

DEO, LAMANNA, DEO & CO., P.C.
ONE INDIAN ROAD
DENVILLE, NJ 07834
TELEPHONE 973-983-8880
FAX 973-983-8228
www.dldcpa.com

Patrick J. Deo, CPA, Cr.FA - E-mail: pat@dldcpa.com
Anthony LaManna, CPA - E-mail: tonyl@dldcpa.com
Michael J. Deo, CPA - E-mail: miked@dldcpa.com

NEW COMMERCIAL REALTY TRANSFER FEES

Along with all the other "tax" increases, two new "fees" have been added to the "cost" of doing business in New Jersey. Effective for contracts after June 30, 2006:

- 1) The purchaser of "commercial" property must pay a transfer fee of 1% of the purchase price where the price is in excess of \$1 million.
- 2) The purchaser(s) of a "controlling interest" in "commercial" property must pay a fee of 1% of the purchase price where the price is in excess of \$1 million. The transfer of a "controlling interest" can be in one transaction or a series of transactions within six months of each other.

Any questions regarding the above as it pertains to the conveyance of deeds, may be directed to the Realty Transfer Fee section at (609) 292-7974. Any questions regarding the above as it pertains to the non-deed transfer/purchase of controlling interests in real property, may be sent to the Division by completing the e-mail contact form at http://www.state.nj.us/treasury/taxation/contactus_tyttaxa.html. In the "Topic" box click on the word "Business." In the "Subject" box click on "Changing Business Registration."

July 24, 2006

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. Any tax information contained in the body of this e-mail was not intended or written to be used, and cannot be used, by the recipient for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code or applicable state or local tax law provisions.*