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**NEW JERSEY UPDATES FOR 2017: MINIMUM WAGE, ESTATE TAX,
SALES & USE TAX, EXPIRATION OF URBAN ENTERPRISE ZONES**

NJ Minimum Wage

Effective January 1, 2017 New Jersey's minimum wage will **rise from \$8.38 per hour to \$8.44** per hour. The new required employer poster can be found at http://lwd.dol.state.nj.us/labor/forms_pdfs/lse/mw-220.pdf

NJ Estate Tax

The New Jersey Estate Tax exemption will increase from \$675,000 to \$2 million for the estates of resident decedents dying on or after January 1, 2017, but before January 1, 2018. For these estates, the New Jersey Estate Tax no longer conforms to the provisions of the federal Internal Revenue Code of 1986 in effect on December 31, 2001 and instead follows the current federal Internal Revenue Code for determining the value of the estate which will be subject to New Jersey Estate Tax.

New Jersey Estate Tax is not imposed on transfers of estates of resident decedents dying on or after January 1, 2018.

In addition to the Estate Tax, New Jersey imposes an Inheritance Tax on the estates of certain resident and nonresident decedents. There are no changes to the New Jersey Inheritance Tax.

NJ Sales & Use Tax

The New Jersey Sales and Use Tax will be reduced in two phases between 2017 and 2018. Effective January 1, 2017 the **Sales and Use Tax rate will decrease from 7% to 6.875%**. Sellers must collect and remit the tax at the rate of 6.875% on all taxable sales of tangible personal property, specified digital products, and enumerated services that occur on and after January 1, 2017. This rate will remain in effect until December 31, 2017. On January 1, 2018 the tax rate will decrease to 6.625%

Expiration of Urban Enterprise Zones

On December 31, 2016, at 11:59 p.m., five Urban Enterprise Zones (UEZ) will expire. Your UEZ - qualified business will be immediately affected if located in one of these five zones. The zones are Bridgeton, Camden, Newark, Plainfield, Trenton.

Beginning January 1, 2017, your business can no longer collect Sales Tax at a reduced rate. Your business must collect and remit Sales Tax at the full effective Sales Tax rate of 6.875%.

Your business will receive an ST-2, Sales Tax Certificate of Authority, which will replace your UZ-2, Urban Enterprise Zone Certificate of Authority. Your UZ-2 expires December 31, 2016.

Your business is no longer eligible for any UEZ incentives or benefits including:

Collecting Sales and Use Tax at half the

Sales Tax rate UEZ Sales Tax exemptions

certificates

UEZ Corporation Business Tax Employees Credit/Investment Tax

Credit and Credit Carry Forward Sales and Use Tax exemption for

natural gas and electricity purchased by certain manufacturers

Sales Tax Exemption for Purchases

Your business cannot use the Urban Enterprise Zone Exemption Certificate (Form UZ-5) or the Contractor's Exemption Certificate (Form UZ-4) on or after January 1, 2017. These certificates will no longer be valid for Sales Tax exemptions on purchases of tangible personal property and services used or consumed exclusively by the qualified businesses at their UEZ location.