

CHAPTER IV

TAX DEDUCTIONS AND EXEMPTIONS

401. Constitutional and Statutory Authority

- 401.1 Tax deductions and exemptions are granted only by provision of the New Jersey Constitution or by general law. At present, deductions and exemptions granted by constitutional provision concern property of war veterans and their surviving spouses; senior citizens, disabled persons and their surviving spouses; property of urban renewal corporations and property in blighted areas needing rehabilitation. Other exemptions are granted by general law and except for those exemptions granted prior to 1947 to non-profit religious, educational, charitable, and cemetery organizations, may be altered or repealed at any time by the State Legislature.

REFERENCES:

N.J. Constitution, Art. VIII, Sec. 1, Par. 2, 3, 4, 5, 6 & Sec. 3, Par. 1

N.J.S.A. 54:4-3.6; 54:4-3.9; 54:4-3.30; 54:4-8.10; 54:4-8.40

N.J.S.A. 54:4-4.4

N.J.S.A. 8A:1-1 *et seq.*

402. Deduction - Senior Citizens, Disabled Persons, Surviving Spouses

- 402.1 The New Jersey Constitution authorizes an annual deduction from the real property taxes on a dwelling house owned and occupied by a person, 65 years of age or older or permanently and totally disabled; or the qualified surviving spouse of a senior citizen or disabled person; where annual income is \$10,000 or less after permitted exclusions. General laws have been enacted to implement this constitutional provision, and regulations issued by the Director of the Division of Taxation.

REFERENCES:

N.J. Constitution, Art. VIII, Sec. 1, Par. 4

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

N.J.A.C. 18:14-1.1. *et seq.*

402.2 Eligibility. To qualify for the annual \$250 real property tax deduction, a claimant must meet requirements of citizenship, property ownership, residency, income, timely application, and age or disability or widowhood/widowerhood as follows:

402.21 Citizenship. An applicant for the real property tax deduction must be a citizen of New Jersey as of October 1 of the pretax year, i.e., the year prior to the tax year for which the deduction is requested. Per a ruling of the Attorney General's office this does not mean United States citizenship. If all other requirements are met, the assessor or collector should assume the applicant is a citizen of New Jersey.

REFERENCES:

N.J.S.A. 54:4-8.41 & 8.44

N.J.A.C. 18:14-1.1 & 2.6

A. G. Opinion 1961-No. 34

402.22 Property Ownership. A real property tax deduction applicant must own the dwelling for which the deduction is claimed on October 1 of the pretax year. Proof of legal title may be required of the applicant. Considered as **qualifying ownership** are: Executory contract for the purchase of property; a dwelling owned by a deduction claimant and assessed as real property, but situate on land owned by another; shares held by residents of co-operative or mutual housing associations per a 1988 voter-approved referendum; property owned by a partnership of which a deduction claimant is a member on his interest; property held by a guardian, trustee, committee, conservator, or other fiduciary for a deduction claimant; an interest arising from a will or the intestate laws of this State where the deduction claimant has legal title to such property, whether individually, jointly or as a life tenant and finally a life estate, life rights or life tenancy in a dwelling.

402.221 Partial or Multi-Ownership and Prorated Deductions. Where title to a dwelling is shared by a claimant with other owners, he is eligible for the real property tax deduction on his share of the real

estate tax bill. Unless some other situation is shown to exist, each owner is assumed to hold an equal ownership interest in the property. Regardless of the number of claimant-owners, the total deduction on such dwelling may not be more than \$250 for 1983 and thereafter. Per N.J.S.A. 54:4-8.46 "Where title to property...is held by claimant and another or others...claimant shall not be allowed a deduction in an amount in excess of his proportionate share of the taxes assessed against said property..." See also Section 402.29 on Aggregate Deduction.

Example: 2 owners

1 Senior Citizen	\$125.00
1 Disabled Person	<u>+\$125.00</u>
Deduction	\$250.00

Example: 3 owners

1 Senior Citizen	\$ 83.33
1 Disabled Person	\$ 83.33
1 Surviving Spouse	<u>+\$ 83.33</u>
Deduction	\$249.99

Example: 4 owners

4 Senior Citizens	\$ 62.50
or Disabled	\$ 62.50
Persons or	\$ 62.50
Surviving Spouses	<u>+\$ 62.50</u>
Deduction	\$250.00

<i>Example:</i> 1 Senior Citizen w/75% ownership	\$187.50
1 Senior Citizen w/25% ownership	<u>+\$ 62.50</u>
Deduction	\$250.00

Example: Total annual taxes - \$800.00

4 property owners w/equal ownership interest where
only one owner is deduction claimant.

$\$800 \div 4 = \200 deduction, amount restricted by
proportionate tax payment

402.222 Ineligible Ownership. A real property tax deduction is not permitted on a dwelling in which the claimant has only an estate for a term of years, a leasehold interest or an interest of any other nature less than an estate in fee. Property owned by a corporation is not entitled to a deduction.

REFERENCES:

N.J.S.A. 54:4-8.44 & 8.46

N.J.A.C. 18:14-1.1, 18:14-2.8; 18:14-3.2 & 3.3

Warren v. Jackson Twp., 1 N.J. Tax 536 (1980)

West Jersey Grove Camp Assoc. v. City of Vineland, 80 N.J. Super 361, 193 A.2d 785 (A.D. 1963)

Guidelines for Implementation of Chapter 129, P.L. 1976, pp. 9 & 10

402.23 Residence. A senior citizen, disabled, or widowed/widowed (surviving spouse) real property tax deduction applicant must meet two residence requirements as of October 1 of the pretax year. A third condition of residency is required of a surviving spouse deduction applicant.

(1) **Residence in New Jersey.** A real property tax deduction claimant must have been domiciled in New Jersey for at least one year immediately preceding October 1 of the pretax year. An applicant need not have resided in the same dwelling for which the deduction is claimed, nor in the same municipality or county during that time, as long as he was domiciled in this State for one year immediately prior to pretax year October 1.

Example: State residence begins June 1, 1996. Residence in claimed dwelling October 1, 1997 pretax year equals deduction for tax year 1998.

Example: State residence begins November 1, 1996. Residence in claimed dwelling October 1, 1997 equals ineligible for deduction 1998. Residence in claimed dwelling October 1, 1998 pretax year equals deduction for tax year 1999.

Seasonal or temporary residence, regardless of duration, does not constitute **domicile** for purposes of this deduction. Absence from this State for 12 months is considered prima facie evidence of abandonment of domicile.

Domicile Defined. A domicile is any place you regard as your permanent home - the place to which you intend to return after a period of absence (as on vacation abroad, business assignment, educational leave, etc.). A person has only one domicile, although he may have more than one place to live. Once established, your domicile continues until you move to a new location with the intent to make it your permanent home and to abandon your New Jersey domicile. Moving to a new location, even for a long time, does not change your domicile if you intend to return to New Jersey. Some proofs of domicile are New Jersey voter registration, New Jersey motor vehicle registration and driver's license, resident tax return filing.

- (2) **Residence in the Dwelling House.** A real property tax deduction applicant must reside in the dwelling for which the deduction is claimed on October 1 of the pretax year. "**Dwelling house**" means the dwelling where the claimant makes his principal and permanent home. For example, where an apartment is the claimant's principal place of residence and a cottage or bungalow is occupied during vacations, the vacation residence is not eligible for a deduction.
- (3) **Residence as a Surviving Spouse.** A surviving spouse of a deceased senior citizen or disabled person real property tax deduction recipient must reside in the same dwelling for which the deduction was originally granted, and the survivor's property tax deduction may apply only to that dwelling.
- (4) **Partial Occupancy.** Where a claimant owns property but resides in or occupies only a portion of it, the real property tax deduction is

applied to the taxes due from that portion of the property occupied as the dwelling.

- (5) **Residences of Husband and Wife.** A claimant may receive only one real property tax deduction on the dwelling owned and used as the principal place of residence. A husband and wife, both meeting all eligibility requirements, even if they own more than one property, are granted only one deduction for their principal residence.

