



To: All New Jersey Policy Issuing Agents of WFG National Title Insurance Company
From: WFG Underwriting Department
Date: July 10, 2025
Bulletin No.: NJ 2025-01
Subject: Significant Changes to New Jersey's Mansion Tax

As part of the State's 2026 budget, the Governor signed into law P.L. 2025, c. 69 which significantly increased the so-called "Mansion Tax" effective July 10, 2025. The 1% fee on transfers for consideration over \$1million is now a graduated percent fee with graduated rates based on consideration. The other major shift is the fee is now imposed on the seller and not the buyer as in the past.

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. 1.1% 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.

For example, a deed transfer for \$2.75 million will be subject to a Graduated Percent Fee (i.e. "Mansion Tax") 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 deed recordings are eligible for a refund of any Mansion Tax paid in excess of 1% of consideration but only if the following three items apply:

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

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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.

If all three items are met, the seller may request a refund for any amount of Mansion Tax 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.

The New Jersey Division of Taxation website [<https://www.nj.gov/treasury/taxation/>] posted Memorandums on July 2, 2025 and July 9, 2025 which were sent to all County Clerks and Recording Officers.

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