

## Sales and Use Tax Exemption Program (STX)

For more information on Sales and Use Tax Exemption Program (STX), visit [www.njeda.com](http://www.njeda.com)

\*All fees are non-refundable.

### If You Are:

A company with 1,000 or more employees that needs to make purchases for construction and renovation of a new business location.

### You Can Apply For:

A sales tax exemption certificate.

*Note – Applies only to property purchased for installation in approved project.*

### To Be Used For:

Purchase machinery, equipment, furniture and furnishings, fixtures and building materials other than tools and supplies for placement at the project location without the imposition of sales and use tax until the new facility is functional.

### Benefits:

This program encourages economic development and preserves jobs that currently exist in the State of New Jersey.

*continued*

## Program Details:

An approved company can receive a sales tax exemption certificate, which applies only to property purchased for installation at the approved project site. This certificate allows the business to purchase machinery, equipment, furniture, fixtures, and building materials for the project without the imposition of the state's 7% sales tax.

- A company must have 1,000 or more employees and relocate at least 500 workers to a new or substantially rehabilitated facility.
- Life sciences or manufacturing companies relocating 250 or more employees may be eligible.
- Companies must maintain the retained full-time jobs for five years.
- Qualifying companies must demonstrate that receiving the Sales and Use Tax

Exemption benefit is a material factor in the company's decision not to relocate outside of New Jersey, they must provide health care benefits to employees, and they or a predecessor entity must have operated in New Jersey for at least 10 years (point-of-purchase/retail facilities are excluded).

## Fees:\*

- Application fee: \$1,000
- Modification fee: \$750 (administrative change); \$1,500 (major change)
- Servicing fee: Equal to 2% of sales tax exemption used in previous year with a cap of \$75,000 (an annual fee - payable until newly constructed building is occupied and quarterly reports are no longer necessary)

Division of Taxation Tax Clearance Certificate required. Certificates may be requested through the [State of New Jersey's Premier Business Services \(PBS\) portal online](#)

- Under the Tax & Revenue Center, select Tax Services, then select Business Incentive Tax Clearance.
- If the applicant's account is in compliance with its tax obligations and no liabilities exist, the Business Incentive Tax Clearance can be printed directly through PBS.

**Please note: It is the applicant/client's responsibility to maintain a current and clear tax clearance certificate. If a current and clear certificate is not evidenced to EDA at time of closing, EDA will not proceed with closing.**