REFERENCES:

N.J.S.A. 54:4-8.40, 8.41a, 8.44 & 8.46

N.J.A.C. 18:14-1.1, 18:14-2.2, 2.3 & 2.7

402.24 Income. A real property tax deduction applicant must establish that his anticipated income from all sources for the tax year for which the deduction is claimed will not exceed \$10,000 after excluding income under ONE of the following three income categories:

- (1) The Federal Social Security Act and all its amendments and supplements; *or*
- (2) Any other Federal government program or Federal law which provides benefits in whole or in part in lieu of Social Security benefits or for persons excluded from Social Security coverage, including but not limited to the Federal Railroad Retirement Act and Federal pension, disability and retirement programs; *or*
- (3) Pension, disability or retirement programs of any state or its political subdivisions or agencies, for persons not covered under (1) Social Security, provided that the total benefit excludable under (2) or (3) is not in excess of the maximum benefit excludable in similar circumstances under (1) Social Security.

402.241 "Income" Defined: Income includes but is not limited to: salaries, wages, bonuses, commissions, tips, and other compensations before payroll deductions, all dividends, interest, *realized capital gains, royalties, income from

rents, business income and, in their entirety, pension, annuity and retirement benefits. Dividends, interest, *realized capital gains, pensions, annuities and retirement benefits must be included in full, without deductions, even though they may be wholly or partially exempt for Federal income tax purposes.

*Realized capital gain from the sale or exchange of real property owned and used by a claimant as his principal residence, and on which he received a senior citizen, disabled person or surviving spouse property tax deduction is not to be included as income when calculating the \$10,000 income limit.

"Business Income" means gross income derived from a business, trade, profession or from the rental of property after deductions of the ordinary and necessary expenses of the business, trade, profession or property rental as allowed under the Federal Internal Revenue Code and regulations.

"Disability Income" is excludable by law when calculating deduction income limits for benefits received under a Federal, state or political subdivision program to the extent of the maximum benefits available under the Federal Social Security Act. Any other disability income than that received under a Federal, state or political subdivision program is to be evaluated based on its proper treatment for Federal income tax purposes.

"Marital and Family Income" Where both husband and wife are entitled to Social Security benefits, government retirement pensions or government disability pensions, each is permitted their own exclusion from one of the categories of excludable income subject to the maximum limitations provided by law. Income received by a real property tax deduction claimant and spouse is combined in establishing eligibility for the deduction unless they are living apart in a state of separation whether under judicial decree or otherwise. **"State of separation"** means a permanent

and indefinite period of separation and does not include temporary periods of separation such as separate vacations, business trips, hospitalizations, etc.

In determining a claimant's income, family members' incomes, other than a spouse, are not to be combined with the income of the claimant.

"Federal Internal Revenue Code Income Definition

Applicable." Except as otherwise indicated, the definition of income under Federal Internal Revenue Code and regulations is the basis for computing income levels for purposes of determining deduction entitlement.

"Income Guidelines" Guidelines to aid in determining income eligibility are issued annually by the Division of Taxation, Property Administration. (See Exhibit IV-1).

REFERENCES

N.J. Constitution, Art. VIII Sec. 1 Par. 4

N.J.S.A. 54:4-8.40 (a) , 8.41 & 8.44

N.J.A.C. 18:14-1.1

Guidelines for Implementation of Chapter 129, Laws of 1976, p. 2

Local Property and Public Utility News, September-October, 1977, p. 1

402.25 Timely Application - No Retroactive Claims; Personal Deduction.
Claimants must apply for the deduction on Form PTD, "Claim for Real Property Tax Deduction on Dwelling House of Qualified New Jersey Resident Senior Citizen, Disabled Person or Surviving Spouse" supplied by each municipality. Forms may be filed with the assessor from October 1 through December 31 of the pretax year, i.e., the year prior to the calendar tax year or with the tax collector from January 1 through December 31 of the calendar tax year. For example, for a property tax deduction claimed for tax year 1998, the pretax year filing period would be October 1 - December 31, 1997 with the assessor. The tax year filing period would be January 1 - December 31, 1998 with the collector.

NOTE: No application for a previous tax year is to be permitted by the assessor, tax collector or governing body.

An executor, administrator etc. may not apply for deduction on behalf of a decedent who died without having filed PTD application since this deduction is deemed to be a personal one. See also Section 402.30 on Application Procedures.

REFERENCES:

N.J.S.A. 54:4-8.42, 8.43 & 8.47

N.J.A.C. 18:14-2.1. 81:14-3.1

402.26 Age. Age requirements for the real property tax deduction differ among Senior Citizens, Disabled Persons and Surviving Spouses.

- (1) Senior Citizen. A senior citizen must be 65 or more years of age as of December 31 of the pretax year. Proof of age should be attached to the application in the form of an original or photocopy of a birth certificate, baptismal record, family bible page, official census record, marriage certificate, court record, social security record, military discharge or other record, immigration document, insurance policy, or some similar record. Where photocopying of an original immigration document is not permitted, the assessor or collector should abstract the appropriate information and attach the abstract to the application.
- (2) Disabled Person. There is no age requirement to be met by a disabled person.
- (3) Surviving Spouse. A surviving spouse must be at least 55 years of age on or before December 31 of the pretax year and had to have been at least age 55 at the time of death of the deceased spouse. Proof of age or date of birth should be documented with an original or photocopy of a birth, baptismal or marriage certificate, or any other similar official record.

REFERENCES:

N.J.S.A. 54:4-8.41, 8.41a & 8.44

N.J.A.C. 18:14-2.2, 18:14-2.3 & 2.9

402.27 Permanent and Total Disability. "Permanently and totally disabled" means total and permanent inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment, including blindness as of December 31 of the pretax year. "Blindness" means central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye having limited field of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees is considered as having a central visual acuity of 20/200 or less.

Acceptable proofs to be retained with the application are: physician's certificate; various Social Security Award Certificates, in addition to Social Security Award Form SSA-30, or Report of Confidential Social Security Benefits Information Form No. SS-2458 and Social Security Third Party Query Response Form TPQY, provided they verify permanent and total disability in accordance with the Federal Social Security Act and clearly indicate the individual is, in fact, awarded such benefits based on disability; a certificate from the New Jersey Commission for the Blind verifying blindness.

REFERENCES:

N.J.S.A. 54:4-8.40(b), 8.41 & 8.44

N.J.A.C. 18:14-1.1 18:14-2.4

Guidelines for Implementation of Chapter 129, P.L. 1976, pp. 5, 8

Local Property and Public Utility News, May-June, 1977

402.28 Surviving Spouse. A surviving spouse is the unremarried widowed or widowed partner of a marriage, who was at least 55 years of age as of December 31 of the pretax year and at time of the deceased spouse's death, where the decedent spouse during his or her life received either a senior citizen or disabled person's real property tax deduction. A qualified surviving spouse is eligible for a deduction on the same dwelling for which the deceased spouse received a property tax deduction.

Proofs on file should include a copy of a death certificate of the decedent spouse, documentation of survivor's age.

REFERENCES:

N.J.S.A. 54:4-8.41a

N.J.A.C. 18:14-1.1, 18:14-2.3, 18:14-2.5

Guidelines For Implementation of Chapter 129, P.L. 1976, pp. 5, 7, 8

402.29 Aggregate Real Property Tax Deduction Limited. By law, the aggregate real property tax deduction from taxes levied on a dwelling may not be more than \$250 for 1983 and thereafter. Statute does not preclude more than one owner - claimant, whether title is held as tenancy in common or joint tenancy, from requesting the deduction, but no more than one full real property tax deduction per property is allowed in any year. An individual senior/disabled/widow(er) deduction claimant who also qualifies as a veteran deduction claimant is entitled to both the \$250 real property tax deduction and the \$50 veteran's property tax deduction. Where title to a dwelling house is held by both a real property tax deduction claimant as a senior citizen, disabled person, or surviving spouse and by a veteran property tax deduction claimant or his surviving spouse either as tenants by the entirety, joint tenants or as tenants in common, the \$250 property tax deduction claimant and the \$50 veteran property tax deduction claimant are each entitled to their applicable deduction, even if the aggregate amount exceeds \$250, provided that it does not exceed each claimant's proportionate share of the total taxes assessed against the property.

Examples:

<u>1 owner</u>	<u>2 owners</u>
\$250 Senior Citizen Deduction	\$125 Senior Citizen Deduction
+ <u>50</u> Veteran Deduction	125 Senior Citizen Deduction
\$300 Aggregate Amount	+ <u>50</u> Veteran Deduction
	\$300 Aggregate Amount

2 or 3 owners

\$250 Senior Citizen Deduction

50 Veteran Deduction

+50 Veteran Deduction

\$350 Aggregate Amount

In addition, a recipient of a real property tax deduction may also receive any homestead rebate or credit provided by law.

