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## **Money in Your Pocket - It's Real Estate Tax Appeal Season until April 1**

March 8, 2011 by **Deirdre Wheatley-Liss**

**Want more money this year?** You may be entitled to a reduction in your property taxes due to a decrease in value in your property from general economic conditions. Key points:



1. **You MUST file by April 1**
2. **You will need your real estate tax bill, and recent sales of comparable properties (try [www.zillow.com](http://www.zillow.com))**

Got questions or need help? You can reach out to **Steve Loeb, Esq.** in our Tax Department. I have added below some information about real estate tax appeals that **Steve** recently sent to our clients.

New Jersey mandates that **an individual pay taxes based upon the *fair market value* of the property, not necessarily the assessed value.**

The New Jersey laws governing tax appeals are found at **N.J.S.A. 54:3** et. seq. and **N.J.S.A. 54:4** et. seq. and **N.J.A.C. 18:12A** et. seq.

Property Taxes are the result of the local budget process and it may not necessarily be appealed, but the property tax assessment may be. A taxpayer considering an appeal should understand that he or she **must prove that his or her assessed value is unreasonable compared to a market value standard.**

According to New Jersey law, the current assessment set is assumed to be correct. The ability to overcome this presumption of correctness to obtain an assessment change is based upon fair market value.

In essence, an assessment is an opinion of value by a licensed professional. For an assessed value to be considered excessive or discriminatory, it must be proved that the assessment does not fairly represent one of two standards:

1. True Market Value Standards
2. Common Level Range Standard

In 1973, the New Jersey legislature adopted a formula known as **Chapter 123** to test the fairness of an assessment.



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Once the tax board determines a property's true market value during an appeal, they are required to compare true market value to the assessed value. If the ratio of assessed value to true value exceeds the average ratio by 15% the assessment is reduced to the common level.

In this time where assessments may be not in line with current market value standards, if you should have any questions or need assistance in filing a real estate tax appeal, please feel free to contact Steve Loeb, Esq. in our Tax Department.

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