REED GUSCIORA

District 15 (Hunterdon and Mercer)

Assemblyman ANTHONY M. BUCCO

District 25 (Morris and Somerset)

Assemblyman JAY WEBBER

District 26 (Essex, Morris and Passaic)

Co-Sponsored by:

**Assemblywoman N.Munoz, Assemblymen Space, Bramnick and
Assemblywoman Phoebus**

SYNOPSIS

Phases out the transfer inheritance tax over two years.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 4/8/2016)

1 AN ACT phasing out the transfer inheritance tax over two years,
2 supplementing chapter 34 of Title 54 of the Revised Statutes.

3

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

6

7 1. Notwithstanding the provisions of R.S.54:34-2 to the
8 contrary: a. for transfers made on or after the January 1 next
9 following enactment of P.L. , c. (C.) (now pending before
10 the Legislature as this bill) through the December 31 next following
11 enactment of P.L. , c. (C.) the tax imposed under chapters
12 33 through 36 of Title 54 of the Revised Statutes shall be at 50% of
13 the rates otherwise determined pursuant to R.S.54:34-2;

14 b. For transfers made on or after the second January 1
15 following enactment of P.L. , c. (C.) (now pending before
16 the Legislature as this bill) P.L. , c. (C.) (now pending
17 before the Legislature as this bill) there shall be no tax imposed
18 under chapters 33 through 36 of Title 54 of the Revised Statutes.

19

20 2. This act shall take effect immediately.

21

22

23

STATEMENT

24

25 This bill reduces and finally eliminates the New Jersey transfer
26 inheritance tax over two years.

27 The New Jersey transfer inheritance tax is one of the State's
28 oldest taxes, originating in 1892 and imposed in roughly its present
29 form since 1909. The tax is imposed on the transfer of all personal
30 and real property in the estates of New Jersey resident decedents
31 and on all tangible and real property located in New Jersey in the
32 estates of nonresident decedents. The tax was extensively revised
33 in 1985 to exempt from taxation transfers to spouses, ancestors and
34 descendants of the decedent, but "lateral" transfers, bequests to
35 brothers and sisters of the decedent or their children, and to
36 nonrelatives are taxed at rates up to 16%.

37 This bill eliminates the transfer inheritance tax over two years.

38 In the first calendar year following enactment of the bill, all of the
39 transfers that are currently taxable remain taxable, but at 50% of the
40 current tax rates. In the second year following enactment, taxes are
41 no longer imposed.