



NJ Hotel/Motel Occupancy Fee Primer

Hotel and Motel Occupancy Fee of 5% for occupancies on and after July 1, 2004:

- 3% of 5% (60% of total fees) to State of NJ
- 2% of 5% (40% of total fees) to arts, history and tourism.

“The annual appropriations act for each State Fiscal Year, commencing with FY05, shall appropriate and distribute during that fiscal year amounts not less than the amount otherwise specified for State Fiscal Year 2004.”

A “poison pill” provision, put forward by Senator Leonard Lance, provided that if appropriations to art, history and tourism are not met, or if an amendment or supplement to an annual appropriations act should violate the provisions which call for distribution to arts, history and tourism, then the Director of the Division of Taxation shall curtail collection of the Hotel/Motel Occupancy Fee.

A3101 was signed into law in January 2020 and amends original legislation to appropriate “amounts not less than the amount otherwise specified for State Fiscal Year 2005.”

Governor Murphy has proposed the increased appropriations for arts, history, and tourism in the FY22 budget, which must be passed by July 1, 2021.

	FY20 Levels since 2010	New FY21 Minimum levels as per A3101	Proposed by Governor Murphy FY22 NJ State Budget (Feb. 2021)
NJ State Council on the Arts	\$16 m	\$22.68 m	\$31.9 m
NJ Historical Commission	\$2.7 m	\$3.84 m	\$5.5 m
NJ Division of Travel & Tourism	\$9 m	\$12.76 m	\$17.6 m
NJ Cultural Trust	\$500k	\$720 k	\$720 k
TOTAL	\$28.2 m	\$40.0 m	\$55.72 m