REFERENCES:

N. J. Constitution, Art. VIII, Sec. 1, Par. 4

N.J.S.A. 54:4-8.41 & 8.46

N.J.A.C. 18:14-2.11, 18:14-3.6

Moe Rose v. Boro. of Highland Park, Division of Tax Appeals, 1965

D. A. G. ltr. dtd. 5/3/72 to Chief Clerk, Camden County Tax Board

Guidelines For Implementation of Chapter 129, P.L. 1976, p. 14

402.30 Applying for Real Property Tax Deduction.

- 402.301 Application Claim Forms Used.** Real property tax deduction claim forms for senior citizens, permanently and totally disabled persons and their surviving spouses currently in use are:
- Form PTD** (May 1996) "Claim for Real Property Tax Deduction on Dwelling House of Qualified New Jersey Resident Senior Citizen, Disabled Person or Surviving Spouse". (See Exhibit IV-2.)
- Form PD 4** (September, 1986) "Notice of Disallowance of Claim For a Tax Deduction". (See Exhibit IV-3.)
- Form PD 5** (April 1996) "Annual Post Tax Year Income Statement of Qualified New Jersey Resident Senior Citizen, Disabled Person, or Surviving Spouse Required to Continue Receipt of Real Property Tax Deduction on Dwelling House". (See Exhibit IV-4.)
- 402.302 Municipality Supplies Claim Forms; Reproducible; Cost State Reimbursed.** Each taxing district is required to

provide application forms for the use of claimants. However, pursuant to P.L. 1997, c.30, the State will annually reimburse each district an additional 2% over the cost of the actual deductions to offset administrative expenses. The forms are promulgated by the Director, Division of Taxation and may be reproduced for distribution, but may not be altered without prior approval.

REFERENCES:

N.J.S.A. 54:4-8.42

N.J.A.C. 18:14-2.1

Guidelines For Implementation of Chapter 129, P.L. 1976, p.6

402.303 **Filing Claim Forms; Under Oath.** Claimants applying for the real property tax deduction for the first time must file "Claim for Real Property Tax Deduction on Dwelling House of Qualified New Jersey Resident Senior Citizen, Disabled Person, or Surviving Spouse," Form PTD, with the assessor on or after October 1 and not later than December 31 of the pretax year or with the tax collector between January 1 and December 31 of the calendar tax year. After approval of initial application, claimants must timely submit "Annual Post-Tax Year Income Statement of Qualified New Jersey Resident Senior Citizen, Disabled Person or Surviving Spouse", Forms PD5, by March 1 every year thereafter to retain the deduction. Assessors and tax collectors and their assistants are authorized to administer the oath which may be required of applicants but no charge may be made for this. All declarations of

deduction claimants are considered as if made under oath and subject to penalties for perjury if falsified.

REFERENCES

N.J.S.A. 54:4-8.43, 54:4-8.47 & 8.48

N.J.A.C. 18:14-2.1 & 2.2

Guidelines For Implementation of Chapter 129, P.L. 1976, p.5

- 402.304 Accepting Claim Forms.** All applications for real property tax deduction should be accepted, if filed within the prescribed time periods, whether or not the claimant appears qualified. This allows a claimant to file an appeal if he feels his application is denied incorrectly.
- 402.305 Processing Claim Forms.**
- By Assessors.** Assessors should maintain complete files of all approved and disapproved PTD applications and their supporting documents, and note approved claims in the records. Supporting documents remain the property of each assessor's office. Tax collectors should note contingent tax liabilities for each claimant's deduction amount should it later be disallowed based on excess income, change of ownership or residence or failure to meet any other prerequisites.
- By Collectors.** Where a PTD application is filed with and a deduction allowed by the tax collector, he is to determine the amount of the claimant's tax reduction and offset the amount against the tax then unpaid. The tax collector should transmit the application, together with all attachments or photocopies, to the assessor. The assessor is then to review the application and, if approved by him, it will have the same force as if originally filed with him.

REFERENCES:

N.J.S.A. 54:4-8.43

402.31 Continuing Deduction. A real property tax deduction, once granted, continues in force from year to year without further applications as long as a recipient remains eligible. Each assessor may, at any time, inquire into a recipient's right to continue the deduction and require a new application or such proof as he considers necessary to determine continued entitlement. Also, every deduction recipient, by law, is to inform the assessor of any change which might affect his ongoing entitlement to the deduction.

However, every year after initial application is approved, a deduction recipient must file with the tax collector by March 1 an Annual Post-Tax Year Income Statement, PD5, verifying his income for the preceding tax year did not exceed the maximum allowed and that the income he anticipates for the ensuing tax year will not exceed it. Each collector may require such proof as he considers necessary to verify the statement.

REFERENCES:

N.J.S.A. 54:4-8.42; 54:4-8.44a, 54:4-8.45

N.J.A.C. 18:14-2.1(c) & 2.10

402.32 Post-Tax Year Income Statement Required. On or before March 1 of the post-tax year, that is, the year following the calendar tax year, a deduction recipient must file with the tax collector, Form PD5, a statement of his income for the tax year. If the statement is not timely filed or satisfactorily documented or if the income exceeds the permitted maximum, deduction must be disallowed. The deduction amount previously granted would then be payable by its recipient to the taxing district by June 1 of the post-tax year. If not paid by that date, the taxes become delinquent, a lien on the property and a personal debt of the homeowner.

402.33 Post-Tax Year Income Statement Filing Deadline Extended. Where a tax collector is satisfied that failure to file an income statement by

March 1 was due to a claimant's illness or medical problem, he may grant a filing extension to no later than May 1 of the post-tax year. The claimant must provide the collector with a physician's statement that the claimant was physically incapacitated and unable to file by the original March 1 filing deadline. If the real property tax deduction is then disallowed for untimeliness, income etc. taxes in an amount equal to the deduction must be paid on or before June 1 or where filing extension to May 1 was granted no later than 30 calendar days after the Notice of Disallowance was mailed. If unpaid, the taxes become delinquent, a lien on the property and a personal debt.

REFERENCES:

N.J.S.A. 54:4-8.44a

N.J.A.C. 18:14-2.10

Guidelines for Implementation of Chapter 120, P.L. 1976. p. 10

402.34 Disallowing Claim Forms. If application for real property tax deduction is disapproved, a Notice of Disallowance, Form PD 4, must be sent to the claimant by regular mail giving the reason or reasons for denial and advising the claimant of his right to appeal to the County Board of Taxation on or before April 1.

(1) Application Denied By Assessor.

Where an initial application for property tax deduction, Form PTD, is denied by the assessor, he must forward a Notice of Disallowance, Form PD 4, to the claimant on or before June 1 of the tax year.

(2) Application Denied By Collector.

Where an initial application for property tax deduction, Form PTD, is denied by the tax collector, he must forward a Notice of Disallowance, Form PD 4, to the claimant within 30 days of receipt of the application.

(3) Application Denied By Collector Per Post-Tax Year Statement.

Where the deduction is denied by the tax collector because the claimant failed to timely file the post-tax year income statement or

because claimant's annual income exceeded/will exceed the \$10,000 limit, he must forward a Notice of Disallowance, Form PD 4, to the claimant on or before April 1 of the post-tax year or, where filing extension to May 1 has been granted, not later than June 1 post-tax year.

REFERENCES:

N.J.S.A. 54:4-8.44a

N.J.A.C. 18:14-3.10

Guidelines For Implementation of Chapter 129, P.L. 1976, pp. 17, 18

402.35 Change in Ownership or Residence; Tax Liability Proration, Lien.

Where a real property tax deduction recipient transfers ownership, sells or ceases to occupy his dwelling as his principal residence during the tax year, a post-tax year income statement must be filed to verify deduction entitlement for that portion of the tax year prior to the sale, transfer or change in residence. Any tax liability is to be prorated by the tax collector based on the number of days during the tax year that entitlement to the property tax deduction ceased.

For example: Qualified property tax deduction recipient sells the claimed dwelling house on May 3 of the tax year. Annual property taxes are \$3,650. Proration of the \$250 deduction is calculated as:

(May 4 to December 31)

$$\frac{242 \text{ days of nonownership}}{365 \text{ days in year}} \times \$250 \text{ equals } \$165.75$$

\$165.75 Deduction to be repaid to municipality

\$ 84.25 Prorated Deduction amount allowed

Failure to timely file or document the income statement or if income exceeded the allowable annual \$10,000 maximum, the full property tax deduction for that tax year is to be denied and taxes in an amount equal to said deduction must be paid on or before June 1 of the post-tax year or, where filing extension has been granted no later than 30 calendar days

after the Notice of Disallowance was mailed. If unpaid, the taxes become delinquent, a lien on the property and a personal debt.

