

# VIZZONI & COSTELLO, L.L.C.

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## Attorneys At Law

### SUMMER 2004 UPDATE

- **New Law Permits Designation of Individual to Carry Out Funeral Instructions.** A new law, effective April 14<sup>th</sup>, allows you to grant authority to a person to control your funeral arrangements and disposition of remains. The authority is granted by making a specific designation in your Last Will and Testament. Absent such a designation, the authority vests with your surviving family members (with the surviving spouse having primary authorization, followed by surviving adult children, parents, or a majority of siblings), *regardless of who is named as Executor under your Will*. Those of you feel strongly about this issue should contact us as soon as possible so that your Will can be revised or drafted accordingly.
- **Recent New Jersey Tax Legislation- Good News and Bad News.** New tax legislation was just enacted as part of the State's 2005 Budget. First the good news. As part of the new FAIR (Fair And Immediate Relief) program, increased property tax relief will be available to New Jersey homeowners and tenants. Generally, rebates for low income seniors and the disabled will rise from \$775 to \$1,200. Households with incomes below \$125,000 will see their rebates rise from an average of \$250 to a maximum of \$800, and those with incomes between \$125,000 and \$200,000 will receive a maximum rebate of \$500. Now the bad news. The so-called "*Millionaire's Tax*" will increase the top rate applicable to taxable income over \$500,000 by about 41% (from 6.37% to 8.97%). Also, if you sell your home after August 1<sup>st</sup> and the sales price exceeds \$350,000, the State will extract a higher Realty Transfer Fee from you as the *Seller*. For example, if you sold your home for \$400,000 before August 1<sup>st</sup>, the Realty Transfer Fee would have been \$2,495. After August 1<sup>st</sup>, the Fee jumps to \$3,215, an increase of \$720 (almost 29%). The story does not end there- since Millionaires own mansions, there is also a "*Mansion Tax*" imposed on home *Buyers* where the purchase price exceeds \$1,000,000. For those transactions, the tax is equal to 1% of the purchase price.
- **Domestic Partnership Act Takes Effect.** The New Jersey Domestic Partnership became effective in July. The new law creates a legally binding partnership between same sex couples and certain opposite sex couples over the age of 62. Couples who register under the new law are granted *some* rights that are equal to those granted to married couples, including the right to hospital visitation, decision-making rights in a health care setting, the right to consent to organ donation and inheritance and income tax benefits. However, the new law *does not* grant partners inheritance rights in each other's estates, the right to make funeral arrangements (but see our first subject in this Update), the right to support or equitable distribution of communal assets upon dissolution of the partnership, the right to child support or visitation, or the right to bring suit for injury or death to the other partner.