

2020

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**STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION**

**CERTIFICATION OF AVERAGE RATIOS
AND
COMMON LEVEL RANGES FOR USE IN THE TAX YEAR 2020**

Original Certification October 1, 2019

**Amended by the New Jersey Tax Court
(Chapter 86, Laws of 1954) January 30, 2020**

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COMMON LEVEL RANGE

(CHAPTER 123, LAWS OF 1973)

The "average ratio" of assessed to true value of real property for a taxing district for the purposes of this act shall mean that ratio promulgated by the Director of the Division of Taxation pursuant to P.L. 1954, C. 86 (C.54:1-35.1 et seq.), as of October 1 of the year preceding the tax year as revised by the Tax Court of New Jersey.

The "common level range" for a taxing district is that range which is plus or minus 15% of the average ratio for that district.

Whenever the County Board of Taxation, Tax Court of New Jersey, or Superior Court in an appropriate case is satisfied by the proofs that the ratio of the assessed valuation of the subject property to its true value exceeds the upper limit or falls below the lower limit of the common level range, the taxable value of the property shall be revised by applying the average ratio to the true value of the property except as hereinafter provided.

If the average ratio is below the county percentage level (in all counties this level is 100%) 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 Superior Court in an appropriate case shall reduce the taxable value of the property by applying the average ratio to the true value of the property.

If both the average ratio 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 Superior Court in an appropriate case shall revise the taxable value of the property by applying the county percentage level to the true value of the property.

The act is not applicable with respect to any appeal from assessment of real property taken with respect to the tax year in which the taxing district shall have completed and put into operation a district-wide revaluation program approved by the Director of the Division of Taxation pursuant to Chapter 424, Laws of 1971 (C. 54:1-35.35 et seq.).

See County Board of Taxation rules with respect to a complete reassessment by a taxing district.

CHAPTER 123, LAWS OF 1973

EXAMPLE I

Situation

*Whenever the County Board of Taxation, Tax Court of New Jersey, or Superior Court are satisfied by the proofs that the ratio of the assessed valuation of the subject property to its true value exceeds the upper limit or falls below the lower limit of the common level range, it shall revise the taxable value of the property by applying the average ratio to the true value of the property except as hereinafter provided.

Assumption

County percentage level	100.00%	
Average ratio	95.41%	
15% Common level range	109.72	Upper limit
15% Common level range	81.10	Lower limit

Example

Subject property, true value	\$100,000	
Assessment	\$120,000	
Ratio of assessment	120.00%	(Exceeds upper limit)
Reduce taxable value (Applying average ratio 95.41%)	\$100,000 x 95.41% = \$95,410	
Property, same subject	\$100,000	
Assessment	\$ 70,000	
Ratio of assessment	70.00%	(Below lower limit)
Increase taxable value \$100,000 x 95.41% = \$95,410 (Applying 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

CHAPTER 123, LAWS OF 1973

EXAMPLE II

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.

Assumption

County percentage level	100.00%
Average ratio	95.41% (Below county percentage level)
15% Common level range	109.72 Upper limit
15% Common level range	81.10 Lower limit

Example

Subject property, true value	\$100,000
Assessment	\$110,000
Ratio of assessment	110.00% (Exceeds county percentage level)

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

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

Therefore, taxable value is reduced by applying 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

CHAPTER 123, LAWS OF 1973

EXAMPLE III

Situation

*If both the average ratio and the ratio of assessed value subject property to its true value exceed the county percentage level, the County Board of Taxation, Tax Court of New Jersey, or Superior Court shall revise the taxable value of the property by applying the county percentage level to the true value of the property.

Assumption

County percentage level	100.00%	
Average ratio	110.41%	(Exceeds county percentage level)
15% Common level range	126.97	Upper limit
15% Common level range	93.85	Lower limit

Example

Subject property, true value	\$100,000
Assessment	\$120,000
Ratio of assessment	120.00% (Exceeds county percentage level)

Taxable value decreased to county level $\$100,000 \times 100.00\% = \$100,000$

In this example, both the average ratio and the assessment ratio exceed the county percentage level.

- (a) Average ratio 110.41%
- (b) Assessment ratio 120.00%

*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