



## Urban Enterprise Zone – Alarm Monitoring Services

**TAM 2010-2 – Issued November 1, 2010**

**Tax: Sales and Use Tax**

The New Jersey Sales and Use Tax Act imposes tax on investigation and security services. The definition of *investigation and security services* includes the installation, repair, or monitoring of security, burglar, and fire alarm systems. N.J.S.A. 54:32B-3(b)(11).

The Urban Enterprise Zone (UEZ) Sales Tax purchase exemption provided under N.J.S.A. 52:27H-79 allows a qualified business operating in a UEZ to make purchases of tangible personal property and services that are exempt from Sales and Use Tax when the property and services are used or consumed exclusively at the qualified business's registered location in the UEZ. The Division has determined that a qualified UEZ business may purchase security, burglar, and fire alarm system monitoring services without having to pay Sales or Use Tax when the services are performed exclusively on an alarm system at the UEZ business location.

To claim the exemption, a qualified business must give the service provider a completed Urban Enterprise Zone Exemption Certificate (Form UZ-5) upon purchase. Also, the services charge must be separately stated from any other charges for tangible personal property and from services that may not be exempt, but are purchased from the same supplier or provider (e.g. mobile phones, laptop/notebook computers, telecommunications services).

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