

New Jersey to Roll Back COVID-era Tax Relief Measures in Less Than Six Weeks

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Beginning on October 1, 2021, New Jersey will join [the list of states](#) rolling back their COVID-era tax relief measures as the United States sees higher levels of vaccination.

In March of last year, New Jersey announced that for the duration of the COVID-19 pandemic, it would temporarily waive certain business tax nexus standards and employer tax withholding obligations. These measures established that:

1. an employee of an out-of-state corporation working from New Jersey would not create nexus for income tax, as well as sales and use tax, and
2. that employers could source income in accordance with the employee's pre-pandemic location, instead of where the service or employment is performed.

In adherence with the rollback measures, businesses are advised to prepare to comply with normative state laws, wherein an employee working remotely in New Jersey will create both income and sales tax nexus from an employer, and such wages paid to the employee are subject to the state's payroll tax rules.

As recovery continues, more and more states will similarly roll back their pandemic tax relief measures. For example, California's governor also recently signed an Executive Order ending its temporary nexus exception for those working under stay-at-home orders.

If you have any questions about your state tax liability as these and other COVID-era tax relief measures are rolled back, please contact [Alan Goldenberg](#), Principal and Leader of Anchin's State and Local Tax Group, or your Anchin Relationship Partner.