

LEGISLATIVE FISCAL ESTIMATE

SENATE, No. 2284

STATE OF NEW JERSEY

222nd LEGISLATURE

DATED: JUNE 25, 2026

SUMMARY

Synopsis: Imposes tax on high-quantity processors of financial transactions at \$0.0025 per transaction.

Type of Impact: Annual State revenue and expenditure increases

Agency Affected: Department of the Treasury

Office of Legislative Services Estimate	
Annual State Revenue Increase	\$10.6 billion to \$11.4 billion (Under Contestable Static Assumptions)
Annual State Expenditure Increase	Indeterminate

- The Office of Legislative Services (OLS) estimates that the tax imposed by this bill could yield \$10.6 billion to \$11.4 billion in annual State revenue assuming that all other factors will remain equal. Given the magnitude of the projected revenue increase, however, the static assumption may be subject to plausible challenge. If the operators of stock exchanges were to relocate the processing of financial transactions to other jurisdictions after the passage of the bill, the State revenue increase would be substantially less than the static analysis suggests.
- The administration and enforcement of the tax will increase annual State expenditures by an indeterminate amount.

BILL DESCRIPTION

The bill imposes a tax on persons or entities that process 10,000 or more financial transactions through electronic infrastructure located in the State during a calendar year. Beginning 90 days following enactment, the tax is \$0.0025 per financial transaction processed in the State. A financial transaction is defined as the purchase or sale of a financial security, including a futures contract, options contract, futures option contract, swap contract, derivative, or share of stock in an entity.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

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The OLS projection is based on NASDAQ U.S. Equities Market Volume data. The low-end estimate is predicated on the 4.4 trillion transactions reported for calendar year 2025 and the high-end estimate on the annualization of the nearly 2.0 trillion transactions reported in calendar year 2026 through the end of May.

While publicly available information indicates that the vast majority of U.S. equity transactions are processed in New Jersey, the exact number is not known. For purposes of this estimate, OLS assumes that 96 percent of the U.S. equity market is processed in the State. Notably, data centers in Mahwah, Carteret, and Secaucus process nearly all financial transactions for the three major operators: Intercontinental Exchange (including NYSE, NYSE ARCA, NYSE National), Nasdaq Inc., and the Chicago Board of Options (BZX, BYX, EDGA, EDGX), respectively. The OLS then applies the bill's \$0.0025 tax rate to each transaction.

Lastly, the OLS assumes that the tax will be imposed on each individual share or contract traded. This, however, is not the only possible interpretation of the term "transaction" as used in the bill. An alternative interpretation allows for the application of the \$0.0025 tax rate to every transaction regardless of the number of shares or contracts traded in the transaction.

Section: Revenue, Finance and Appropriations
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Approved: Thomas Koenig
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).