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CLIENT ALERT

TRANSIENT ACCOMMODATION SALES TAX

Effective October 1, 2018, if you rent your residence or room in a residence through an online marketplace like Airbnb or you list it yourself you may be obligated to register with the Division of Taxation and collect New Jersey Sales Tax as well as a 5% New Jersey Occupancy Tax. A big exception is renting through a licensed realtor.

In general, if you rent your residence to someone or a company for less than 90 consecutive days you need to register and collect the Sales Tax and the 5% Occupancy Tax. You can register by going to the Division of Revenue and Enterprise Services website. Once you register you will receive confirmation in the mail with additional filing instructions and payment information.

The law also authorizes municipalities to impose a Municipal Occupancy Tax except for Atlantic City, Wildwood, Wildwood Crest and North Wildwood. In general, these municipalities are authorized to impose a Tourism Tax.

There are many other provisions in the law. Complete information can be found in the New Jersey Division of Taxation Bulletin, TB-81R dated September 28, 2018.

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Disclaimer: *This e-mail represents a general overview of tax developments and should not be relied upon without an independent, professional analysis of how any of these provisions may apply to a specific situation.*