REFERENCES:

N.J.S.A. 54:4-8.44a

N.J.A.C. 18:14-3.9

Guidelines For Implementation of Chapter 129, P.L. 1976, p.16

402.4

Death of a Property Tax Deduction Claimant/Recipient. The Director of the Division of Taxation has promulgated the following guidelines:

- (1) Where a qualified claimant applies for property tax deduction during October 1 - December 31 of the pretax year and dies prior to January 1 of the ensuing tax year, the deduction for such tax year should be disallowed.
- (2) Where a qualified claimant applies for a deduction between October 1 - December 31 of the pretax year and dies on January 1 of the tax year or thereafter, the deduction for such tax year should be allowed. There is no need for proration nor filing of Post-Tax Year Income Statement, except as noted below.
- (3) Where a qualified claimant applies for deduction during the tax year, is granted deduction, and dies during that tax year, there is no need for proration nor filing of Post-Tax Year Income Statement, except as noted below.
- (4) Where an established qualified claimant who has been receiving deductions dies after December 31 of the pretax year (i.e. during tax year or thereafter) and prior to filing a Post-Tax Year Income Statement, the deduction should be allowed for the tax year if all prerequisites have been met as of October 1 of the pretax year. There is no need for proration and no Post-Tax Year Income Statement need be filed, except as noted below.
- (5) Where a qualified claimant dies after filing a Post-Tax Year Income Statement, there is no need for proration and no Post-Tax Year Income Statement need be filed during the year following such tax year, except as noted below.

EXCEPTION: If the surviving spouse, heirs-at-law, successors, or assigns of the deceased deduction recipient sell or transfer title to the dwelling house during the tax year of recipient's death, the deduction ceases as of the sale or transfer date and the tax collector should prorate the deduction based on the number of days

remaining in the tax year following the date of sale or transfer. The prorated amount constitutes a lien against the dwelling.

REFERENCES:

N.J.A.C. 18:14-3.7

Guidelines For Implementation Of Chapter 129, P.L. 1976, p. 15

Director's Ltr. to Assessor's, Collector's, County Tax Commissioner's 11-19-1974

- 402.5 **Appeals.** An aggrieved claimant may appeal the denial of a real property tax deduction in the same manner as appeals from assessments generally. If a claimant's deduction is disallowed by an assessor or collector at a date too late to permit the filing of an appeal with the county board of taxation on or before April 1 of the current year, then, the claimant would be entitled to appeal at any time before April 1 of the succeeding year. If the appeal is filed in time to permit it to be calendared and heard by the county tax board during the year immediately following the year to which the appeal relates, the board may hear and decide the appeal for that tax year. The appeal should indicate the nature and location of the property, the reasons for complaint and the relief sought.

REFERENCES:

N.J.S.A. 54:4-8.49

N.J.A.C. 18:14-3.11

Guidelines For Implementation of Chapter 129, P.L. 1976, p. 18

402.6 **Tax Deduction Applied To Added and Omitted Assessments**

- 402.61 **Added Assessments.** A real property tax deduction may be applied to an added assessment levied on a dwelling house where all deduction prerequisites, including having legal title to the improved property as of pretax year October 1, have been met and the aggregate amount of the deduction claimed against the total taxes on the entire property does not exceed \$250 for 1983 and thereafter. The amount of deduction is

subtracted from the amount of taxes on the Added Assessment List after apportioning the assessment as provided by law.

REFERENCES:

N.J.A.C. 18:14-3.4

Guidelines for Implementation of Chapter 129, P.L. 1976, p. 13

402.62 Omitted Assessments. A real property tax deduction may also be applied to an omitted assessment levied on a dwelling house where all deduction requirements have been met. Only one deduction may be received on the dwelling which constitutes the principal residence. The deduction may not be divided between two or more residences.

REFERENCES:

N.J.A.C. 18:14-3.5

403. Deduction - Veterans, Veterans' and Servicepersons' Surviving Spouses

403.1 New Jersey's Constitution provides for a deduction of up to \$50 from taxes levied on real and personal property owned by: qualified war veterans, their surviving spouses, and the surviving spouses of servicepersons who served in time of war and died on active duty. General laws have been enacted to implement the constitutional provisions.

REFERENCES:

N. J. Constitution, Art. VIII, Sec. 1, Par. 3

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

403.2 Eligibility. To qualify for the \$50 veteran's property tax deduction, a claimant must meet requirements of citizenship, residency, active wartime service in United States Armed Forces, honorable discharge, real or personal property ownership, timely application, and surviving spouse where warranted as follows:

403.21 **Citizenship.** The veteran applicant must be a citizen of New Jersey as of October 1 of the pretax year, i.e., the year prior to the tax year for which deduction is requested. The Constitutional and statutory language requiring a veteran and a veteran's surviving spouse to be "citizens of this State" means New Jersey citizenship not United States citizenship.

REFERENCES:

N. J. Constitution, Art. VIII, Sec. 1. Par. 3

N.J.S.A. 54:4-8.10; 54:4-8.11

A. G. Opinion 1961 - No. 34

403.22 **Residence in New Jersey.** The veteran property tax deduction applicant must be a legal or domiciliary resident of New Jersey as of October 1 of the pre-tax year. **Domicile Defined.** Domicile is any place you regard as your permanent home - the place you intend to return to after a period of absence (as on vacation abroad, business assignment, educational leave, etc.). A person has only one domicile, although he may have more than one place to live. Your domicile, once established, continues until you move to a new location with the intent to make it your permanent home and to abandon your New Jersey domicile. Moving to a new location, even for a long time, does not change your domicile if you intend to return to New Jersey. Some proofs of domicile are N. J. voter registration, New Jersey motor vehicle registration and resident tax return filing. Seasonal or temporary residence in this State is not sufficient. Absence from this State for twelve months or more is prima facie evidence of abandonment of domicile. In Roxbury Twp. v. Heydt, the Tax Court of New Jersey held that duration of a military serviceperson's residence in New Jersey was not a significant factor in determining domicile in view of

duty reassignment practices of the Armed Forces. The burden of proving legal domicile is on the deduction claimant.

REFERENCES:

N. J. Constitution, Art. VIII, Sec. 1, Par. 3

N.J.S.A. 54:4-8.10; 54:4-8.11

Roxbury Twp. v. Heydt, 6 N.J. Tax 73 (1983)

403.23 Active Service in the United States Armed Forces. A veteran property tax deduction applicant must have served full-time active duty in the Armed Forces of the United States in time of war. The Armed Forces of the United States includes:

- (1) Air Force
- (2) Army
- (3) Army Transport Command
- (4) Coast Guard
- (5) Marine Corps
- (6) Navy
- (7) Women's Army Corps (As of July 1, 1943)
- (8) Regularly established women's auxiliary units of the Coast Guard, Marine Corps, and Navy, together with Nurses, when on active duty with any of the above listed military service branches.

Reserve Unit Personnel of the following units when detailed for and on active duty with the above listed service branches are also included:

- (1) Air Force Enlisted Reserve
- (2) Air National Guard of the United States
- (3) Coast Guard Regular Reserve
- (4) Coast Guard Reserve
- (5) Dental Reserve Corps of the Navy
- (6) Enlisted Reserve Corps
- (7) Marine Corps Reserve
- (8) Marine Corps Reserve Force

- (9) Medical Reserve Corps of the Army
- (10) Medical Reserve Corps of the Navy
- (11) National Naval Volunteers
- (12) National Guard of the United States
- (13) Naval Auxiliary Reserve
- (14) Naval Militia
- (15) Naval Reserve
- (16) Naval Reserve Force
- (17) Officers' Reserve Corps of the Air Force
- (18) Officers' Reserve Corps of the Army
- (19) Officers' Reserve Corps of the Navy
- (20) Organized Reserve
- (21) Public Health Service
- (22) Regular Army Reserve
- (23) Reserve Corps of the Public Health Service
- (24) Reserve Officers Training Corps
- (25) Students' Army Training Corps
- (26) United States Maritime Service or Merchant Marines (during World War II only)
- (27) United States Army Transport Service (Transportation Corps during World War II)
- (28) United States Naval Transportation Service (during World War II)

Maritime Service - Merchant Marines

On January 19, 1988, the "American Merchant Marine in Oceangoing Service during the Period of Armed Conflict, December 7, 1941, to August 15, 1945," was determined to be "active duty" under Public Law 95-202 for all laws administered by the Veterans Administration.

