

GENERAL ABATEMENT AND EXEMPTION INFORMATION

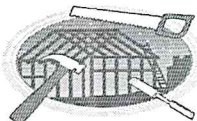
Exemptions/Abatements must be implemented by municipal enabling ordinance.

Abatements represent that portion of the assessed value of a property as it existed prior to construction, improvement or conversion. Exemptions represent that portion of the assessor's full and true value of any improvement, conversion alteration, or construction not regarded as increasing the taxable value of a property.

5 YEAR ABATEMENT AND EXEMPTION LAW

N.J.S.A. 40A:21-1, P.L. 1991, c. 441 et seq.

This law consolidates the provisions for exemptions and abatements for improvements to one and two family homes, multiple dwellings and commercial/industrial buildings. At least part of the municipality must be determined to be an "area in need of rehabilitation" by resolution of local governing body. Claim Form EA-1 must be filed with assessor within 30 days of completion of the improvement, conversion alteration or construction.



ONE AND TWO FAMILY DWELLINGS

Exemption amounts for improvements to one/two family dwellings must be \$5,000, \$15,000 or \$25,000 of taxable value. **Abatements** cannot exceed 30% of the exemption amount. An existing one/two family dwelling must be more than 20 years old to be eligible. **New construction** - Optional provisions may be specified for exemption of some portion of assessed value of new dwelling construction or the conversion of other buildings and structures to dwelling use. **Abatements** may be allowed up to 30% of the cost of the new construction or conversion alteration, provided that the total abatement granted over the five year abatement period does not exceed the full cost of construction/conversion.

MULTIPLE DWELLINGS

- An amount up to the assessor's true value of improvements or conversion alterations may be **exempt** for multiple dwellings. **Abatement** of up to 30% of assessed value prior to improvement/conversion is available, provided that the total abatement granted over the five year abatement period does not exceed the full cost of construction/conversion. Tax agreements for new multi-dwelling construction may require **payments in lieu of taxes** per statutory formula.

COMMERCIAL and/or INDUSTRIAL

STRUCTURES - An amount of up to the true value of improvements, as determined by the assessor, may be exempt. Tax agreements for exemption and abatement of new commercial and industrial construction must be authorized by ordinance. Such agreements provide for **payments in lieu of taxes** per statutory formula.

URBAN ENTERPRISE ZONE (UEZ) RESIDENTIAL TAX ABATEMENT LAW

N.J.S.A. 54:4-3.139 et seq., P.L. 1989, c.207

This law provides for five-year tax abatements to existing and newly constructed residential properties and non-residential structures converted to residential use in municipalities with urban enterprise zones.

Only "qualified residential property" is eligible for UEZ abatement. Land, commercial and industrial property is not eligible. The improvement value of qualified residential property is exempt. Land is taxable.

Each approved abatement shall have an agreement between the qualified municipality and the applicant to provide for the applicant to make payments in lieu of real property taxes. If the property is not owner occupied, an additional 1% is added to **in lieu of tax payments**.

Written application must be made to the assessor within 30 days following completion of the improvements or conversion alteration.

OTHER EXEMPTIONS/ABATEMENTS LOCAL REDEVELOPMENT & HOUSING LAW

N.J.S.A. 40A:12A-1 et seq., P.L. 1992, c.79

Call 609-292-7842 for more information.

LONG-TERM TAX EXEMPTION LAW

N.J.S.A. 40A:20-1 et seq., P.L. 1991, c.431

Call 609-292-7842 for more information.

ENVIRONMENTAL OPPORTUNITY ZONE ACT

N.J.S.A. 54:4-3.150 et seq. P.L. 1995, c.413

Call 609-292-1250 for more information.

MORTGAGE FINANCE AGENCY PROJECT TAX EXEMPTION LAW

N.J.S.A. 55:14K-37 P.L. 1983, c.530

Call 609-278-7400 for more information.

HOMESTEAD BENEFIT PROGRAM

NJ residents who owned and occupied a home in NJ that was their principal residence on October 1, 2017 may be eligible to qualify for this program—provided property taxes were paid and income limits are met. You are not eligible if you were not required to pay property taxes on your home in 2017. Call the Homestead Benefit Hotline at 1-888-238-1233 for further assistance.

