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ASK AN EXPERT

Ask an Attorney

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Why should I focus on my real estate assessment for 2009 before I receive my actual 2009 tax bill?

More than thirty percent (30%) of New Jersey municipalities increased their taxes in excess of ten percent (10%) last year. Further still, more than eighty four percent (84%) of New Jersey municipalities increased their spending in excess of 4 percent (4%).¹ Those taxpayers who waited to examine their assessments until they received notice of these dramatic increases had already lost their right to file real estate tax appeals.

In general, taxpayers in New Jersey are not informed of the full amount of their actual real estate taxes until August. For example, most taxpayers will not learn the full extent of their property tax burden for 2009 until August 2009. As a result of the timing of the tax bills, our office receives phone calls every August from taxpayers who wish to



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contest the amount of their real estate taxes by filing tax appeals. Unfortunately, we have to inform those taxpayers that they have already lost their right to contest their taxes. This is because the filing deadline for real estate taxes is April 1 for all municipalities that did not undergo a municipal wide reassessment or revaluation (in which case the deadline is May 1.)

In the face of declines in the real estate market and the widespread downturn in the economy, it is likely

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municipalities will be forced to make similar increases for 2009. Taxpayers should be aware of the potential for these large increases in their property taxes and must examine the issue before April 1.

The process for filing appeals and contesting real property taxes can be quite foreign, even to the most consummate real estate professionals. An attorney who practices in the field can explain the peculiarities of our system and the manner in which the Tax Court generally determines fair market value. If your property is owned by a business entity, the law requires that an attorney file your

tax appeal. If your property is an income producing property, the attorney will most likely need to analyze your financials to help you decide whether a tax appeal is appropriate.

Don't allow yourself to be locked out of contesting your real estate taxes for 2009. Now is the time to examine the issue. Remember, the deadline for filing is April 1. If you wait until you learn what your taxes will be in 2009, you will have waited too long and you will be left paying higher taxes with no recourse until 2010.

1. "Corzine proposes to allow local governments to defer some pension pay-

ments," Press of Atlantic City, November 21, 2008, <http://www.pressofatlanticcity.com/185/story/322829.html>.

David B. Wolfe is a partner at Skoloff & Wolfe, P.C. in Livingston, NJ. Wolfe represents taxpayers in real property tax appeals. Wolfe is a member of the Supreme Court Committee on the Tax Court and serves as Co-Chair of the Real Property Tax Practice and Procedure Committee of the New Jersey State Bar Association. He is a frequent lecturer on issues relating to real property tax appeals and legal professionalism. ■