

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR SENATE, No. 3158

STATE OF NEW JERSEY

DATED: MAY 13, 2019

The Senate Community and Urban Affairs Committee reports favorably a Senate Committee Substitute for Senate Bill No. 3158.

This committee substitute makes transient accommodation taxes and fees only applicable whenever such an accommodation is rented through a transient space marketplace. The substitute also revises which transient space marketplaces are required to collect the taxes and fees on behalf of transient accommodation providers.

Under current law, all short term rentals are subject to taxes and fees, unless an exception applies. Furthermore, an online transient space marketplace is required to collect the taxes and fees on behalf of people providing transient accommodations on the marketplace, regardless of how many transactions the marketplace facilitates.

The substitute provides that only transient accommodations which are rented through a transient space marketplace will be subject to the taxes and fees. The substitute revises the definition of a transient space marketplace to mean a marketplace or travel agency, whether online or not, through which short term rentals may be offered, reserved, and paid. A marketplace in which someone exclusively offers their own short term rentals is excluded from the definition of transient space marketplace, so those short term rentals would not be subject to the taxes and fees. In addition, the substitute limits the marketplace collection requirement to transient space marketplaces that average at least 100 short term rental transactions a month in the State. Smaller marketplaces may still collect the taxes and fees on behalf of providers, but would not be statutorily required to do so.