Although not part of the United States Merchant Marine, Civil Service crew members aboard U.S. Army Transport Service and Naval

Transportation Service vessels in oceangoing service or foreign waters are also in this approved group.

An "active duty" determination was also made regarding eligibility for New Jersey's veterans' property tax benefits. To qualify for the New Jersey property tax deduction or exemption, the following is required:

- (1) Employment by the War Shipping Administration or Office of Defense Transportation or their agents as merchant seamen documented by the U. S. Coast Guard or Department of Commerce (Merchant Mariner's Document/Certificate of Service), or by the U. S. Army Transport Service (later redesignated U. S. Army Transportation Corps, Water Division) or the Naval Transportation Service as a civil servant; *and*
- (2) Satisfactory service as a crew member during the period of armed conflict, December 7, 1941; to August 15, 1945, aboard
 - (a) merchant vessels in oceangoing, i.e., foreign, intercoastal, or coastwise service (46 USCA 10301 & 10501) and "near foreign" voyages between the United States and Canada, Mexico, or the West Indies via ocean routes, *or*
 - (b) public vessels in oceangoing service or foreign waters.

403.24 **Ineligible Service.** "Active duty for training" or "field training" as a member of a Reserve Component of the Armed Forces of the United States during the pendency of the Vietnam conflict is not considered "active duty" or "active service in time of war," and such military service is not eligible military service for purposes of receiving Veterans Tax Deductions and Exemptions.

In a 1973 Deputy Attorney General opinion, excerpting the Military and Veterans Law, N.J.S.A. 38A1-1(i) "Active duty" is defined as full time duty in the active military service of the United States, other than active duty for training.

"Active duty for training" is defined as "full time duty in the active military service of the United States with or without pay for training purposes, including the initial period of training required by 10 U.S.C. 511(d) for enlisted members of the Army National Guard of the United States and Army Reserve and, with respect to the Army Reserve annual training, attendance at Army service schools...field training exercises or maneuvers under 10 U.S.C. 672(b), 672(d) or 673."

"Annual training" is defined by the Army Regulation to mean "a period of full time training duty for members of the Army National Guard and a period of active duty for training for members of the Army Reserve required to be performed each calendar year, including duty performed at summer encampments, and field exercises and maneuvers." The provisions of 10 U.S.C. 511(d), Reserve Enlistment Program of 1963, state that each person enlisted in a reserve component program shall perform an initial period of active duty for training of not less than four months to commence, so far as practicable, within 180 days after the date of enlistment. See also: 32 U.S.C. 502.

Duty performed by a member of the organized militia other than active duty or active duty for training is characterized as "inactive duty training." N.J.S.A. 38A:1-6 provides "Federal laws and regulations relating to and governing the Armed Forces of the United States shall insofar as the same are applicable and not inconsistent with the State Constitution, apply to and govern the military forces of this State."

The following organizations are not considered Armed Forces of the United States:

- (1) American Red Cross
- (2) New Jersey State Guard
- (3) New Jersey State Militia
- (4) Salvation Army
- (5) Women's Army Auxiliary Corps (Prior to July 1, 1943)
- (6) YMHA, YM-YWCA

Civilian employees of the United States and civilians serving in civil defense units, such as air raid precautions, auxiliary police and fire service, and coast guard reserves, are not eligible for the veteran's property tax deduction.

A tax deduction cannot be granted based on a disenrollment certificate or any form of release terminating temporary service in a military or naval branch of the Armed Forces on a voluntary or part-time basis without pay.

A release from or deferment of induction into active air, military, or naval service, such as a "Discharge from Draft" form used in World War I, does not indicate active duty in the Armed Forces of the United States.

REFERENCES:

N.J.S.A. 54:4-8.10, 54:4-8.11

A. G. Opinion No. 24, July 13, 1955, Discharge from Draft

Assistant A. G. ltr. to Director, Division of Taxation, February 23, 1973

403.25 Active Wartime Service. The veteran property tax deduction applicant must have served in the Armed Forces of the United States in "time of war". "Time of war" has been defined as the following periods:

<u>MISSION</u>	<u>INCEPTION DATE</u>	<u>TERMINATION DATE</u>
Operation "Desert Shield/ Desert Storm" Mission	August 2, 1990	Ongoing;
Panama Peacekeeping Mission	December 20, 1989	January 31, 1990;
Grenada Peacekeeping Mission	October 23, 1983 <small>(extended from October 25, 1983)</small>	November 21, 1983
Lebanon Peacekeeping Mission	September 26, 1982	December 1, 1987; <small>(extended from February 26, 1984)</small>
Vietnam Conflict	December 31, 1960	May 7, 1975;
Korean Conflict	June 23, 1950	January 31, 1955;
World War II	September 16, 1940	December 31, 1946;
World War I	April 6, 1917	November 11, 1918.
United States military forces in Russia - April 6, 1917-to April 1, 1920.		
Spanish-American War - April 21, 1898 to August 13, 1898.		
Civil War - April 15, 1861 to May 26, 1865.		

403.26 Site And Length of Wartime Service

Missions: Military service must have occurred in the Arabian peninsula, in Panama, Grenada, or Lebanon or on board ship actively engaged in patrolling the Persian Gulf or the territorial waters of Panama, Grenada, or Lebanon. The service must be 14 days continuous or in aggregate commencing on or before the date of termination of the mission. The 14 day prerequisite is, however, waived where service injury is incurred.

Wars and Conflicts: In Donnenwirth v. Edison Twp. a marine who sustained service connected 100 % total and permanent disability stateside during the Vietnam conflict was entitled to property tax benefits. The court held that statute does not limit the place where injuries may be sustained. No specific length of time is prescribed. Any active service in the Armed Forces of the United States in time of war, no matter how brief, is sufficient.

REFERENCES:

N.J.S.A. 54:4-8.10, 54:4-3.33a

Donnenwirth v. Edison Twp., Div. Tax Appeals (1967)

403.27 Honorable Discharge. A veteran claimant must have been honorably discharged or released under honorable circumstances from full-time active duty during a period of war. All discharges, except those designated as "dishonorable," "undesirable," "bad conduct," by sentence of "general court martial," "by sentence of summary court martial," or other similar indicator that the discharge or release was not under honorable conditions, qualifies the claimant as a veteran.

There is no provision for deduction for military personnel on active duty in the Armed Forces, prior to discharge, even in time of war. Members of the Armed Forces of the United States having continuous military service and who are still in the service do not qualify for deduction as confirmed by Attorney General Opinion No. 31 - 1951. An honorable discharge or release under honorable circumstances is required. However, an honorably discharged U. S. war veteran does not lose his deduction by reentering into the military service.

Records. The National Archives and Records Administration, National Personnel Records Center, 9700 Page Boulevard, St. Louis, MO 63132-5100 is responsible for storing and maintaining veterans' service and health records.

An Armed Forces Discharge Certificate may be obtained by filling out a DD Form 2168 and sending it to one of the following offices:

Merchant Marine:	Commandant (GMVP-1/12) United States Coast Guard Washington, DC 20593-0001
Army Transport Service:	Commander U.S. Army Reserve Components Personnel & Administrative Center (PAS-EENC) 9700 Page Boulevard St. Louis, MO 63132-5200
Naval Transportation Service:	Naval Military Personnel Command (NMPC-3) Navy Department Washington, DC 20370-5300

Forms are available from Veterans Administration Offices, Merchant Marine veterans organizations, and from the offices listed above. Additional assistance may also be obtained from N.J. Department of Military and Veterans' Affairs, Division of Veterans' Services, Eggert Crossing Road, Trenton, New Jersey 08625.

REFERENCES:
N.J.S.A. 54:4-8.10

- 403.28 Property Ownership.** A veteran claimant must have legal title, i.e., full or partial ownership interest, in the property for which the deduction is claimed. The ownership criteria is met by:
- (1) An executory contract for the sale of land under which the veteran claimant takes possession.
 - (2) Partnership property to the extent of the veteran claimant's ownership interest as a partner up to a tax levy of \$50.

