



New Jersey's Home Sales Tax

What You Need to Know and How it Impacts You.



News For Immediate Release

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WEBSITE EDUCATES NJ HOMEOWNERS ABOUT HOME SALES TAX

Campaign Aims To Protect Home Equity, Stop Local Home Sales Tax

EDISON, N.J., August 2, 2007 – New Jersey homeowners can now visit a website to calculate how much higher their Home Sales Tax may climb if legislation in Trenton is enacted. The website – www.njhometax.com – is part of a public awareness campaign sponsored by the New Jersey Association of REALTORS® (NJAR®) about the state's Home Sales Tax – officially known as the Realty Transfer Fee – and legislative efforts to permit local governments to impose their own Home Sales Tax.

Legislation being considered would allow local governments to impose a local Home Sales Tax on the sale of real property. The tax would be in the amount of \$0.50 per \$500 of a home's sales price. The local tax would be in addition to the current Home Sales Tax that is paid to the state.

"Creating a local Home Sales Tax will further raise closing costs and overall home prices," said Jarrod C. Grasso, NJAR® vice president of government affairs. "It will unfairly erode the equity that homeowners may have accumulated over the years."

Home sellers will feel the strongest impact from a local Home Sales Tax. The home seller typically pays the Home Sales Tax, which is based on the sales price of the property. The result is an instant reduction of homeowner equity.

The state-imposed fee, begun in 1968 as a nominal charge for tracking real estate transactions, has increased dramatically in recent years. The Home Sales Tax on an average home is up 80% since 2003. The extra local Home Sales Tax will push the total Home Sales Tax bill up 103% since 2003.

"We call it a "tax" because that is what this once insignificant charge to record property transactions has turned into," said Grasso. "REALTORS® have been continually fighting increases in the Home Sales Tax on behalf of homeowners."

(more)



The current Home Sales Tax due on a home sold for \$356,700 - the median price for an existing home in New Jersey - is \$2,799. With the extra local tax, the Home Sales Tax bill would increase 13% to \$3,156.

NJAR®'s campaign includes radio, mail and print advertising and will use online video to deliver its message to New Jerseyans.

"Most New Jerseyans are shocked when they learn that this simple fee, once used to cover the cost of recording their deed, has grown into such a large tax," said Grasso. "The campaign's goal is to educate the public about the tax and encourage them to speak out against increasing the tax by extending it to local governments. Together, we can make a difference and protect the New Jersey homeowners."

NJAR®'s campaign website is www.njhometax.com. New Jersey-based Novita Issue Communications is the media consultant for the campaign.

The New Jersey Association of REALTORS® is a non-profit organization serving the professional needs of approximately 55,000 REALTOR® and REALTOR-ASSOCIATE® members in the state. 2007 marks the association's 90th anniversary year. REALTOR® is a registered collective membership mark which may be used only by real estate professionals who subscribe to the REALTOR® organization's strict Code of Ethics and are members of the national, state and local REALTOR® organizations. For more information, please visit www.njar.com.

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