



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
P. O. Box 251
TRENTON, NEW JERSEY 08695-0251

PHILIP D. MURPHY
Governor

ELIZABETH MAHER MUOIO
State Treasurer

TAHESHA L. WAY
Lt. Governor

MARITA R. SCIARROTTA
Director

Telephone (609) 292-7974 / Facsimile (609) 292-9439

MEMORANDUM

**TO: COUNTY CLERKS/RECORDING OFFICERS,
COUNTY CHIEF FINANCIAL OFFICERS,
ATTORNEYS AND TITLE OFFICERS**

**FROM: SHELLY REILEY, ASSISTANT DIRECTOR
DIVISION OF TAXATION**

**SUBJECT: AMEDEMEMENTS TO GRADUATED PERCENT FEE ON REALTY TRANSFERS
OVER \$1 MILLION**

DATE: JULY 2, 2025

On June 30, 2025, P.L. 2025, c. 69 was enacted to take effect on July 10, 2025. The 1% fee on transfers for consideration over \$1 million now is a Graduated Percent Fee with graduated percentage rates based on consideration. Further, it is legally imposed on the grantor instead of the grantee.

For deeds that are submitted to the county recording officer on or after July 10, 2025, the Graduated Percent Fee on transfers over \$1 Million shall be imposed as follows:

1. 1% of total consideration if in excess of \$1,000,000 but not in excess of \$2,000,000;
2. 2% of total consideration if in excess of \$2,000,000 but not in excess of \$2,500,000;
3. 2.5% of total consideration if in excess of \$2,500,000 but not in excess of \$3,000,000;
4. 3% of total consideration if in excess of \$3,000,000 but not in excess of \$3,500,000;
5. 3.5% of total consideration if in excess of \$3,500,000.

This is a straight application of a percentage of total consideration, varying depending on the amount of consideration. So, for example, a deed transfer for \$2.75 million will be subject to an Graduated Percent Fee of 2.5% x \$2.75 million, resulting in \$68,750 due at recording in addition to the other grantor fees.

Once again, P.L. 2025, c. 69 is effective on July 10, 2025 and applies to transfers on or after that date. If a deed with a consideration over \$1 million is submitted for recording **before July 10**, any **refund claims** should be made **by the grantee** or authorized agent. For deeds recorded **on or after July 10**, all **refund claims** will be made **by the grantor** or authorized agent.

Pursuant to Section 2 of P.L. 2025, c. 69, certain deeds recordings are eligible for a refund of any Graduated Percent Fee paid in excess of 1% of consideration. Under this provision, if:

- 1. a deed has a consideration in excess of \$2 million;**

2. the parties to the transaction have fully executed a contract prior to July 10, 2025; and

3. the deed is recorded on or before November 15, 2025,

the seller may request a refund for any amount of Graduated Percent Fee paid in excess of 1% of the consideration by filing a claim with the Division of Taxation within one year following the recording date of the deed.

The Division requires the filing of a completed Claim for Refund (from RTF-3); copy of the deed; complete copy of the fully executed contract of sale signed by all parties; the official, fully executed settlement statement form the transaction (HUD-1); and any additional documentation necessary to process the refund claim. When filing a Claim for Refund, please note that the contract of sale does not need to be recorded at the county offices.

The RTF-1EE, Affidavit for Use by Grantee, and RTF-3, Claim for Refund, will be amended to reflect the changes to the law, included the fee becoming a Graduated Percent Fee and the liability for the same shifting to the grantor. The Division is cognizant that there will be a transition period in which refund claims will still be filed by grantees, and the RTF-3 will have language addressing who should be filing the claim for refund based on the date the deed is recorded. The RTF-3 will continue to be amended when all claims are to be filed by grantors, and following the end of the time period described for the refund provisions in Section 2 of P.L. 2025, c. 69.

SR:LR