PROPERTY TAX DEDUCTION/CREDIT

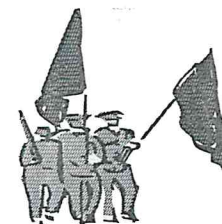
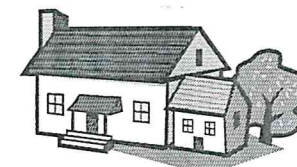
Homeowners and tenants who paid property taxes on their principal residence in NJ either directly or through rent during the year may be eligible. The benefit is either (a) deduction from taxable income of the total amount of property taxes paid on principal residence (for tenants, 18% of rent) or \$15,000, whichever is less; or (b) \$50 refundable credit. Call 609-292-6400 for more information.

PROPERTY TAX REIMBURSEMENT (FREEZE)

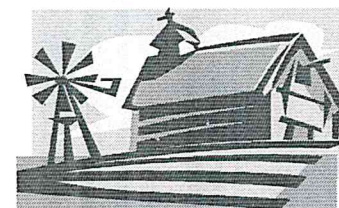
Homeowners, including owners of mobile homes located in mobile home parks, age 65 or older, or receiving Social Security disability benefits, who paid property taxes on their principal residence in New Jersey directly or through mobile home park site fees may be eligible. Applicants must be NJ residents for the last 10 consecutive years, owned and lived in the home for which reimbursement is claimed for at least the last 3 years, and meet certain income limits. Applicants must meet all requirements for both the base year and the reimbursement year. Call 1-800-882-6597 for more information.

**Budgetary restrictions may affect these programs.*

NEW JERSEY PROPERTY TAX BENEFITS



Are you eligible?

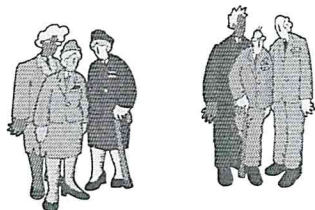


\$250 PROPERTY TAX DEDUCTION FOR VETERANS OR SURVIVING SPOUSES

N.J.S.A. 54:4-8.10 et seq.

Two hundred fifty dollars (\$250) may be deducted each year from taxes due on the real or personal property of qualified active duty veterans or their unmarried surviving spouses. In 1999, a constitutional amendment increased the deduction from \$50 to \$100 for 2000; \$150 for 2001; \$200 for 2002 and \$250 per year thereafter.

To qualify, you must be an honorably discharged US Armed Forces active duty veteran or the unmarried surviving spouse of such an active duty veteran or the unmarried surviving spouse of a serviceperson who served and died while on active duty. You must be a property owner and a legal resident of New Jersey and, where applicable, prove that the deceased veteran or serviceperson was a legal resident of New Jersey. Claim Form V.S.S must be filed with



your municipal tax assessor or collector.

FULL PROPERTY TAX EXEMPTION FOR 100% DISABLED VETERANS OR SURVIVING SPOUSES

N.J.S.A. 54:4-3.30 et seq.

100% permanently and totally disabled active duty veterans or the unmarried surviving spouses of such disabled active duty veterans are granted a full property tax exemption on their dwelling house and the lot on which it is situated.

To qualify, you must be an honorably discharged disabled veteran who had active duty service in the US Armed Forces, or the unmarried surviving spouse of such a disabled veteran. Unmarried surviving spouses of servicepersons who died on active duty also qualify. Active duty service-connected disability

must be certified by the US Department of Veterans Affairs (VA)

You must be the full or partial owner and a permanent resident in the dwelling and legal resident of New Jersey. In the case of unmarried surviving spouses, the deceased veteran's spouse must also have been a legal resident of New Jersey.

Claim Form D.V.S.S.E. must be filed with your municipal tax assessor.

\$250 REAL PROPERTY TAX DEDUCTION FOR SENIOR CITIZENS, DISABLED PERSONS OR SURVIVING SPOUSES



N.J.S.A. 54:4-8.40 et seq.

An annual \$250 deduction from real property taxes is provided for the dwelling of a qualified senior citizen, disabled person or their surviving spouse.

To qualify, you must be age 65 or older, or a permanently and totally disabled individual or the unmarried surviving spouse, age 55 or more, of such person.

