

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 4666

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 26, 2025

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 4666.

As amended and reported, this bill increases the amount of the additional taxes and fees imposed on certain transfers of real property for over \$2 million in consideration. The bill also provides that the seller, rather than the buyer, is responsible for the payment of both the additional fee and the controlling interest transfer tax imposed on certain transfers of real property valued at over \$1 million.

Currently, an additional fee is imposed on the buyer of various categories of real property, including residential property, commercial property, certain farm property, and cooperative units, for consideration in excess of \$1 million, as recited in the deed. The State also imposes a controlling interest transfer tax on certain non-deed transfers of commercial property that are not subject to this additional fee. The controlling interest transfer tax is imposed on the purchaser of a controlling interest in an entity that directly or indirectly owns certain commercial property, provided that the consideration paid to acquire the interest exceeds \$1 million. In both cases, the additional fee and controlling interest transfer tax are generally imposed in an amount equal to one percent of the consideration paid to acquire the transferred property or interest.

This bill increases the amount of the additional fee and the controlling interest transfer tax in accordance with the following percentages of the consideration received for certain transferred properties or controlling interests: two percent for transfers over \$2 million but not more than \$2.5 million; two and one-half percent for transfers over \$2.5 million but not more than \$3 million; three percent for transfers over \$3 million but not more than \$3.5 million; and three and one-half percent for transfers over \$3.5 million.

Additionally, this bill amends current law to provide that the seller, rather than the buyer, is responsible for the payment of the additional fee and controlling interest transfer tax.

The bill also permits certain sellers to apply to the Director of the Division of Taxation for a refund of additional fee amounts paid in excess of one percent of the consideration. Specifically, a seller is eligible for a refund, upon submission of any required documentation,

for any fee imposed in excess of one percent of the consideration for a transfer of real property made for consideration in excess of \$1 million which is recorded on or before November 15, 2025 and transferred pursuant to a contract that was fully executed before July 10, 2025.

COMMITTEE AMENDMENTS:

The committee amended the bill to provide that the new rates of the additional fee and controlling interest transfer tax do not apply, provided certain conditions are met, to contracts fully executed before July 10, 2025, instead of to contracts fully executed before July 1, 2025 as the bill was introduced.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.