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# Realtors oppose plan for local tax on transfers

BY JOE DONOHUE  
 NEWHOUSE NEWS SERVICE

TRENTON — The powerful New Jersey Association of Realtors announced a major lobbying push this fall to try to kill legislation that would let municipalities impose a separate local tax on realty transfers.

"What we're afraid of happening is that this is going to be one of those issues that's going to pop up in 'lame duck,' and they are going to rush it through," said Jarrod Grasso, the group's vice president of governmental affairs. "This isn't going to be an issue we're going to sit back on."

Grasso said the Realtors were concerned by recent comments by Gov. Jon Corzine in a Star-Ledger of Newark story in which he said he still thinks municipalities should be given more tax-raising options, possibly including local realty transfer taxes.

The New Jersey State League of Municipalities is pushing hard for such an expansion. Five bills have been introduced in the Legislature during the last year to allow cities and towns to charge a local tax of 50 cents per \$500 of a home's sales price. Two of the bills would apply statewide, while three would apply only to Newark and Jersey City.

Assemblywoman Joan Quigley, D-Hudson, a co-sponsor of both versions, said she believes the local fees "make sense." She said she was hoping one of the bills would win approval during the lame duck session after the election, but acknowledged many of her colleagues already have been swayed by the Realtors, which typically ranks among the top 10 special interest donors each election.

"If we're going to get it through, the mayors are going to have to talk to their legislators," she said.

William Dressel, executive director of the League of Municipalities, said one reason property taxes are so high in New Jersey is municipalities have few alternatives to balance their revenues. Mayors at least should be given the option of raising other taxes to offset property taxes, he said.

"I think it's a decision that has to be made locally," Dressel said.

A Star-Ledger analysis recently found one of the few local tax options that does exist — the hotel-motel tax — generated about \$37 million for towns last year. Homeowners in a dozen towns would have paid at least \$100 more each year in property taxes without the tax.

Jersey City Mayor Jerramiah Healy said he believes the new local fee could be a boon to real estate by curbing property taxes. He estimates it would raise \$30 million annually in Jersey City alone.

"This is a perfect way to provide property tax relief," adding the local fees would be small compared to real estate brokers' sales commissions, which usually run around 6 percent of home sales.

A calculator available on [www.njhome-tax.com](http://www.njhome-tax.com), a special Web site created by the Realtors to stir up opposition to the tax, lets people compute the potential impact on their wallets. It shows, for instance, the owner of a \$356,700 house, the statewide median price, would pay \$357 if the new local tax becomes law. That payment would be made on top of the \$2,799 realty transfer tax already imposed by the state.

Grasso said state officials not only should reject the local tax, but they also should consider lowering the state realty transfer tax, since it has shot up 80 percent during the past four years.

"Gov. Corzine has come out talking about no new taxes, no new fees. We want that mantra to continue," Grasso said.