



New Jersey's Home Sales Tax

What You Need to Know and How it Impacts You.



What is the New Jersey Home Sales Tax?

The Realty Transfer Fee, which we refer to as the New Jersey Home Sales Tax, is a state-imposed fee begun in 1968 as a nominal charge for tracking real estate transactions. It has increased dramatically in recent years, adding to closing costs and the overall price of a home.

The added municipal Home Sales Tax will increase the tax on an existing home sold at the state median price of \$356,700 by 13%.

Why be concerned about the New Jersey Home Sales Tax now?

The New Jersey State Legislature is considering further increases to the Home Sales Tax by permitting individual municipalities to establish their own fees in addition to those charged by the state.

Will this extra tax impact my town?

Yes. The legislation will allow every municipality to create their own Home Sales Tax.

How much more will I pay when I sell my home?

The current Home Sales Tax due on a home sold for \$356,700 – the median price for an existing home in New Jersey – is \$2,802. With the extra tax, the Home Sales Tax bill would increase 13%.

Has the New Jersey Home Sales Tax increased over the years?

The New Jersey Home Sales Tax on an average home has **increased 80%** since 2003. **The extra municipal Home Sales Tax will push the total Home Sales Tax bill up 103% since 2003.**

How does the New Jersey Home Sales Tax impact home sellers?

Home sellers are perhaps the single group that will feel the greatest impact from these increases. The home seller typically pays the Realty Transfer Fee, which is based on the sales price of the property. The result is an instant reduction of homeowner equity.

The total Home Sales Tax on an average home will have increased 103% since 2003 if the added local Home Sales Tax is approved.

How does the New Jersey Home Sales Tax impact home buyers?

Some home sellers will pass along the cost of the Home Sales Tax to the home buyer. This inflates the price of homes and make homeownership more expensive for families.

Where can I get more information?

Visit njhometax.com for more information and learn what you can do to help stop the Home Sales Tax increase.

