

# Property Tax Rates 101



Rutgers Journalism Resources Institute

Covering Municipal and School Budgets

November 10, 2000

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# Definitions

- **Taxing Entity** = a government agency permitted by State law to collect property taxes:
  - County (plus dedicated library, health, and open space)
  - Municipality (plus open space)
  - School district: local or regional
  - Fire district
  - Solid waste district tax on a property tax bill

## Still More Definitions

- Tax Rate = amount per \$100 of assessed value (ratables) charged by each taxing entity.
- Tax point = one cent per hundred dollars of assessed value; one penny of the tax rate
- Average Property Tax - amount of property taxes on the average residential property in a municipality

## Other Definitions

- **Ratables or Assessed Value:** taxable value of a piece of property; value of land and improvements as it's on the assessment roll of the municipality
- **Tax Levy** = the amount in property taxes needed for the budget of a taxing entity

## To Find the Tax Point....

- Get total Ratables (taxable/assessed value):  
i.e. \$330,000,000
- Divide by 10,000 (move decimal point 4  
places to the left!)  
$$\underline{330,000,000} = 33,000$$
  
10,000
- Result: \$33,000 = One tax point

# To Find the Tax Rate...

- Get Tax Levy: i.e. 13,000,000
- Divide tax levy/\$100 by one tax point = tax rate /\$100 of value
- Example:
- $$\frac{\$13,000,000}{\$33,000} = \$3.939 \text{ per } \$100 \text{ of value} = \text{Tax Rate}$$
- or Divide tax levy by ratables by 100
- $$\frac{13,000,000}{(330,000,000/100)} = \$3.939$$

# To Find Taxes on Average Home

- Get average Assessed Residential Value - i.e. \$150,000
- Calculate per \$100 (move decimal place 2 spaces left) = \$1500~~00~~
- Example: \$1,500 times \$3.939 = \$5,988
  - = Tax on Average Home

# To find total property tax rate...

- It's a combination of all taxing districts:  
(on average \$150,000 property)

Taxing District	Tax Rate	Assessed Value/100	Property Tax
Municipal	\$ 1.23	1,500	\$ 1,839.00
Local School	\$ 1.10	1,500	\$ 1,650.00
Regional School	\$ 0.74	1,500	\$ 1,114.50
County	\$ 0.97	1,500	\$ 1,459.50
Open Space	\$ 0.02	1,500	\$ 30.00
<b>Total</b>	<b>\$ 4.06</b>	<b>1,500</b>	<b>\$ 6,093.00</b>

# Secret Information Resource!

For background on municipal government issues that  
are NOT specific to a named municipality,  
contact:

Marc Pfeiffer  
609-292-4584  
[MPfeiffer@dca.state.nj.us](mailto:MPfeiffer@dca.state.nj.us)

And tell the secretaries you took a course with me  
and need some information, or ask for voice mail.