

SENATE, No. 3490

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MARCH 4, 2021

Sponsored by:

Senator NILSA I. CRUZ-PEREZ

District 5 (Camden and Gloucester)

Senator JAMES BEACH

District 6 (Burlington and Camden)

SYNOPSIS

Eliminates one percent tax on purchasers of Class 4A commercial property transferred for consideration in excess of \$1 million.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT eliminating the tax on the transfer of controlling interests
2 in Class 4A commercial property, repealing section 3 of
3 P.L.2006, c.33.

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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. Section 3 of P.L.2006, c.33 (C.54:15C-1) is repealed;
9 provided, however, that the repeal of section 3 of P.L.2006, c.33
10 (C.54:15C-1) shall not affect any obligation, lien or duty to pay
11 taxes, interest or penalties which have accrued or may accrue by
12 virtue of any taxes imposed pursuant to the provisions of section 3
13 of P.L.2006, c.33 (C. 54:15C-1), or which may be imposed with
14 respect to any redetermination, correction, recomputation or
15 deficiency assessment; and provided that all taxes and returns which
16 would have been due and payable under the provisions of section 3
17 of P.L.2006, c.33 (C.54:15C-1) shall be due and payable as if that
18 section were in effect; and provided that this repeal shall not affect
19 the legal authority of the State to audit records and assess and
20 collect taxes due or which may be due, together with such interest
21 and penalties as have accrued or would have accrued thereon under
22 the provisions of section 3 of P.L.2006, c.33 (C.54:15C-1); and
23 provided that this repeal shall not affect any determination of, or
24 affect any proceeding for, the enforcement thereof.

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26 2. This act shall take effect immediately; provided however,
27 that section 1 shall remain inoperative until the first day of the
28 second month next following the date of enactment and shall apply
29 to transfers made on or after that date.

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32 STATEMENT

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34 This bill eliminates the tax on the purchaser in a non-deed transfer
35 of a controlling interest in an entity that owns Class 4A commercial
36 properties, equal to 1 percent of the total consideration paid, if the total
37 consideration for the transfer is in excess of \$1 million. Class 4A
38 commercial property is any kind of income-producing real property
39 other than property classified as vacant land, residential property or
40 apartments, farm property, and industrial property.