

Sales Tax Benefits of New Jersey Urban Enterprise Zone Program

The Jersey City Urban Enterprise Zone benefits both UEZ-certified business owners and retail consumers. Here is a summary of some of the tax benefits:

PERSONAL PROPERTY

| Category | Goods & services | Exemption ¹ on purchases, rentals, leases for all UEZ-certified businesses | Reduced rate on sales, rentals, leases ² for retail consumers ³ |
|-----------------------|---|---|---|
| Admissions | Admissions, Amusements | NO | NO |
| Advertising materials | Sales catalogs, brochures, place mats, flyers, etc. | YES ⁴ | YES |
| Alcohol | Alcoholic beverages | NO | NO |
| Boats | Boats | NO | YES |
| Building Materials | Building materials for repair or new construction (may also be purchased by hired contractor with UZ4 Form, which is still valid for all qualified businesses) ⁵ | YES | YES |
| Cigarettes | Cigarettes | NO | NO |
| Contractor Equipment | Construction equipment used by hired contractor at business site (crane, forklift, tools, etc.) | NO | YES |
| Equipment | Office and business equipment, supplies, trade fixtures, furnishings, and most tangible personal property | YES | YES |
| Food Stores | Most taxable items including candy, magazines, soda, pet food, etc. | NO | YES |
| Foods—Prepared | Restaurant meals and beverages, prepared foods | NO | NO |
| Fuel | Petroleum products gross receipts or fuel taxes | NO | NO |
| Hotel Rooms | Hotel rooms | NO | NO |
| Tele-communications | Non-mobile telecommunications equipment—separate billing | YES | YES |
| Vehicles | Conventional motor vehicles, trailers, or house trailers | NO | NO |
| Vehicles | Conventional motor vehicles parts or supplies | NO | YES |
| Vehicles | Unconventional motor vehicles, i.e., forklifts | YES ⁵ | YES |
| Vehicles | Unconventional motor vehicles parts or supplies | YES | YES |

For a transaction that is eligible for exemption or reduced rate as listed above, DELIVERY charges (e.g. for transportation, postage, handling, etc.) also qualify for exemption or reduced rate.

¹ Purchase/transaction is for the exclusive use or consumption by the eligible business at the Zone location.

² Completed purchase/transaction is made face-to-face, either by customer ordering at site, picking up at site, or both.

³ Vendor regularly exhibits and has an inventory of items for retail sale and is not primarily a catalog or mail-order business.

⁴ Used or suitable for customers at a business site.

⁵ Contractors must pay sales tax on purchases, rentals and leases of equipment used at site.

SERVICES/FEE CHARGES

| Category | Goods & services | Exemption ¹ on purchases, rentals, leases for all UEZ-certified businesses | Reduced rate on sales, rentals, leases ² for retail consumers ³ |
|------------------------------|---|---|---|
| Advertising | Direct mail, advertising processing services | NO | NO |
| Catering Services | Meals and beverages prepared by caterer | NO | NO |
| Contractor Services | Painting, plumbing, landscaping, electrical, installing carpeting and floor covering, etc. | YES ¹ | NO |
| Equipment | Repair of machinery or equipment used at site | YES ¹ | NO |
| General Services | Most services—i.e., repair, janitorial, maintenance, laundry | YES ¹ | NO |
| Information | Furnishing information collected, compiled or analyzed by seller | YES ¹ | NO |
| Investigation & Security | Investigation and detective, security guard and patrol, armored car and security system services | YES ¹ | NO |
| Limousine Services | Limousine transportation services | NO | NO |
| Massage, Tanning & Tattooing | Massage, tanning or tattooing services | NO | NO |
| Membership Fees | Health and fitness, athletic, sporting or shopping club membership fees | NO | NO |
| Safety Deposit | Safety deposit box rentals | NO | NO |
| Storage | Storage service or furnishing space for storage | NO | NO |
| Telecommunications | Repairs and maintenance of non-mobile telecommunications equipment—separate billing | YES ¹ | NO |
| Telecommunications | Telecommunications services (telephone, computer, fax, beeper, security services) | NO | NO |
| Utilities | Natural gas and electricity consumed on-site by approved manufacturers only with at least 250 full-time employees | NO ¹ | NO |
| Vehicles | Unconventional motor vehicles maintenance service | YES ¹ | NO ⁴ |
| Vehicles | Conventional motor vehicle maintenance service or parking fees | NO | NO ⁴ |

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² Completed purchase/transaction is made face-to-face, either by customer ordering at site, picking up at site, or both.

³ Vendor regularly exhibits and has an inventory of items for retail sale and is not primarily a catalog or mail-order business.

⁴ Parts purchased for servicing are exempt provided footnote #3 above is met and they are itemized separately on the invoice.