ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

# ASSEMBLY, No. 1269

with committee amendments

# STATE OF NEW JERSEY

DATED: DECEMBER 15, 2020

The Assembly Appropriations Committee reports favorably Assembly Bill No. 1269, with committee amendments.

This bill eliminates the tax on the purchaser in a non-deed transfer of a controlling interest in an entity that owns Class 4A commercial properties, equal to 1 percent of the total consideration paid, if the total consideration for the transfer is in excess of $1 million. Class 4A commercial property is any kind of income-producing real property other than property classified as vacant land, residential property or apartments, farm property, and industrial property.

COMMITTEE AMENDMENTS:

The committee amendments remove provisions of the bill eliminating the fee, equal to 1 percent of the total consideration paid, on the purchaser of Class 4A commercial property transferred by deed for consideration in excess of $1 million.

FISCAL IMPACT:

The Office of Legislative Services (OLS) expects the repeal of the controlling interest transfer tax to reduce State General Fund revenue by roughly $6 million annually