

First Jersey Title Reports

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

July 1, 2003

Realty Transfer Fee Increase

Assembly Bill 3709 to increase the Realty Transfer Fee (Tax) has been signed into law effective July 1, 2003. P.L. 2003, c. 113. **The implementation of said increases has been delayed from July 1st to July 14th.** All deeds physically delivered or submitted to the county recording office on or after Monday July 14th will be required to remit the revised Realty Transfer Fee. The new legislation supplements the existing Realty Transfer Tax law as follows:

For each conveyance or transfer of property, a supplemental fee of:

- (1) (a) \$0.25 for each \$500.00 of consideration or fractional part thereof not in excess of \$150,000.00 recited in the deed;
 - (b) \$0.85 for each \$500.00 of consideration or fractional part thereof in excess of \$150,000.00 but not in excess of \$200,000.00 recited in the deed; and
 - (c) \$1.40 for each \$500.00 of consideration or fractional part thereof in excess of \$200,000.00 recited in the deed.
- (2) (a) for a transfer described as ***“new construction” partial exemption***, an increase of an additional \$1.00 for each \$500.00 of consideration or fractional part thereof not in excess of \$150,000.00 recited in the deed
 - (b) The supplemental fee shall not be imposed on a conveyance or transfer that is made by a deed described as ***“Exemptions from realty transfer tax,” such as less-than-\$100-consideration, parent to child, or spouse to spouse***, or on a transfer described as ***“Partial fee exemptions,” such as owner-occupied residences sold by senior citizens and blind or disabled persons, or low or moderate income housing***.

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NOTE: The following calculations are an interpretation of Assembly Bill 3709 from the Division of Taxation, State of New Jersey

Calculating Realty Transfer Fee “Standard Conveyance”

<u>Deed Consideration</u>	<u>per \$500</u>	<u>per \$1,000</u>
Up to \$150,000	\$2.00/\$500	\$4.00/\$1,000
\$150,001 to \$200,000	\$3.35/\$500	\$6.70/\$1,000
over \$200,000	\$3.90/\$500	\$7.80/\$1,000

Calculating Realty Transfer Fee “New Construction”

“TO BE REVISED”

<u>Deed Consideration</u>	<u>per \$500</u>	<u>per \$1,000</u>
Up to \$150,000	\$1.75/\$500	\$3.50/\$1,000
\$150,001 and above	\$2.50/\$500	\$5.00/\$1,000

The protected classes of *senior citizens, blind persons and disabled persons, and low or moderate income housing*, continue to enjoy their partial exemption from the Realty Transfer Tax. The new *supplemental fees do NOT apply* to these classes.

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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