



# New Jersey's Home Sales Tax

*What You Need to Know and How it Impacts You.*



## Two Different Couples, Same Harmful Impact: A Look at the New Jersey Home Sales Tax

**The New Jersey State Legislature is considering an increase to the Home Sales Tax by permitting individual towns to establish their own fees in addition to those charged by the state.**

### Couple in their mid-twenties.

A young couple in their mid-twenties is ready to start a family. For the past several years they lived in and owned a condominium unit, which was ideal for their lifestyle and budget. But now that they're ready to have children, they need a larger home. They cut coupons, stopped eating out and saved every possible penny to put down on the home of their dreams.

**With money already tight, they postpone upgrading the essential appliances in the home.**

They plan to use the proceeds from the sale of their condo toward the new home's purchase price and updated furnishings. While they're happy to sell their condo for \$155,000, they didn't plan on paying added charges in the form of a \$634 Realty Transfer Fee tax plus \$155 in local Home Sales Tax. They further feel the effects of the Realty Transfer Fee when the seller of the home they are purchasing raises the sale price to \$375,000 to compensate for the \$2,975 in transfer fee plus \$375 local Homes Sales Tax he will owe. With money already tight, they postpone upgrading the essential appliances in the home.

### Couple planning for retirement.

The older couple, who both just turned sixty, has lived in their home for 30 years. They recently paid off their mortgage and are selling the home where they raised their two children, both now grown and living on their own. The couple has always loved the Jersey Shore and is moving into a smaller home in a shore community.

**The long-dreamed trip to Europe will most likely never happen.**

With the proceeds from selling their house they plan to pay for their new shore home, set aside money for their grandchildren, and travel around the world. Like the younger couple, this couple is pleased with the sales price of their home: \$550,000. And like the younger couple, they didn't plan on paying a \$4,655 Realty Transfer Fee tax plus \$550 local Home Sales Tax. They'll still put some money aside for their grandchildren, but maybe not as much. The long-dreamed trip to Europe will most likely never happen.

**Learn what you can do to stop an extra local Home Sales Tax.  
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