



# **TAX APPEAL SEMINAR**

**John Peneda, CTA**

**Salvatore Rocco, Esq.**

# Common Reasons Property Owners File a Tax Appeal

- **My taxes are too high!**
- **I want to lower my taxes!**
- **What can I do to lower my taxes?**
- **My neighbor is paying less taxes than me!**
- **My taxes keep going up every year!**
- **My property value is less than a few years ago, so why are my taxes still rising?**



# What is a Tax Appeal?

- Property owners are not appealing their taxes
- Property owners are appealing their property assessment
- Current assessment is by law assumed to be correct
- The burden of proof is on the property owner to prove that their property is unreasonably assessed
- Property owner must present credible evidence, supported by facts, not assumptions or beliefs
- Assessments of other properties are not acceptable as evidence of value
- Comparable property sales and/or a property appraisal must be used



# Property Assessment

- October 1<sup>st</sup> of Pre-Tax Year
- Land Assessment
- Improvement Assessment
- Total Assessment
- Ratio
- Market Value
- 15% Window/Corridor Ratio
- Lower Value



# Property Assessment Example

- Land Assessment \$28,000
- Improvement Assessment \$75,400
- Total Assessment \$103,400
- 2015 Kearny Ratio 31.01
- Market Value **\$333,441**
- 15% Window/Corridor Ratio 35.66
- Lower Value **\$289,961**
- For Tax Appeal purposes, property owner needs to prove that his/her property is worth **less than \$289,961** in order to be granted a reduction



# Tax Rate

- How is the Tax Rate derived?
- How does the Tax Rate apply to the assessment?
- Kearny's Tax Rate for 2015 is 10.036
- Tax Rate Example:

• Total Assessment	\$103,400
• 2015 Tax Rate	10.036
• 2015 Property Taxes	<b>\$10,377.22</b>

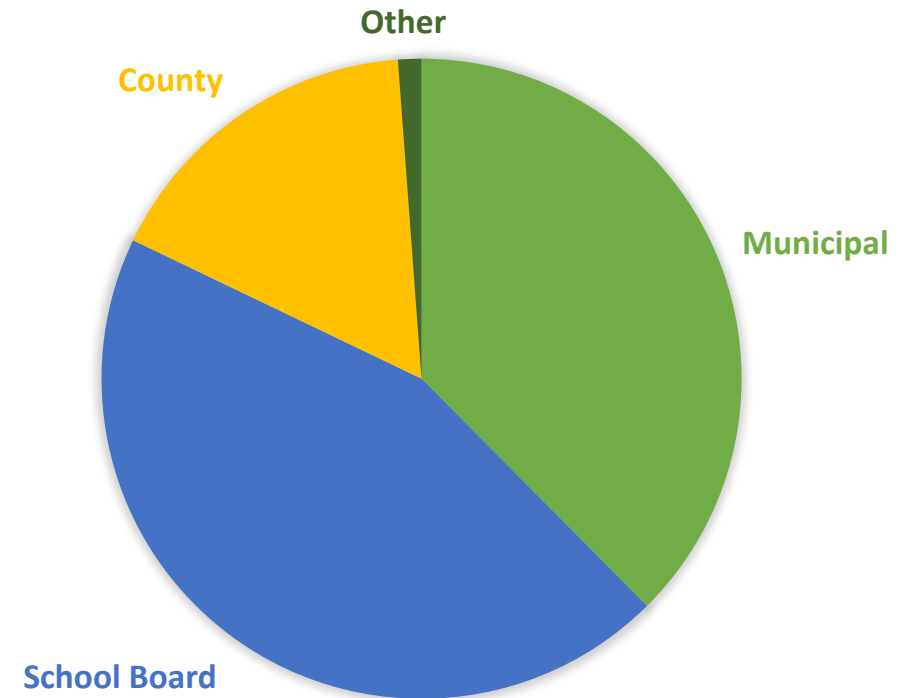


# What Determines a Tax Rate

The breakdown of the 2014 Kearny Tax Bill is:

• Municipal Budget	37.56%
• School Board Budget	44.56%
• County Budget	16.70%
• Other Minor Items	<u>1.18%</u>
<b>TOTAL</b>	<b>100.00%</b>

2014 KEARNY TAX BILL



# Market Value

- What is Market Value?
- How much would your property sell for, if you were to sell it today?
- Willing Buyer/Willing Seller
- Usable Sales/Non-Usable Sales
- Comparable Sales
- Property Appraisal





# Comparable Sales

- Sales that occurred between October 1<sup>st</sup> of pre-tax year and October 1<sup>st</sup> of previous year
- Minimum of 3 comparable sales
- Can't mix apples and oranges
- Must be Usable Sales
- Factors to be considered are lot size, age, square footage of living space, number of baths and bedrooms, finished basement and/or attic, deck, patio, pool, central air, location, etc.



# Appraisals

- **Must be performed by a licensed NJ appraiser**
- **Appraisal must be for property tax appeal purposes**
- **Valuation must be as of October 1<sup>st</sup> of pre-tax year**
- **Appraiser must appear at hearing for appraisal to be considered**
- **Real Estate Agents cannot testify to property value**



# Questions to Ask Before Filing a Tax Appeal

- What was the market value of my property on October 1<sup>st</sup> of the pre-tax year?
- What is my property assessment?
- What is the ratio?
- What is the market value of my assessment and the 15% window/corridor?
- Is my property over assessed?
- Can I support my opinion of market value with credible evidence?



# **How to File a Tax Appeal**

- **Must be filed on or before April 1<sup>st</sup>**
- **Can file online or with Hudson County Board of Taxation**
- **Filing fee must be paid when appeal is filed**
- **Property taxes must be current**
- **Appeal can be filed by property owner or through an attorney**
- **Notice of hearing date will be sent by the County (no adjournments, except for emergencies)**

**File the Tax Appeal online at:**

**[www.njappealonline.com](http://www.njappealonline.com)**

**or**

**Hudson County Board of Taxation**

**Hudson County Plaza**

**257 Cornelison Ave**

**3rd Floor**

**Jersey City, NJ 07302**

**Phone: 201-395-6260**

# Questions?

**John Peneda, CTA**

Kearny Tax Assessor

402 Kearny Avenue

Kearny, NJ 07032

201-955-7981

[jpeneda@kearnynj.org](mailto:jpeneda@kearnynj.org)

**Salvatore Roccaro, Esq.**

Castano Quigley, LLC

Kearny Town Attorneys

For more information contact the Hudson County Tax Board at:

**(201) 395-6260** or go to [www.hudsoncountynj.org/board-taxation](http://www.hudsoncountynj.org/board-taxation)