



Mason, Griffin & Pierson, P.C.
Counsellors at Law • Since 1955

Highlights:

Kevin Van Hise, New Associate with the Firm

details on page 2

Higher Transfer Fees for Sellers of New Jersey Real Estate

“Specifically, the law provides for a tax to be paid by sellers of real property with a selling price over \$350,000, as recited in the deed of conveyance.”

deatils on page 2

New Jersey Enacts “Millionaires’ Tax”

On June 21st, the New Jersey legislature approved the Governor’s property tax relief plan which raises the state income tax on households with gross incomes above \$500,000. This tax, dubbed by some as the “Millionaires’ Tax,” increases the income tax rate from 6.37% to 8.97% on income above \$500,000. The tax is effective immediately and is retroactive to January 1, 2004. The increased revenue resulting from the imposition of the “Millionaires’ Tax” will be used to provide higher property tax rebates primarily to senior and disabled homeowners. For more information visit the New Jersey Division of Taxation website at www.state.nj.us/treasury/taxation.



Counsellor

Timely News and Information from Mason, Griffin & Pierson, P.C.

Mason, Griffin & Pierson Opens Pennington Office

Earlier this year, the firm opened an office in Pennington, New Jersey. With an expanding client base in southern Hunterdon county and in the Hopewell Valley, the Pennington Point West Office Park affords our individual and business clients an ideal location to meet with our attorneys. Legal services which are offered in the



Valerie L. Howe, Esq. at the firm’s new office in Pennington.

Princeton office will also be available in the new Pennington office, with a particular emphasis on estate planning, estate administration, and real estate law (both commercial and residential). See reverse side for a com-

plete list of the firm’s practice areas. Our Pennington office is located at 2 Tree Farm Road, Suite A230 (609-436-1270). We look forward to seeing you in Pennington!

New Jersey Recognizes Domestic Partners

by Lisa M. Randazzese, Esq.

On July 10, 2004, New Jersey’s Domestic Partnership Act (“Act”) went into effect. The Act creates the legal status of “domestic partners” for registered same-sex couples over the age of 18 and opposite-sex couples over the age of 62. The Act confers certain rights and benefits, and imposes certain obligations and responsibilities upon those who register as domestic partners.

The Act grants to domestic partners some of the benefits that are currently afforded to married couples, such as legal and medical decision-making rights for an incapacitated domestic partner, health and pension benefits for domestic partners of State

employees, and health and retirement benefits for domestic partners of county, municipal and private employees (if their employers elect to extend those rights).

The Act does not afford *all* of the same rights to domestic partners as the marriage laws give to a husband and wife. For instance, the Act does not require financial support or property sharing upon the termination of a domestic partnership; when the domestic partnership ceases, there is no “marital” property division or alimony obligation. Additionally, the Act does not give a surviving domestic partner the right to inherit from a deceased domestic partner in the absence of a will.

continued on back

NJ Recognizes Domestic Partners *continued from front*

Similar to marriage license requirements, the Act requires applicants seeking designation as domestic partners to obtain a "Certificate of Domestic Partnership." Unlike a marriage, however, there is no solemnization requirement (i.e., ceremonial exchanging of vows) before a domestic partnership is recognized. To receive a Certificate of Domestic Partnership, the couple must affirm that: both persons are at least 18 years of age, have a common residence and are otherwise jointly responsible for each other's basic living expenses; neither person is married, is a member of another domestic partnership nor has been a partner in a domestic partnership that was terminated less than 180 days prior; neither person is related to the other; both persons are either of the same sex or 62 years of age or older and not of the same sex; and both persons have chosen to share each other's lives in a committed relationship of mutual caring.

Terminating a domestic partnership under the Act is similar to securing a divorce, requiring grounds for dissolution similar to those under marriage laws and application to Superior Court for dissolution.