- (3) Shareholders of co-ops or mutual housing corporations to the extent of the veteran claimant's proportionate share of taxes assessed against the real property.
- (4) Property held by a guardian, trustee, committee, conservator, or other fiduciary for any person otherwise eligible.
- (5) Joint tenants, tenants in common, or tenants by the entirety on their interest, but the tax deduction for any one claimant may not exceed the taxes due on his proportionate share. The interests of joint tenants and tenants in common are equal unless the deed provides otherwise. If property is held by husband and wife, as tenants by entirety, each is considered to own a full interest. For example, if a husband and wife hold title to a property and both are veterans, a double deduction, or \$100, is permitted.
- (6) Property in which the claimant has an estate for life, life tenancy or life time rights.
- (7) Interest arising from a will or the intestate laws of this State provided care is taken to ensure that the claimant is a legal owner of full or fractional interest in such property.

Ineligible Ownership. Corporate property is not eligible.

REFERENCES:

N.J.S.A. 54:4-8.10, 54:4-8.15, 54:4-8.17, 54:4-8.18
Sheppard v. Willingboro Twp., 1 N.J. Tax 530 (1980)

- 403.29 Ownership Change After October 1 Does Not Affect Entitlement.**
 Eligibility for a veteran's property tax deduction is established as of October 1 of the pretax year. Once established as of October 1st a deduction prevails for the whole of the ensuing tax year despite any change in title to the property which may occur between October 1 and December 31 of the pretax year or at any time during the calendar tax year.
- 403.30 Death of Veteran Deduction Recipient.** Where a deduction claim has previously been filed and a claimant veteran, surviving spouse of a veteran

or serviceperson dies after October 1 of the pretax year, the deduction should be allowed for the whole of the ensuing tax year if all other prerequisites were met as of October 1.

403.31 Timely Application - No Retroactive Claims. Claimants must apply for the deduction on Form V.S.S. "Property Tax Deduction Claim By Veteran or Surviving Spouse of Veteran or Serviceperson" supplied by each municipality. Forms may be filed with the assessor by December 31 of the pretax year or with the tax collector between January 1 and December 31 of the calendar tax year. For example, for veteran deduction claimed for tax year 1998, pretax filing would be made through December 31, 1997 with the assessor and January 1 - December 31, 1998 with the collector.

NOTE: No application for a previous tax year is to be permitted by the assessor, tax collector or governing body. See also Section 403.5 on Application Procedures.

403.32 Eligibility of Surviving Spouses of Veterans and Servicepersons. To qualify for a property tax deduction as the surviving spouse of a veteran or serviceperson, the surviving spouse must have been married to the veteran or serviceperson at the time of death, and at death the veteran or serviceperson himself or herself must have met all of the requirements for deduction. **EXCEPTION:** Although required of the deceased veteran, property ownership (legal title) by the deceased serviceperson need not have existed at death. In addition, the surviving spouse, as of October 1 of the pretax year;

- (1) must not have remarried;
- (2) must be a legal resident of New Jersey;
- (3) must have full legal title or a fractional ownership interest in the property;

- (4) must prove that the deceased was a citizen and resident of New Jersey at death; and
- (5) must timely apply for the tax deduction.

REFERENCES:

N.J.S.A. 54:4-8.10 (j), 54:4-8.11 & 54:4-8.12

403.33 Surviving Spouse Defined. "Surviving spouse" means a resident of this State who is the surviving wife or husband (i.e. widow or widower) of:

- (1) a citizen and resident of this State who dies while on active duty in time of war in any branch of the Armed Forces of the United States; *or*
- (2) a citizen and resident of this State who has had active service in time of war in any branch of the Armed Forces of the United States and who dies while on active duty [not necessarily wartime] in a branch of the Armed Forces of the United States; (Brackets added for clarity.) *or*
- (3) a citizen and resident of this State who has been honorably discharged or released under honorable circumstances from active service in time of war in any branch of the Armed Forces of the United States.

The status of surviving spouse ceases upon remarriage. Subsequent divorce does not restore surviving spouse status. However, annulment of a second marriage would restore status as a surviving spouse.

REFERENCES:

N.J.S.A. 54:4-8.10;

403.34 Surviving Spouses Who are Veterans. A qualified surviving spouse of a deceased veteran or deceased serviceperson who is also a qualified veteran himself/herself is eligible for a \$50 property tax deduction under each status, or \$100. See also Section 403.4 on Aggregate Deduction.

REFERENCES:

N.J.S.A. 54:4-8.17

403.35 Ineligible Surviving Spouses - Surviving Spouses of Non-Resident Veterans and Servicepersons. Constitutional and statutory provisions granting veterans' property tax deductions limit eligibility to veterans or servicepersons who are legal residents of this State. Accordingly, the surviving spouse of a veteran or serviceperson, though himself/herself a New Jersey resident, is not entitled to a deduction if the deceased veteran or serviceperson, at the time of death, was not a legal resident of this State.

REFERENCES:

N. J. Constitution, Art. VIII, sec. 1, Par. 3

N.J.S.A. 54:4-8.10(j), 54:4-8.11, 54:4-8.12, 54:4-8.15

403.4 Aggregate Veteran's Property Tax Deduction. A veteran tax deduction of \$50 in the aggregate is allowed per individual claimant. While the deduction may be applied to property in any taxing district and may be divided among two or more properties, the total veteran's deduction per person may not be more than \$50. An exception is made for surviving spouses of veterans who are veterans themselves where a double deduction totaling \$100 is permitted. In the case of multi-owned property, each veteran claimant is eligible for his full \$50 deduction provided their proportionate share of taxes paid is \$50 or more. The tax deduction granted to veterans and their surviving spouses is in addition to all other deductions and exemptions for which the claimant may qualify.

Example:

4 owners

1/4 ownership interest each

all qualified veterans

total property taxes equal \$2,000

eligible for 4 veteran deductions totaling \$200.

REFERENCES

N.J.S.A. 54:4-8.11, 54:4-8.17

403.41 Continuing Deduction. Once granted, a veteran's property tax deduction continues in force from year to year, without further applications, as long

as a claimant remains eligible. However, the assessor may inquire into a claimant's right to continue the deduction at any time. Annually as of October 1, the assessor should examine all deduction claims for changes in:

- (1) NJ domicile or legal residence in this State;
- (2) property ownership;
- (3) marital status of surviving spouse claimants.

The assessor may require such proof as he considers necessary to determine a claimant's continued entitlement. A claimant must by law inform the assessor of any change in status which would affect his continued right to the deduction.

REFERENCES:
N.J.S.A. 54:4-8.16

403.5 Applying for Veteran Property Deduction.

403.51 Application Claim Form Used, Municipality Supplies Claim Forms; Reproducible; Cost State Reimbursed. Form V.S.S. (April 1996)
"Property Tax Deduction Claim by Veteran or Surviving Spouse of Veteran or Serviceperson." V.S.S. applications are to be supplied by the municipality for claimants' use. However pursuant to c.30 P.L. 1997 the State will annually reimburse municipalities 2% above the actual deduction amounts for administrative costs. V.S.S. forms are promulgated by the Director, Division of Taxation and may be reproduced for distribution but may not be altered without prior approval.
(See Exhibit IV-5.)

403.52 Filing Claim Forms - No Retroactive Applications. Veteran Property Tax Deduction claimants must make written application for the deduction. V.S.S. applications should be filed with the assessor by December 31 of the pretax year or with the tax collector between January 1 and

December 31 of the calendar tax year.

- 403.53 Overpayment Refunded.** If the resulting reduction in the property taxes due exceeds the taxes already paid, the municipal governing body may, at its discretion, permit a refund, without interest, upon the request of the deduction claimant.

REFERENCES:

N.J.S.A. 54:4-8.12 & 8.13

- 403.54 Accepting Claim Forms.** All applications for veterans' property tax deductions should be accepted, if filed within the prescribed time periods, regardless of whether or not the claimant appears qualified. This allows a claimant to file an appeal if he feels his application is denied incorrectly.
- 403.55 Processing Claim Forms.** If initially filed with the collector, the application and accompanying documents or their photocopies then must be forwarded to the assessor for review and approval. Approval by the tax collector does not relieve the assessor of examining the application and determining whether the deduction should be allowed. No application for a previous tax year is to be permitted by the assessor, tax collector or governing body.
- 403.56 Disposition of Claim Forms.** Assessors should maintain complete files of all approved and disapproved applications, together with supporting documents. Supporting documents remain the property of each assessor's office.

REFERENCES:

N.J.S.A. 54:4-8.12

- 403.57 Proofs - Veteran.** Form V.S.S. must be accompanied by a copy of the veteran's certificate of honorable discharge or release under honorable

circumstances including the service record portion of the discharge, DD Form 214 showing:

- (1) the veteran served active duty in the Armed Forces of the United States;
- (2) the service was during wartime;
- (3) the veteran was honorably discharged or released from active duty under honorable conditions.

