

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 1484

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 11, 2024

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 1484 (1R).

As amended, this bill would exempt from the State's sales and use tax receipts from sales made to contractors or repairmen of materials, supplies, or services used in 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" 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 intended for occupants with moderate, low, or very low incomes.

As amended and reported by the committee, Senate Bill No. 1484 (1R) is identical to Assembly Bill No. 1495 (2R), which was also reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amendments revise the effective date of the bill to provide that the bill would take effect on the first day of the second month next following enactment. The amendments also provide that the sales and use tax exemption established by the bill would apply to sales made on or after the effective date.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that this bill will result in an indeterminate annual loss of State revenue from the sales and use tax. The OLS does not have sufficient data to determine the current level of sales made to contractors and repairmen of materials, supplies, and services for exclusive use in constructing, improving, or repairing the 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.