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DILWORTH PAXSON'S JENNIFER CORDES WRITES TAX APPEAL BULLETIN TITLED "IS A PROPERTY TAX APPEAL THE CORRECT DECISION FOR YOU?"

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Real estate taxes in the State of New Jersey are notoriously high compared with other areas of the country, and we all could use some relief. One way to obtain that relief is by filing a tax appeal to challenge your assessment.

You first must determine whether your current assessment (not the amount of taxes you pay) is fair. In late January or early February, municipal tax assessors are required to provide each property owner an annual tax assessment notice, usually in the form of a small green card via regular mail. The notice typically states your property's assessed value for land and improvements. These numbers are based on the value of your property as of October 1 of the pre-tax year (e.g., the tax assessment date for 2017 is based on the value of your property as of October 1, 2016).

Next, find your town's average tax ratio and common level range, which can be located on the State of New Jersey Division of Taxation's website (<http://www.state.nj.us/treasury/taxation/lpt/chapter123.shtml>). To determine the fair market value of your home or property, divide your home's assessed value by your town's average ratio. Every town is provided with a margin of error, which is equal to plus and minus 15% of the average ratio. In order to determine whether the assessed value of your home fits within this range, you'll also divide your home's assessed value by the "lower limit" and the "higher limit".

For example, if a home in Cherry Hill Township is assessed at \$300,000, divide that number by the average ratio, or 92.95, to determine what the Township thinks your property is actually worth. Here, that value is \$322,754. Repeating this exercise for the lower and higher limits of the common level range results in \$379,698 and \$280,662, respectively. If the "true" value of your property falls within the range, as it does in this example, a property tax appeal will be unsuccessful. If, however, homes in your neighborhood are selling for less than \$280,662 and yours is assessed at \$300,000, you may be a good candidate for a tax appeal. (If homes in your neighborhood are selling for more than \$379,698, your property is likely under-assessed, and you should not file an appeal.)

If you meet this criteria, you will then need to present evidence that your assessment exceeds the municipality's average ratio by fifteen percent. In order to do so, you will need to locate comparable sales of properties in your neighborhood that are similar to yours (if you own a ranch-style home, find sales of ranch-style homes), as close to October 1, 2016 (but not after) as you can locate. Property that has simply been listed for sale does not count, and certain sales are not recognized, such as foreclosures or short sales, so it may be difficult to locate good examples.



E-ALERT

If you can meet all of these requirements, a Petition of Appeal must be filed with the County Board of Taxation no later than April 1. In Monmouth County, the filing deadline is January 15, 2017. If your town has recently undergone a revaluation or reassessment (for towns in counties other than Monmouth), the filing deadline is May 1, 2017. Appeals by business entities, other than sole proprietors (e.g., partnership, corporation, limited liability company) must be filed by an attorney admitted to practice law in New Jersey. If you have any questions, check with your County Board of Taxation to confirm what the filing date is for your town. There are no exceptions for late filings.

Once the appeal is filed, there will be a hearing before the County Board of Taxation, and any evidence you may rely upon must be provided to the Tax Board at least seven days prior to the hearing. In addition to comparable sales, commercial property owners will need to provide income information for any rental income the property generates.

Dilworth Paxson, LLP can assist you with filing a residential or commercial tax appeal. If you have any questions or would like to file a tax appeal, contact **Jennifer L. Cordes, Esq.** at (856) 675-1900 or email her at jcordes@dilworthlaw.com.