



Space for Storage & New Jersey Sales Tax

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Taxable Services The New Jersey Sales and Use Tax Act imposes sales tax on the service of furnishing space for the storage of tangible personal property by a person engaged in the business of furnishing space for such storage. Charges for the *service* of storing all tangible personal property not held for sale in the regular course of business and the rental of safe deposit boxes or similar space are also subject to tax.

“Space for storage” means secure areas, such as rooms, units, compartments, or containers (e.g., a “self-storage” or “miniwarehouse” unit), whether accessible from outside or from within a building, that are designated for the use of a customer and wherein the customer has free access within reasonable business hours, or upon reasonable notice to the furnisher of the space for storage, to store and retrieve property. Space for storage does not include the lease or rental of an entire building, such as a warehouse or airplane hanger.

“By a person engaged in the business of furnishing space for such storage” means that the seller of the storage space is actually in the business of offering the space regularly to the public as a business activity. For example, an apartment complex that only rents storage space to tenants is not in the business of renting storage space because the charges are incidental to the business of renting residential dwelling units. Thus, charges to a tenant to rent a storage unit in the apartment complex are not subject to tax. However, if any member of the public can rent space for storage at the apartment complex without being a tenant at the building, then the apartment is engaged in the business of furnishing storage space and the charge for the rental of storage space is subject to tax for both tenants and nontenants of the apartment building.

Exemptions

Goods Held for Sale. Charges for storage space which is used to store property that is held for sale is not subject to sales tax (e.g., storage of a business’s inventory). A New Jersey Resale Certificate ([Form ST-3](#)) or the Streamlined Sales and Use Tax Exemption Certificate ([Form ST-SST](#)) must be provided by the renter of the space as documentation that the goods being stored are the purchaser’s inventory.

Open Space in a Building or Structure. In order to be taxable as “space for storage,” the space must be a secure unit, room, compartment, container, or similar space. The rental of open and allocated space, such as designated areas in a hangar which are available for the use of many aircraft, is not subject to tax under this provision.

Registration

New Jersey law requires all businesses to register with the State for tax purposes at least 15 business days before starting business. To register, a **Business Registration Application** ([Form NJ-REG](#)) must be filed. Form NJ-REG may be filed online through the Division of Revenue’s New Jersey Business Gateway Registry Services at: www.state.nj.us/treasury/revenue. If the application indicates that the business will collect sales tax or purchase materials for resale, a **New Jersey Certificate of Authority** ([Form CA-1](#)) for sales tax is sent to the business. This certificate provides authorization from the State of New Jersey to collect sales tax and issue or accept exemption certificates. A seller **must** be registered with New Jersey to accept exemption certificates. A Public Records Filing may also be required depending upon the type of business ownership. More information on Public Records Filing is available in the New Jersey Complete Business Registration Package ([NJ REG](#)) or by calling 609-292-9292.

**For More
Information**

For more information on space for storage and New Jersey sales tax, contact the Division's Customer Service Center at 609-292-6400, e-mail us at nj.taxation@treas.state.nj.us, or write to:

NEW JERSEY DIVISION OF TAXATION
TECHNICAL INFORMATION BRANCH
PO BOX 281
TRENTON NJ 08695-0281

Many State tax forms and publications are available by fax and on our Web site. Call NJ TaxFax at 609-826-4500 from your fax machine's phone, or access the Division's home page at:

www.state.nj.us/treasury/taxation/

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