

Sales/Use/Indirect:

New Jersey Division of Taxation Guidance Addresses Tax Treatment of Tariff Mark Ups

Sales Tax Treatment of Tariff Mark Ups, N.J. Div. of Tax. (5/20/25). The New Jersey Division of Taxation (Division) explains that the imposition of tariffs (*i.e.*, “a federal tax imposed on importers when goods are imported”) may result in an increased product cost and that when a seller passes along the cost of a tariff to the consumer or purchaser, the charges are subject to New Jersey sales tax as part of the taxable sales price, even if the tariff is separately stated to the purchaser. By way of example, the Division explains that if the US government imposes a tariff on furniture imported from another country, that tariff is passed along to the furniture seller. In this case, a seller may “increase the sales price of the furniture sold to customers to maintain its profit margins,” and that if such seller “marks up the price of the furniture,” even if it is billed as a separately stated fee, the increased cost and/or fee is subject to New Jersey sales tax because it is part of the taxable sales price. Please contact us with any questions.

URL: <https://www.nj.gov/treasury/taxation/businesses/salestax/tariffs.shtml>

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