



## Benefits of a Appeal for New Jersey Property Owners

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**T**axpayers in New Jersey have the right to file a challenge to their property tax assessment. This article explains what property is taxable, the process of filing a tax appeal, and the benefits of winning the appeal.

### What Property is Taxable

In New Jersey, all real property is subject to local property taxes, unless it has been specifically exempted.<sup>1</sup> Real property for the purposes of local property taxation includes not only the land and all improvements on the land but also personal property if it is affixed to the real property, with exceptions for removable and non-permanent personal property.<sup>2</sup>

For example, the Tax Court held in *Taylor v. Lower Tp.*<sup>3</sup> that floating docks and finger piers connecting the land portion of a marina with the owners' vessels were subject to property taxation. The Court determined that the docks and piers could not be removed without material injury to the property or to the docks and piers themselves and were intended to remain permanently.<sup>4</sup>

### Tax Appeal Process

By law, your property assessment is assumed to be correct.<sup>5</sup> In order to file a successful property tax appeal, you must overcome this presumption of correctness and prove to the County Board of Taxation ("Tax Board") that your assessment is in error, unreasonable, excessive or discriminatory. You must suggest a more appropriate value by showing the Tax Board the market value of your property as of October 1 of the pre-tax year. To proceed with an appeal, all taxes and municipal

charges up to and including the first quarter must be paid.<sup>6</sup>

An individual property owner may present their own testimony and evidence to the Tax Board, or an attorney can represent them. Business entities such as corporations, partnerships, LLCs, or Trusts must be represented by a New Jersey licensed attorney. Community associations must be represented by a New Jersey licensed attorney. Separate appeals must be filed for each taxed parcel unless the County Tax Administrator grants prior approval to consolidate lots or parcels into one appeal.

Tax appeals must be filed annually on or before April 1 of the current tax year, or 45 days from the date the tax notice was mailed, whichever is later; May 1 of tax year where a municipal revaluation or reassessment has been implemented; January 15 for Burlington, Gloucester and Monmouth Counties; or December 1 for added and omitted assessments.

In support of your appeal, you must be persuasive and present credible evidence supported by facts, not assumptions or beliefs. Photographs of both the subject property and comparable properties are helpful, as are recent sales (a minimum of three, no more than five) of similar properties in your neighborhood. The Tax Board accepts appraisals completed by state certified or licensed appraisers, but the appraiser must be present at the hearing to provide testimony.

Following the presentation of your case, the municipality will have the opportunity to cross-examine you or your representative. The municipality will then either rest on its assessment or present its evidence, and you will be given the opportunity to

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**TAX APPEAL...**

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cross-examine their representative. The Tax Board will then issue its decision, called a judgment.

**Winning the Appeal**

Following a successful tax appeal, and once the time to appeal the judgment has expired (45 days from the date of service of the judgment), the municipality shall refund any excess taxes paid, together with interest from the date of payment at a rate of 5% per year, less any amount of taxes, interest, or both, which may be applied against delinquencies pursuant to P.L. 1983, c. 137 (C. 54:4-134), within 60 days of the date of final judgment.

Pursuant to the Freeze Act, at the expiration of the appeal period, the

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property assessment of the judgment is frozen for the assessment year and for the next two years, and the municipality cannot increase your taxes except if the property owner has added new improvements to the property.

With three tax years that could be resolved in favor of the property owner, the savings from a tax appeal could be substantial. ■

**END NOTES:**

- 1 N.J.S.A. 54:4-1.
- 2 N.J.S.A. 54:4-1, subds. a, b.
- 3 *Taylor v. Lower Tp.*, 13 N.J. Tax 371, 1993 WL 520581 (Tax 1993).
- 4 13 N.J. Tax 371, 380, 385-386.
- 5 *MSGW Real Estate Fund, LLC v. Borough of Mountain Lakes*, 18 N.J. Tax 364, 373 (Tax 1998).
- 6 N.J.S.A. 54:3-27.



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