Proof of property ownership such as a real property deed and of State residence or legal domicile via motor vehicle or voter registration etc. may also be required.

NOTE: The Veterans' Administration can certify marital status, residency and service periods. Accordingly, the certificate received from the Veterans' Administration may be used to verify one or more eligibility conditions.

REFERENCES:
N.J.S.A. 54:4-8.12

403.58 Proofs - Surviving Spouse of a Veteran or Serviceperson. The same documentation required for a veteran's tax deduction is required for surviving spouses. Additionally a marriage license or death certificate of the decedent may be requested. For surviving spouses of servicepersons the following must be documented:

- (1) the death of the serviceperson while on active duty per U. S. Veteran's Administration Certificate. Past proof that a serviceperson died during time of war such as a photostatic copy of the War Department telegram or an official letter notification etc. is no longer necessary;
- (2) that the service was in the Armed Forces of the United States;
- (3) that the serviceperson had served during time of war.

NOTE: The Veteran's Administration can certify marital status, residency and service periods.

403.6 **Appeals.** An aggrieved claimant may appeal the denial of a deduction as a veteran, as the surviving spouse of a veteran or serviceperson in the same manner as for appeals from assessments generally. However, where an application for a veteran's property tax deduction is disallowed by the assessor or collector at a date too late to permit the claimant to file an appeal with the county board of taxation on or before April 1 of the current year, then, the claimant would be entitled to file an appeal at any time on or before April 1 of the succeeding year. If the appeal is filed in time to permit it to be calendared and heard by the county tax board during the year immediately following the year to which the appeal relates, the board may hear and decide the appeal for that tax year. The appeal should include the nature and the location of the property, the reasons for complaint and the relief sought.

REFERENCES:

N.J.S.A. 54:4-8.21

NOTE: The statutory authorities for veterans' deductions and veterans' exemptions N.J.S.A. 54:4-8.10 and 54:4-3.30 are read together "in pari materia."

403.7 **Tax Deduction Applied to Added or Omitted Assessment.** The veteran's property tax deduction may be applied to taxes due on an added or omitted assessment.

REFERENCES:

Local Property Tax Bureau News, May-June, 1963

A. G. Opinion No. 20, 1954

404. Exemption - Disabled Veterans, Surviving Spouses of Disabled Veterans and Surviving Spouses of Servicepersons

404.1 Qualified New Jersey resident war veterans having certain service-connected disabilities described in the law or having been declared totally or 100% permanently disabled by the United States Veterans' Administration are granted full tax exemption on their dwelling house and the lot or curtilage on which it's located, as of the date the

veteran acquires the property, or as of the date his total or 100% permanent disability is declared.

The surviving spouse of such New Jersey resident disabled veteran, who at time of death was lawfully entitled to exemption, is eligible, on making proper claim, for the same exemption as the deceased spouse, while widowed or widowered, a State resident and the legal owner and actual occupant of the dwelling house to be exempted or any other dwelling thereafter acquired, and used as the principal residence.

The surviving spouse of a disabled veteran or serviceperson who would have become eligible had he or she lived is qualified to receive the exemption based on the broadening of the tax exemption on January 10, 1972.

REFERENCES:

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

Roxbury Twp. v. Heydt, 6 N.J. Tax 73 (1983)

404.2

Eligibility. To qualify for real estate tax exemption, the disabled war veteran must meet all requirements of New Jersey citizenship, legal or domiciliary New Jersey residence, principal or permanent residence in the claimed dwelling, full property ownership, active wartime service in the United States Armed Forces, honorable discharge and VA certified 100% permanent and total disability. (See corresponding sections for Veteran Deductions.)

404.21 Disability. A service-connected disability as declared by the United States Veterans Administration from:

- (1) paraplegia, sarcoidosis, osteochondritis resulting in permanent loss of the use of both legs or permanent paralysis of both legs and lower parts of the body;
- (2) hemiplegia involving permanent paralysis of one leg and one arm on either side of the body, resulting from injury to the spinal cord, skeletal structure, or brain, or disease of the spinal cord not resulting from any form of syphilis;

- (3) total blindness;
- (4) amputation of both arms or both legs, or both hands or both feet, or the combination of a hand and foot;
- (5) other service-connected disability declared by the Veterans' Administration to be a total or 100% permanent disability and not so evaluated because of hospitalization or surgery and recuperation.

The disability must have been sustained through:

- (1) enemy action;
- (2) accident; or
- (3) disease contracted while in active service "in time of war."

NOTE: Paraplegia or hemiplegia resulting from locomotor ataxia, or other forms of syphilis of the central nervous system, or from chronic alcoholism, or other forms of disease resulting from the veteran's own misconduct are not grounds for a disabled veteran's tax exemption.

REFERENCES:

N.J.S.A. 54:4-3.30 & 54:4-3.34

Robert D. Donnewirth and Susan Donnewirth v. Twp. of Edison,

Division of Tax Appeals, July 1969

Local Property Tax Bureau News, August - September 1969, p.2

404.22 Property Ownership and Occupancy.

(A) Ownership.

- (1) A disabled veteran must have full ownership of the property for which exemption is claimed.
- (2) A disabled veteran and spouse, taking property title as tenants by the entirety, meet the full ownership requirement.
- (3) A disabled veteran possessing a dwelling as a vendee under executory contract for purchase of the land where the dwelling on the land is his principal residence is regarded as having full ownership. The executory contract is deemed to be a mortgage for the unpaid balance of the purchase price.

- (4) A disabled veteran who owns a dwelling unit in a condominium property meets the full ownership prerequisite.
- (5) A disabled veteran having a life estate, life tenancy or lifetime rights to a property fulfills the ownership requirement.

Multi-Unit Property

- (6) A multi-unit building such as a duplex must be fully owned by the veteran, but only that portion utilized as the vet's dwelling unit would be exempted.

(B) Occupancy.

- (1) The disabled veteran must occupy the dwelling as his or her legal or domiciliary residence in New Jersey.
- (2) Full exemption applies to a one-family owner occupied building or structure, together with its lot or curtilage and the necessary out-houses or appurtenances.

Multi-Unit Property

- (3) Where part of a multiple-unit building or structure is occupied by a veteran, the assessment on the lot or curtilage and veteran-occupied portion of the building or structure is to be aggregated to exempt that percentage of assessment in proportion to or as compared with the assessed value of the entire building or structure. For example, if a disabled veteran occupies one-half of a two-family dwelling and the aggregate assessment on the lot or curtilage and building or structure is \$140,000, the exemption allowed is 50% of the aggregate assessment or \$70,000.

(C) Ineligible Ownership.

- (1) Property in which a claimant has only a fractional interest as a joint tenant or tenant in common is not exempt.

- (2) Mutual housing corporations and cooperative dwelling units do not qualify for exemption.

REFERENCES:

N.J.S.A. 54:4-3.31, 54:4-3.33

Jackson v. Neptune Twp., 15 NJ Tax 498 (1996)

Sheppard v. Willingboro Twp., 1 NJ Tax 530, 176 NJ Super 637, 424 A.2d 478 (1980)

A. G. Opinion December 21, 1995 - life estate

A. G. Opinion January 8, 1975 - fractional interest

- 404.23 **Exemption Prorated.** Partial or prorated exemption is permitted for the remainder of any taxable year as of the date of property ownership or the date of 100% permanent and total disability rating provided all other eligibility requirements are met. For example, where a dwelling house is acquired on February 14th of the tax year, the assessed value is to be prorated so that 44/365th's of the total assessment would be taxable and 321/365th's would be exempt.

REFERENCES:

N.J.S.A. 54:4-3.31

- 404.24 **Curtilage.** "Curtilage" means the enclosed space of ground and buildings immediately surrounding a dwelling house. The State Division of Tax Appeals (1971) held that 51 acres owned by a disabled veteran across the road from where he resided with his family was not includable in the "curtilage". This land was used by the veteran to raise and train horses. The Division cited Italian-American Building and Loan Association v. Russo, 131 N.J. eq. 319, to the effect that a "curtilage is a piece of ground within the common enclosure belonging to a dwelling house and enjoyed with it for its more convenient occupation." This interpretation was reaffirmed in McTague v. Monroe Twp. where 2

acres of a 40 acre parcel were exempted as reasonable for the fair enjoyment of the residence.

