



## Auctioneers & New Jersey Sales Tax

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### Registration

Auctioneers are required to register and collect Sales Tax when selling taxable tangible personal property in New Jersey either for themselves or on behalf of others. To fulfill the registration obligation, an auctioneer must file a **Business Registration Application** ([Form NJ-REG](#)), which can be filed [online](#) through the Division of Revenue and Enterprise Services' NJ Business Gateway Services website. If the application indicates that the auctioneer will collect Sales Tax or purchase materials for resale, the Division of Revenue and Enterprise Services will send the auctioneer a **New Jersey Certificate of Authority (Form CA-1)**.

This is the authorization to collect New Jersey Sales Tax and accept exemption certificates. The auctioneer **must** be registered with New Jersey to accept exemption certificates. A public records filing may also be required depending on 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.

An out-of-state auctioneer who auctions taxable tangible personal property in New Jersey must register with the State even if the auctioneer has no intention of continuing to auction in the state. After the sale, the auctioneer may apply to be put on a non-reporting basis for Sales Tax purposes by filing a **New Jersey Request to be Placed on a Non-Reporting Basis** ([Form C-6205-ST](#)). Auctioneers also can make changes to their registration information through the Division of Revenue and Enterprise Services [Online Registration Change Service](#).

### Purchases by Auctioneers

If an auctioneer purchases taxable tangible personal property in New Jersey intended for resale, the property may be purchased without paying Sales Tax as long as the auctioneer gives the supplier a completed **New Jersey Resale Certificate** ([Form ST-3](#)) or **Streamlined Sales and Use Tax Agreement Certificate of Exemption** ([Form ST-SST](#)). The purchaser must complete all fields on the exemption certificate in order to claim the exemption. To accept a New Jersey Resale Certificate, the supplier must be registered with the State.

**Example:** John, an auctioneer, purchases several tables from Molly's Antique Shop for resale at his auction house. John may purchase the tables without paying Sales Tax as long as he gives Molly a completed resale certificate. Molly must be registered with the State to accept the exemption certificate.

Out-of-state and in-state auctioneers making purchases in New Jersey for resale may give a completed **New Jersey Resale Certificate** ([Form ST-3](#)) or **Streamlined Sales and Use Tax Agreement Certificate of Exemption** ([Form ST-SST](#)) to the supplier.

An auctioneer also may purchase taxable tangible personal property intended for resale without paying Sales Tax as long as the property was purchased by the owner for personal use in this state, and the owner is not engaged in the business of selling at retail. When the auctioneer sells the taxable tangible personal property, however, Sales Tax must be collected on all taxable sales.

**Example:** Bill, the proprietor of an auction house, specializes in antique furniture. He gets most of his inventory at estate sales. When Bill purchases antiques for resale from an estate, no Sales Tax is due. He must collect Sales Tax when he sells the items.

## **Casual Sales**

A transaction qualifies as a nontaxable casual sale if it is an isolated or occasional sale of tangible personal property by a person not regularly engaged in the business of retail sales; and

- a. The person making the sale obtained the property for his own use; and
- b. Sales are not conducted more than four times during a calendar year and last no more than one week at a time.

## **Auction Sales**

An auction sale of taxable tangible personal property on the premises of the owner of the property who acquired the property for personal use is a casual sale and is not subject to Sales Tax. However, an auction sale of taxable tangible personal property purchased by the owner for personal use and sold at a location *other than* the owner's premises is not a casual sale and is subject to Sales Tax.

## **Retail Sales**

Sales by auctioneers on their own premises are considered retail sales. Such sales of taxable tangible personal property owned by different businesses or individuals and assembled for auction are taxable.

The auctioneer, as agent of the owner of the property sold at the auction, must collect, report, and remit Sales Tax due.

## **Sheriff Auctions**

A sale conducted under a court order, such as a sheriff's auction, is considered a nontaxable casual sale. The same guidelines apply with the following differences: the tangible personal property may be sold on behalf of the creditors instead of the owner, and the property may be sold at a location in the state *other than* the premises of the owner.

## **Commission**

Sales Tax is not imposed on the charge for an auctioneer's services. However, if a percentage of the price of a taxable item is paid to the auctioneer as a commission, the Sales Tax must be calculated before the commission is deducted.

## **Out-of-State Delivery**

An auctioneer registered with the State is not required to charge and collect New Jersey Sales Tax when selling taxable tangible personal property to an out-of-state purchaser and delivering the goods out of state for the purchaser's use. However, if the out-of-state purchaser picks up the taxable property in New Jersey, or arranges for his agent to do so, the auctioneer is required to collect Sales Tax.

A sale is taxable if the seller is required to deliver the tangible personal property by his own vehicles and employees, common carrier, or parcel post of the United States mails to a destination within this state.

## **For More Information**

For more information, contact the Division's Customer Service Center at 609-292-6400 or [email](#) us. Many State tax forms and publications are available on our [website](#).