



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 “mini-warehouse” 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 hangar.

“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 non-tenants 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 fulfill the registration obligation, you can print out, then file a **Business Registration Application** ([Form NJ-REG](#)) by mail. You can file [online](#) through the Division of Revenue and Enterprise Services' NJ Business Gateway Services website. If your application indicates that the business will collect Sales Tax or purchase materials for resale, the Division of Revenue and Enterprise Services will send you a **New Jersey Certificate of Authority (Form CA-1)**. This is your authorization to collect New Jersey Sales Tax and accept exemption certificates for tax-exempt sales. You **must** be registered with New Jersey to accept exemption certificates. You also may be required to make a public records filing 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.

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](#).