You must be a legal resident of New Jersey for one year immediately prior to October 1 of the year before the year for which the deduction is requested.

You must be an owner of and a permanent resident in the dwelling on October 1 of the year before the year for which the deduction is requested.

Income may be no more than \$10,000 during the year for which the deduction is claimed, excluding with restrictions, monies received from social security, Federal and State pension, disability and retirement programs.

Claim Form PTD must be filed with your municipal tax assessor or collector. Additionally, Form PD5, Annual Post-Tax Year Income Statement must be filed with your tax collector each year after initial qualification.

PARTIAL EXEMPTIONS FROM REALTY TRANSFER FEE (N.J.S.A. 46:15-10.1)

Realty Transfer Fee (RTF) is collected when a deed is recorded following a real property sale. Real property transfers by qualifying senior citizens, blind and disabled persons, and "low and moderate income housing" are exempt from the State portion of the Basic Fee, State and county portions of the Supplemental Fee, and State General Purpose Fee for consideration not in excess of \$350,000; and from the State portion of the Basic Fee and State and county portions of the Supplemental Fee for consideration in excess of \$350,000.

To qualify, the property must constitute "low or moderate income housing" as defined in the Fair Housing Act, or be a one or two-family residential premises owned and occupied by a seller aged 62 or over, or blind or disabled.

An "Affidavit of Consideration for Use by Seller" (form RTF-1) must be filed with the county recording officer when the deed is presented for recording. "Consideration" is the actual amount of money and the monetary value of any other thing constituting the entire compensation paid or to be paid for the transfer of title, including the remaining amount of any prior mortgage to which the transfer is subject or which is to be assumed by the grantee and any other lien or encumbrance not paid, satisfied or removed in connection with the transfer of title.

RTF rates for qualifying senior citizens, blind and disabled persons, and "low and moderate income housing" for a **total consideration not in excess of \$350,000** are: \$.50/\$500 of consideration not in excess of \$150,000, and \$1.25/\$500 of consideration in excess of \$150,000 but not in excess of \$350,000. For a **total consideration in excess of \$350,000**, the rates are: \$1.40/\$500 of consideration not in excess of \$150,000; \$2.15/\$500 of consideration in excess of \$150,000 but not in excess of \$550,000; \$2.65/\$500 of consideration in excess of \$550,000 but not in excess of \$850,000; \$3.15/\$500 of consideration in excess of \$850,000 but not in excess of \$1,000,000; and \$3.40/\$500 of consideration in excess of \$1,000,000.

REDUCED ASSESSMENT FOR FARMLAND N.J.S.A. 54:4-23.1 et seq.

Land devoted to agricultural or horticultural use may be assessed for property tax purposes on its value for those uses as well as its productivity rather than on the market value of the land for any other use.

To qualify, land must be a minimum of 5 acres, be devoted to agriculture or horticulture for at least two consecutive years prior to the tax year and continue in that use until the end of the tax year for which the claim is made. In **Tax Year 2015**, the Gross Sales criterion for the first 5 acres is increased to \$1,000; except for lands under a Woodland Management Plan, then the Gross Sales remains at \$500 for the first 5 acres. On acreage above 5, Gross Sales must be \$5.00/acre except Woodlands at \$.50/acre.

The reduced assessment must be applied for on Form FA-1 annually on or before August 1 of the year prior to the tax year. Applications are available at your local tax office.

EXEMPTION FROM ADDED ASSESSMENT FOR BLAST OR RADIATION FALLOUT SHELTERS

N.J.S.A. 54:4-3.48 et seq.

The fallout shelter exemption is equal to the value by which the property is increased through construction of the shelter but not in excess of \$1,000. The fallout shelter must be located on residential property of not more than two families and completed as of October 1 of the year prior to the year for which the exemption is sought. Contact the local assessor to apply.

RENEWABLE ENERGY SYSTEMS EXEMPTION

N.J.S.A. 54:4-3.113a-g

Certain qualifying renewable energy systems are exempt from real property taxation. The renewable energy system must be certified by the local construction code official. The annual exemption is the difference between the total assessed value of the property before and after the renewable energy system has been installed. File form CRES with the local assessor.