

November 19, 2021

## Paving the Way: New Jersey New Concrete Mandate and Tax Incentives

Governor Phil Murphy signed into law S3091/A4933 (Concrete Mandate), which requires builders to offer unit concrete products that utilize carbon footprint-reducing technology as an option in new construction and establishes new tax incentives and exemptions for utilizing said concrete products.

A “unit concrete product that utilizes carbon footprint-reducing technology” is defined as a unit concrete product that is certified by the Department of Environmental Protection (DEP) or an independent third-party authorized by the DEP as generating at least 50 percent less carbon dioxide emissions in production than a conventional unit concrete product made with ordinary Portland cement. Note that unit concrete product does not include ready-mix concrete, sand, stone, gravel, or bituminous concrete or asphalt.

### *State and Local Government Purchasing Preferences*

Any local contracting unit or state agency with authority to contract for the purchase of goods or services is required, whenever technically feasible, to use or require the use of unit concrete products that utilize carbon footprint-reducing technology, including permeable pavers.

### *Exemption from Sales and Use Tax*

Sales of unit concrete products that utilize carbon footprint-reducing technology, including permeable pavement, used in the construction or improvement of any residential dwelling or commercial building in the state of New Jersey are exempt from the Sales and Use Tax.

### *Tax Credits*

To qualify for a corporation business tax credit or gross income tax credit, a taxpayer would be required to purchase at least 100 square feet of qualified unit concrete products. Further, receipts for the unit concrete products and an affidavit that the products are or will be used exclusively in New Jersey are required to claim the tax credits. The amount of the tax credit would be equal to \$2.00 per square foot of qualified unit concrete products purchased, capped at a maximum of \$3,000 for residential properties and \$30,000 for a commercial property in a single privilege period. Any excess credit not utilized may be carried forward seven years. Note that no costs included in the calculation of a credit under the Concrete Mandate can be included in the calculation of any other corporate business tax credit or gross income tax credit.

## Authors



**Craig M. Gianetti**

**Partner**

Parsippany, NJ | (973) 966-8053

[cgianetti@daypitney.com](mailto:cgianetti@daypitney.com)



**Drew A. Levinson**

**Senior Associate**

Parsippany, NJ | (973) 966-8051

[dlevinson@daypitney.com](mailto:dlevinson@daypitney.com)



**Katharine A. Coffey**

**Partner**

Parsippany, NJ | (973) 966-8323

[kcoffey@daypitney.com](mailto:kcoffey@daypitney.com)



**Luke S. Pontier**

**Senior Associate**

Parsippany, NJ | (973) 966-8714

[lpontier@daypitney.com](mailto:lpontier@daypitney.com)



**Nicole M. Magdziak**

**Partner**

Parsippany, NJ | (973) 966-8027

[nmagdziak@daypitney.com](mailto:nmagdziak@daypitney.com)



**Peter J. Wolfson**

**Partner**

Parsippany, NJ | (973) 966-8298

[pwolfson@daypitney.com](mailto:pwolfson@daypitney.com)



Thomas J. Malman

Partner

Parsippany, NJ | (973) 966-8179

[tmalman@daypitney.com](mailto:tmalman@daypitney.com)