



A Guide to Tax Appeal Hearings

This document is intended to provide taxpayers with general information and should not be considered all-inclusive.

Please be advised that property taxes are derived from the local municipal budget and cannot be appealed. However, you may appeal your property's assessment.

What You Need to Know Prior to Filing an Appeal

For an assessed value to be considered excessive or discriminatory, a taxpayer must prove that the assessment does not fairly represent either the True Market Value or Common Level Range Standard.

True Market Value Standard

★ True market value is the likely price that a property will bring to a competitive market under essential conditions for a fair sale.

- Once a revaluation is complete all assessments in the municipality must be at 100% of true market value as of October 1 of the pre-tax year.

October 1 pre-tax year is the annual assessment date.

Common Level Range Standard

- If assessments are not adjusted annually, a deviation from 100% of true market value occurs. The Director's Ratio is the percent of true value for an average assessment for that municipality.
- The common level range is plus or minus 15% of the Director's Ratio for that taxing district.

Understanding Assessment Appeals

- The common level range is used to test the fairness of an assessment.

- The County Board of Taxation determines a property's true market value during an appeal. They are required to compare true market value to taxable assessed value.

Note: The burden of proof lies with the taxpayer, and sufficient evidence has to be provided in order to determine the true market value of the property subject to appeal.

- All evidence should precede the October 1 assessment date, especially property sales used for comparison.
- If the proof submitted shows that the ratio of the assessed subject property exceeds the common level range, then taxable value will be revised by applying the average ratio to the true value of the property.
- Tax appeals must be filed annually on or before April 1 or within 45 days of the bulk mailing of the Assessment Notices; or May 1 where a municipal revaluation or reassessment has been implemented.

Note: Burlington, Gloucester and Monmouth Counties follow an alternate assessment calendar. Their tax appeal filing deadline is January 15.

Example:

Situation:

If the average ratio is below the county percentage level and the ratio of the assessed value of the subject property to its true value exceeds the county percentage level, the County Board of Taxation, Tax Court of New Jersey, or the Superior Court shall reduce the taxable value of the property by applying the average ratio to the true value of the property.

Assume the Following:

County Percentage Level: 100%

Average Ratio: 95.41% (*Below county percentage level*)

15% Common Level Range 109.72 (*Upper Limit*)

15% Common Level Range 81.10 (*Lower Limit*)

Upper Limit

Subject Property, True Value = \$100,000

Assessment = \$110,000

Ratio of Assessment: 110% (*Exceeds County Percentage Level*)

Taxable value reduced $\$100,000 \times 95.41\% = \$95,410$

In this example, the average ratio is below county level 95.41% assessment ratio exceeds county level 110.00%.

Therefore, taxable value is reduced by applying the average ratio 95.41%.

***Reference:**

County Tax Board - N.J.S.A. 54:3-22

Tax Court of New Jersey - N.J.S.A. 54:51A-6

Superior Court - N.J.S.A. 54:4-62

- Tax appeal hearings are generally held annually within 3 months of the April 1 or May 1 filing deadlines. Added and omitted assessment appeals are heard between the Dec 1 filing deadline and Jan 1.

Note: ***Adjournments are ordinarily denied. The taxpayer should make every effort to attend the hearing. Non-appearance may result in a judgement "lack of prosecution" and may prevent further appeal to the New Jersey Tax Court.***

Presentation and Submission of Credible Evidence

- Comparable sales of 3 to 5 other properties with similar characteristics should be attached to your appeal at the time of filing.
- Photographs of the subject property and comparable properties to illustrate the argument.
- The assessor and the County Tax Board must receive copies of the comparables at least 7 days before the hearing for discussion.
- Owners of commercial properties must also submit an income statement.
- The Tax Board, by law, must hear and determine all appeals within 3 months of the last day for filing appeals.

Note: ***The assessments of similar properties are not usable evidence.***

Freeze Act

The assessed value set at the time of the appeal is "frozen" for the assessment year and the following 2 years.

Note: **EXCEPTIONS**
If a change occurs to the property value after the assessment date, e.g. added assessments or through a completed revaluation/reassessment in the district, the assessor may revise the value. The property owner may also end the freeze by appealing the value.

Contact Information for NJ Court



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