

First Jersey Title Reports

*a periodic newsletter from First Jersey
to keep you up to date with the changes in Title Services.*

July 2006

“MANSION TAX” TO INCLUDE COMMERCIAL PROPERTIES

The New Jersey State Legislature enacted Assembly Bill No. A4701, signed into law by Governor Jon Corzine on July 8, 2006.

“Assembly Bill No. 4701 (ACS), as amended, imposes upon the grantee (buyer) of commercial real property classified for real property tax purposes as Class 4A “commercial properties”, for consideration in excess of \$1 million, a fee for the recording of the deed separate from the realty transfer fee imposed on the grantor (seller) equal to 1 percent of the full amount of the consideration paid. Class 4A “commercial properties” are any kind of income-producing real property other than property classified as vacant land, residential property, farm property, industrial properties, and apartments.”

“The bill applies to deed and non-deed transfers occurring on and after August 1, 2006; however, special provisions are made for transactions that were “under contract” before July 1, 2006 and for which the transaction was recorded by November 15, 2006 so that, in the case of a deed transaction, the fee will be refunded after recording and in the case of a non-deed transaction no tax will be due.”

You can find a complete copy of the bill at:

http://www.njleg.state.nj.us/2006/Bills/A5000/4701_R1.PDF

Note that the existing “Affidavit of Consideration for Use by Buyers” (RTF-1EE) has the “Class 4A” commercial property as an exemption for said tax and will indeed be revised to reflect the change. In such an event we will forward you the updated form and post same on our web page.

If you did not receive this message directly from First Jersey Title Services Inc. and would like these Newsletters in the future, please send your name and email address to: info@firstjerseytitle.com and we will add you to our Newsletter Address Book.

This newsletter provides general information only. The information contained herein, while we believe to be reliable and accurate, should not be used as a substitute for review of your specific situation with your counsel or advisor. In no circumstances is this newsletter intended to be a complete treatise of the subject matter. It is intended as insight into new developments and a beginning point for gathering additional information.



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