

**SENATE, No. 1687**

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**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

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INTRODUCED FEBRUARY 13, 2020

**Sponsored by:**

**Senator CHRISTOPHER J. CONNORS**

**District 9 (Atlantic, Burlington and Ocean)**

**SYNOPSIS**

Eliminates the New Jersey Transfer Inheritance Tax and repeals parts of chapters 33 through 37 of Title 54 of the Revised Statutes.

**CURRENT VERSION OF TEXT**

As introduced.



1   **AN ACT** eliminating the Transfer Inheritance Tax and repealing  
2       parts of the statutory law.

3  
4       **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5       *of New Jersey:*

6  
7       1. The following sections are repealed:  
8           R.S.54:33-1 through R.S.54:33-12;  
9           R.S.54:34-1 through R.S.54:34-10;  
10          R.S.54:34-12;  
11          R.S.54:34-13;  
12          R.S.54:35-1 through R.S.54:35-22;  
13          R.S.54:36-1 through R.S.54:36-7;  
14          R.S.54:37-1 through R.S.54:37-8;  
15          section 1 of P.L.1940, c.220 (C.54:33-9.1);  
16          section 2 of P.L.1985, c.57 (C.54:33-14);  
17          section 1 of P.L.1955, c.135 (C.54:34-1.1);  
18          section 4 of P.L.1978, c.172 (C.54:35-4.1);  
19          section 1 of P.L.1947, c.369 (C.54:35-5.1);  
20          section 2 of P.L.1956, c.54 (C.54:35-10.1); and  
21          section 1 of P.L.1939, c.122 (C.54:35-23).

22  
23       2. This section applies to the transfer of the estate of every  
24       decedent dying before July 1, 2021 with respect to the laws  
25       repealed by section 1 of P.L.   , c. (pending before the Legislature  
26       as this bill).

27       The repeal shall not affect any obligation, lien, or duty to pay  
28       taxes, interest, or penalties which have accrued or may accrue by  
29       virtue of any taxes imposed pursuant to the provisions of the laws  
30       repealed, or which may be imposed with respect to any  
31       redetermination, correction, recomputation, or deficiency  
32       assessment.

33       All taxes and returns which would have been due and payable  
34       under the provisions of the laws repealed shall be due and payable  
35       as if the laws were in effect.

36       The repeal shall not affect the legal authority of the State to audit  
37       records and assess and collect taxes due or which may be due,  
38       together with such interest and penalties as have accrued or would  
39       have accrued thereon under the provisions of the laws repealed.

40       The repeal shall not affect any determination of, or affect any  
41       proceeding for, the enforcement of the laws repealed.

42  
43       3. This act shall take effect immediately and apply to transfers  
44       associated with deaths occurring on or after July 1, 2021.

STATEMENT

This bill repeals the Transfer Inheritance Tax for transfers of estate for decedents dying on or after July 1, 2021.

Currently, New Jersey imposes a Transfer Inheritance Tax on beneficiaries for the receipt of assets from a New Jersey resident decedent and certain New Jersey assets of nonresident decedents, as determined by the value of the assets transferred and the beneficiary's relationship to the decedent.

The Transfer Inheritance Tax is one of the State's oldest taxes, originating in 1892. The tax is imposed on the transfer of all personal and real property in the estates of New Jersey resident decedents and of all tangible and real property located in New Jersey in the estates of nonresident decedents. The tax was extensively revised in 1985 to exempt from taxation transfers to spouses, ancestors, and descendants of the decedent. But “lateral” transfers, bequests to brothers and sisters of the decedent or their children, and to nonrelatives are taxed at rates of up to 16 percent.

This bill eliminates all remaining taxable “classes” of beneficiaries and eliminates New Jersey’s distinction as being one of only six states to impose an inheritance tax.