

Can I Get My Property Taxes Lowered?

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I own a house in Morris County. Recently, I received my 2012 Notice of Tax Assessment from the tax assessor and I believe my taxes are too high based on the value of my house. Can I request a reduction in my property taxes?

First, let me clear up one misconception that many property owners have, you cannot appeal ("request a reduction" in) the amount of your real estate taxes. This is based on the municipal tax rate. What you can appeal is the tax assessor's determination of the tax assessment value of your property. By the filing of a tax appeal, you are challenging the tax assessment as not being an accurate determination of the value of the property. All property in the State of New Jersey is assessed at fair market value (FMV) as of October 1st of the pre-tax year. The State also uses what is commonly known as the Chapter 123 formula to test the fairness of an assessment.

In order to be successful with a tax appeal, you must be able to prove that the ratio of assessed value to true value exceeds the Chapter 123 average ratio by 15%. New Jersey assumes that the current assessment made by the municipal tax assessor to be correct, and the property owner must overcome this presumption by showing that the assessment is unreasonable compared to fair market value. A property owner must present evidence by submitting a professional appraisal, or by independently gathering information about comparable properties within similar neighborhoods in the municipality that have recently sold for less than the value of your property. The comparable properties must be of a similar size, style and characteristic, and the sales should have been bona fide, arm's length transactions. There are strictly enforced filing deadlines, and if you miss the deadline, your appeal cannot proceed. Also, you must continue to pay and be current with the taxes pending resolution of the appeal. Tax Appeals must be filed on or before April 1, or May 1 where a municipal-wide revaluation or reassessment has been implemented.

For additional helpful information, you can obtain a copy of the State of New Jersey Treasury Department's publication A Guide to Tax Appeal Hearings or contact a qualified Real Estate Appraiser or Real Estate Attorney.