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NJ Division of Taxation Reminds Consumers & Business Owners That Sales Tax Rate Will Change to 6.875% in the New Year

TRENTON – The New Jersey Division of Taxation is reminding business owners that the State Sales and Use Tax rate will be reduced to 6.875% on Jan. 1, 2017.

The previous rate of 7% has remained unchanged since 2006. Business owners should prepare to change their point-of-sale systems to reflect the lower rate for the New Year.

Rates for State Sales Tax in Urban Enterprise Zones also will change on Jan. 1, 2017. The rate in a designated UEZ will be 50 percent of the Sales Tax rate, or 3.4375%. The previous UEZ rate was 3.5%.

Calculate the tax due using either the ST-75, Sales Tax Collection Schedule (Click here: <u>ST-75</u>) or by multiplying taxable receipts by the applicable rate. Taxes are calculated to the third decimal point. Round up for one-half cent (\$0.005) or higher. Round down for less than half a cent.

Click here for more information – <u>Sales Tax</u> – or here to contact the Division: <u>Tax Questions</u>

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