

STATE OF NEW JERSEY URBAN ENTERPRISE ZONE
SALES TAX BENEFITS SUMMARY

Rev. 11/09

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.