# Are You Paying Too Much In Property Taxes?

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No one should be paying more property taxes than is absolutely necessary. Unfortunately for business owners, New Jersey continues to place the country's heaviest real property tax burden on commercial and industrial property owners. How do you know if your property taxes are too high? If they are, how can you reduce your property taxes?

The answer may be a property tax appeal. The amount you pay in property taxes is based on the assessed value of your property. A property tax appeal, if indicated, argues for a lower assessment, which in turn lowers the amount of property taxes.

While any substantial property may be a candidate for a successful appeal, property tax appeals generally present significant financial benefits to owners of commercial, industrial or multi-family residential rental properties.

A careful analysis of your property tax assessment is necessary to determine whether it has been appropriately assessed and is not being charged more than its fair share of taxes. Even as general market conditions have improved for some property classes, the question of whether a particular property is properly assessed remains an essential exercise of due diligence for any owner or occupant of real estate in New Jersey. There may be unique factors impacting a property's value which are immune from general market conditions, such as the existence of environmental contamination.

On or before February 1, 2018, the tax assessor for each taxing district will issue a "Notice of Assessment," which will list, among other information, the property assessment for 2018. It is important to understand that the assessed value from the municipality is not necessarily the actual market value of the property. If a property owner disagrees with an assessment, the municipality must defend the "equalized" value of that assessed property, which takes into account the average assessment in the district as a percentage of the average useable sale in the district. This equalized value is often higher than the assessment and is the value to be used in testing whether the property is fairly assessed.

An appeal of a 2018 assessment must be filed on or before April 1, 2018. All appeals may be made initially to your local County Board of Taxation, but if the assessment exceeds $1,000,000, then the appeal may be made directly to the New Jersey Tax Court. Direct appeals to the Tax Court must also be made by April 1, 2018.

If you think your property tax assessment is too high, the time to start planning your property tax appeal is NOW. Determining whether your property is over-assessed requires careful evaluation and can take several weeks, and so the process of preparing your tax appeal starts months ahead of time. If you are eligible for an appeal but miss the April 1st deadline, you will need to wait until 2019 to save money on your property taxes.


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