

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 1484

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 25, 2024

The Senate Community and Urban Affairs Committee reports favorably and with committee amendments Senate Bill No. 1484.

This bill, as amended, would exempt from the State’s sales and use tax receipts from the sales of materials, supplies, and services made to contractors or repairmen for certain affordable housing projects.

Under current law, sales of materials, supplies, or services made to contractors or repairmen for exclusive use in erecting structures or building on, or otherwise improving, altering or repairing real property of: (1) certain governmental, international, and charitable organizations; (2) qualifying businesses located within an urban enterprise zone; and (3) housing sponsors who have obtained financing for housing projects pursuant to the "New Jersey Housing and Mortgage Finance Agency Law of 1983," P.L.1983, c.530 (C.55:14K-1 et seq.), and have received other federal, State, or local subsidies in order to achieve financial feasibility, are exempt from the sales and use tax.

This bill would provide an additional sales and use tax exemption for receipts from sales made to contractors or repairmen of materials, supplies, or services for exclusive use in erecting structures or building on, or otherwise improving, altering, or repairing real property of housing sponsors engaged in affordable housing projects where all of the units are restricted for occupants with moderate, low, or very low incomes.

This bill was pre-filed for introduction in the 2024-2025 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amended the bill to specify that the additional sales and use tax exemption applies to affordable housing projects where all of the units are restricted, rather than intended, for occupants with moderate, low, or very low incomes.