

STATE OF NEW JERSEY URBAN ENTERPRISE ZONE
SALES TAX BENEFITS SUMMARY

Rev. 11/09

SERVICES - CHARGES/ FEES		EXEMPTION ON PURCHASES FOR QUALIFIED UEZ BUSINESSES+	REDUCED RATE ON SALES FOR APPROVED RETAILERS++
Admissions	Charges to or for the use of any place of amusement in NJ or any entertainment event or sporting activity which takes place in the State (excludes participatory sports)	NO	NO
Catering Services	Prepared meals and beverages	NO	NO
Contractor Services to Real Property	Installation, repair, maintenance, service (includes landscaping, floor covering installation, alarm system installation)	YES+	NO
Delivery	Transporting and handling of goods; providing postage	YES – exempt purchases of TPP; NO - taxable purchases of TPP	YES – exempt purchases of TPP; NO - taxable purchases of TPP+++
Direct Mail Advertising Processing Services	Connected with advertising/promotional material distributed in NJ	NO	NO
Hotel Occupancy	Use, possession or right to use or possess any room or rooms in a hotel (except rooms used for assembly)	NO	NO
Information Services	Furnishing information collected, compiled or analyzed by seller other than personal or individual information not incorporated into reports furnished for other people.	YES +	NO
Laundering, Dry Cleaning Services	Cleaning, processing, tailoring and similar services	YES - linens, drapes, carpets, upholstery, etc. used exclusively at the qualified location	NO
Limousine Services	Transportation originating and ending in NJ	NO	NO
Massage, Tanning, and Tattooing		NO	NO
Membership Fees/Dues	For access to or use of property or facilities of a health and fitness club, athletic, sporting or shopping club	NO	NO
Parking	Parking, storing or garaging a motor vehicle	NO	NO
Repair & Maintenance Services to Motor Vehicles	Motor vehicles are intended for operation on public highways (includes trailers and house trailers)	NO	NO
Repair & Maintenance Services - Nonconventional Motor Vehicles	Noncommercial off-the -road vehicles (e.g. forklifts)	YES+	NO
Safety Deposit Box		NO	NO
Storage Space	Space for storing TPP provided by a business engaged in furnishing space for such storage	NO	NO
Services to Real Property	Repair and maintenance including janitorial and waste removal	YES+	NO
Telecommunications Services	Other than alarm monitoring systems++++	NO	NO

Services to Tangible Personal Property (including telecommunications equipment)	Installation, repair and maintenance services	YES – (no mobile or cellular equipment)	NO
Utility Services	Electricity	NO	NO

ADDITIONAL INFORMATION:

- + Services must be performed exclusively on the property of the qualified UEZ business.
- ++ The 50% reduced rate sales tax collection is not applicable for the sale of services.
- +++ Fees for delivery services follow the taxability of the tangible personal property sold or purchased.
- ++++ Alarm monitoring is included in the definition of investigation and security services which may be exempt when provided exclusively at the qualified UEZ business location

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PERSONAL PROPERTY		EXEMPTION ON PURCHASES, RENTALS, LEASES FOR QUALIFIED BUSINESSES	REDUCED RATE ON SALES, RENTALS AND LEASES FOR RETAILERS
Advertising Materials	Limited to items distributed exclusively at the UEZ business location	YES	YES
Alcohol	Subject to Alcoholic Beverages Tax	NO; Except when purchased as an ingredient in food or baked products - resale exemption may apply	NO
Boats	Boats are not considered motor vehicles; trailers for transporting boats are motor vehicles	NO	YES - Boats NO – Trailers
Building Materials		YES – Used/ Consumed exclusively at qualified UEZ location	YES
Cigarettes	Subject to Tobacco Products Wholesale Sales & Use Tax	NO	NO
Contractor Equipment		NO	YES – except motor vehicles
Energy (Natural Gas/ Electricity)		NO	NO
Office Equipment and Office Furnishings		YES	YES
Food and Food Ingredients	Grocery food items not defined as prepared food	NO	YES
Fuel	Subject to Gross Petroleum Fuels Tax or Motor Fuels Tax	NO	NO
Telecommunications Equipment		YES – stationery, non-mobile or cellular equipment; (e.g. landline/desktop)	YES
Manufacturing Equipment		YES	NO
Motor Vehicles		NO	NO
Off-the Road /Nonconventional Vehicles (e.g. forklifts)		YES	YES
Prepared Food and Beverages		NO	NO
Repair/Replacement Parts - Motor Vehicles		NO	YES
Repair/Replacement Parts – Off-the-road /Nonconventional Vehicles		YES – for vehicles used exclusively at the qualified UEZ location	YES

ADDITIONAL INFORMATION:

Exempt purchases made by qualified businesses do not have to be purchased from sellers located within a UEZ. Exempt items purchased from an out-of-State seller and delivered into New Jersey are exempt from use tax that would otherwise be due.

Purchase transactions must be for tangible personal property or services that are used or consumed by the qualified UEZ business at its zone location.

“Small Qualified Businesses” may issue a UEZ Purchase Exemption Certification (Form UZ-5-SB) for point-of-purchase exempt purchases. All other UEZ businesses must pay sales tax on taxable sales but may apply for a refund of the sales or use tax paid.

For reduced rate sales tax collection completed purchase transactions must be made face-to-face; either by customer ordering at the UEZ qualified retailer’s site or by picking up at that site.

To be authorized to collect sales tax at the reduced rate, the business must make retail sales and is not primarily a catalog, mail order, or internet business.

Contractors must purchase materials, supplies and services that are used and consumed exclusively at the UEZ businesses location.

Delivery charges associated with exempt purchases of tangible personal property are also exempt; delivery charges associates with taxable purchases of tangible personal property are also taxable.