Lisa M. Randazzese, Esq. is an associate at Mason, Griffin & Pierson, P.C. She is a graduate of Rutgers Law School, Camden and was Law Clerk to Honorable Linda R. Feinberg, A.J.S.C., from 1999 to 2000. She is a member of the Mercer County Bar Association and is admitted to practice law in New Jersey and Pennsylvania. Ms. Randazzese is a member of the firm's Governmental Affairs Practice Group, and she can be reached at 609-436-1213.

Kevin Van Hise, New Associate with the Firm

Mr. Van Hise is a graduate of Rutgers, Livingston College and Rutgers School of Law, Camden. He was the law clerk to Honorable Paul Innes, J.S.C. and Honorable Charles A. Delehey, J.S.C. Mr. Van Hise practices in the areas of Local Government Law, Litigation, and Real Estate Law. He is admitted to practice in Pennsylvania and New Jersey and in the U.S. District Court, District of New Jersey. He can be reached at 609-436-1209 and at k.vanhise@mgplaw.com.



Higher Transfer Fees for Sellers of New Jersey Real Estate *by Allison Zangrilli, Esq.*

On June 30, 2004, Governor McGreevey signed legislation which imposes a "general purpose fee" on certain realty transfers in New Jersey. Specifically, the law provides for a tax to be paid by sellers of real property with a selling price over \$350,000, as recited in the deed of conveyance. The general purpose fee is in addition to the present realty transfer tax. Currently, the rates on existing homes and new construction are:

Existing Fee	Per	On Sale Price
\$2.00	\$500	up to \$150,000
\$3.35	\$500	> \$150,000 up to \$200,000
\$3.90	\$500	> \$200,000

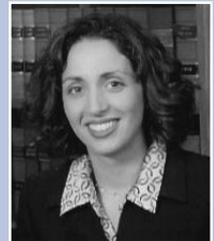
Therefore, a seller of a home with a sales price of \$400,000 now pays a tax of \$2,495 upon closing of title. The new law provides for a tax *in addition* to the above, since the sales price exceeds \$350,000, at the following rates:

Additional Fee	Per	On Sale Price
\$.90	\$500	up to \$550,000
\$1.40	\$500	> \$550,000 up to \$850,000
\$1.90	\$500	> \$850,000 up to \$1,000,000
\$2.15	\$500	> \$1,000,000

The Seller of a home with a sales price of \$400,000, therefore, will now pay the above \$2,495, *plus the new general purpose fee of \$720, for a total tax of \$3,215.*

In addition, the new law creates a fee of 1% of the total purchase price to be paid by buyers of residentially zoned real property with a selling price over \$1,000,000. The new law is effective August 1, 2004, and applies to transactions closing after that date.

Allison S. Zangrilli, Esq. is an associate at Mason, Griffin & Pierson, P.C. She is a graduate of Rutgers Law School, Camden and is admitted to practice law in New Jersey, Pennsylvania and New York. She is a member of the Mercer County Bar Association. Ms. Zangrilli is a member of the firm's Real Estate and Land Use Practice Group and can be reached at 609-436-1214.



Practice Groups

Bankruptcy • Business & Banking • Criminal Law • Employment Law • Estates & Trusts
Governmental Affairs • Litigation • Personal Injury • Real Estate & Land Use



Mason, Griffin & Pierson, P.C.
Counsellors at Law • Since 1955

101 Poor Farm Road • Princeton, NJ 08540 • 609-921-6543 • www.mgplaw.com

32 Church Street • Flemington, NJ 08822 • 866-647-5291 2 Tree Farm Road, Suite A230 • Pennington, NJ 08534 • 609-436-1270

DISCLAIMER: The material contained in this newsletter is published for informational purposes only. This newsletter is not offered, and should not be construed, as legal advice. Receipt of this newsletter is not intended to create an attorney-client relationship with the attorneys of Mason, Griffin & Pierson, P.C. You should not act or rely upon information contained in this newsletter without specifically seeking the advice of a legal professional.