REFERENCES:

McTague v. Monroe Township, 1 N.J. Tax 66 (1980)
Gotwein v. Township of Hopewell, Division of Tax Appeals, April 5, 1971

404.25 Ownership or Occupancy Change. A disabled veteran's right to property tax exemption ceases by reason of change in ownership or occupancy in the dwelling house as of the first day of the month following the date of such change. The same is true for the surviving spouse of a disabled veteran. If the disabled veteran acquires ownership of another dwelling house, then that dwelling and the lot or curtilage is eligible for the tax exemption in the same manner as his former home, upon proper application, but no more than one exemption at a time is allowed. If a surviving spouse moves from the claimed dwelling and acquires ownership of another principal residence, he or she is entitled to exemption on the new dwelling. The tax exemption on the former residence ceases the first day of the month following the change.

REFERENCES:

N.J.S.A. 54:4-3.31

404.3 Surviving Spouses. A deceased disabled war veteran, qualified for a property tax exemption at the time of death, eligibility status inures to the surviving spouse if the survivor meets all of the following requirements:

- (1) Widow or widower must not be remarried;
- (2) Widow or widower must be a citizen and resident of New Jersey;
- (3) Widow or widower's principal or permanent residence must be the claimed dwelling;
- (4) Widow or widower must be full legal owner of the dwelling;
- (5) Widow or widower must apply for the exemption with the municipal assessor;

- (6) Widow or widower must verify the deceased veteran was declared by the United States Veterans' Administration to have had a qualifying service-connected 100 % permanent and total disability as described in statute;
- (7) Widow or widower must verify that the deceased veteran was entitled to a property tax exemption at the time of death, meeting all criteria of active wartime service, honorable discharge, residency, ownership etc. or would have been entitled had the broadening of the definition of disability via (c.398, P.L.1971) to include total or 100 % permanent disability been in effect during the veteran's lifetime.

404.31 **Statute Broadened.** Although it was formerly necessary for the disabled veteran to have been receiving the property tax exemption on the dwelling house while living for the surviving spouse to qualify, such is no longer true. If the deceased veteran would have been entitled to exemption then the surviving spouse is entitled to the exemption.

REFERENCES:

N.J.S.A. 54:4-3.30, 54:4-3.31

Guidelines Governing Administration of the Veteran Property Tax Deduction As It Affects Vietnam War Veterans, (Chapter 166, Laws of 1972)
promulgated November 3, 1972

Phyllis Garma v. Lakewood Twp., 14 NJ Tax 1 (1994)

Borough of Wrightstown v. Medved, 193 N.J. Super 398 (A.D. 1978)

404.32 **Ownership Exception for Surviving Spouse of a Serviceperson.** The widow or widower of a citizen and New Jersey resident serviceperson who died on active wartime duty in the Armed Forces of the United States is entitled to property tax exemption on a dwelling house used as a principal residence. It has been ruled that a qualified surviving spouse is entitled to

exemption despite that the deceased serviceperson did not own legal title to the dwelling house.

REFERENCES:

N.J.S.A. 54:4-3.30, 54:4-3.31

Ltr. To: All Assessors and County Tax Board Administrators from Sidney Glaser, Director, Division of Taxation, May 1, 1982

Local Property and Public Utility News, May-June, 1982

- 404.33 Municipality supplies D.V.S.S.E. Claim Forms; Reproducible.**
D.V.S.S.E. Forms are prescribed by the Director, Division of Taxation and were revised in April 1996. Forms are to be supplied by the municipality and are reproducible but may not be altered without permission of the Director. (See Exhibit IV-6)
- 404.34 Filing and Disposition of D.V.S.S.E. Application.** All claims for disabled veterans and surviving spouses property tax exemption must be made in writing to the municipal assessor who determines the validity of the claim. If valid, the assessor should notify the tax collector of its approval and include the following information:
- (1) property owner's name
 - (2) property description
 - (3) property's assessed value
 - (4) date property ownership acquired or date of total or 100% permanent disability rating by Veterans Administration, whichever is later; i.e. qualifying date of exemption.
- Assessors should maintain files of all approved applications, together with attached supporting documents.
- 404.35 Proofs.** D.V.S.S.E. Claim Forms should be accompanied by:
- (1) Report of Separation Form DD214; (See Exhibit IV-7)
 - (2) Certificate of Honorable Discharge;

- (3) Veteran Administration's Certification of Disability (Property tax exemption letter); (See Exhibit IV-8)
- (4) Proof of Ownership, e.g. Property Deed;
- (5) Death Certificate if surviving spouse;
- (6) If surviving spouse of serviceperson, a certificate from the Veterans' Administration confirming that the surviving spouse has not remarried; that the deceased serviceperson died while on wartime active duty in the United States Armed Forces; the date of death of the deceased serviceperson; and that his/her home of record at the time of death was New Jersey.

404.4 Taxes Refunded. The governing body of each municipality, at its discretion, may, by resolution, refund all taxes collected on any property which would have been exempt from taxation if proper claim in writing had been timely made.

For qualified veterans having certain service-connected disabilities described in the law (generally characterized as paralysis or loss of limbs), no refund of taxes may be made for any year prior to the tax year 1948.

For qualified veterans who have been declared by Veterans Administration to be service connected totally or 100% permanently disabled pursuant to statutory amendment for tax year 1972 and thereafter, no tax refunds may be made for any year prior to tax year 1972.

REFERENCES:

N.J.S.A. 54:4-3.31, 54:4-3.32

404.5 Appeals. An aggrieved claimant may appeal the denial of a property tax exemption as a disabled veteran, as a surviving spouse of a disabled veteran or deceased serviceperson in the same manner as for appeals from assessments generally. However, if an application for the property tax exemption is disallowed by an assessor at a date too late to permit the claimant to appeal to the county board of taxation on or before April 1 of the current year, then, the claimant is entitled to file an appeal at any time on or before April 1 of the succeeding year. If the appeal is

filed by the claimant in time to permit it to be calendared and heard by the county tax board during the year immediately following the year to which the appeal relates, the board may hear and decide such appeal for that tax year. The appeal should explain the nature and location of the property, the reasons for complaint and the relief sought.

REFERENCES:

N.J.S.A. 54:4-8.21, 54:3-21 & 54:51A-1 & A-3

405. Public/Government Property Exemption

405.1

General. The fundamental approach of New Jersey statutes is that all property bear its just share of the public burden of taxation. Statutes granting tax exemption represent a departure from that approach. Therefore, exemptions from the local property tax are to be strictly construed and the burden of proof is on the taxpayer claiming exemption. At the same time, exemption statutes must also be construed reasonably so as not to defeat their legislative intent. However, local property tax exemptions favoring government entities are given a more liberal construction.

N.J.S.A. 54:4-3.3 reads, in part, "Except as otherwise provided [(in 54:4-1 et seq.)] the property of the State of New Jersey; and the property of the respective counties, school districts and taxing districts used for public purposes...shall be exempt from taxation...."

In an Opinion of the Attorney General's Office, dated June 25, 1979, the above statute was explained as follows: "The statute provides for a twofold approach regarding publicly owned property. On the one hand, property owned by the State of New Jersey is exempt from the Local Property Tax Law. On the other hand, property owned by a public body other than the State (school districts, counties and municipalities) is entitled to tax exempt status for local property tax purposes only if such property is used for 'public purposes.' Thus, the statute provides that State property is exempt regardless of use while the property owned by a lesser public entity must not only be owned by such entity but also used for public purposes." A basic test of public property exemption, therefor, is whether the property is used for

government or public purposes, that is, does the use relieve the burden of government?

405.2 **Federal.** Prior to 1944, N.J.S.A. 54:4-3.3 provided tax exemption for real and personal property of the United States. The provision was repealed in 1944 and State law today contains no tax exemption for Federal Government property. Any such exemption must now be found in Federal law. The "supremacy clause" of the United States Constitution and the doctrine of "sovereign immunity" precludes the levying of local property taxes on the Federal Government and, as a general rule, most Federal property is tax exempt. But immunity cannot be granted simply because a tax has an effect on the United States. Exemption is limited to taxes falling directly on the United States, i.e., the Federal Government or an entity so closely connected to that Government the two cannot be viewed as separate. In exempting a private contractor, the contractor "must actually stand in the Government's shoes." Use of Federal property by a contractor in a for-profit business can be a taxable use. Where Federal property is leased to private enterprise, the leasehold is subject to taxation under New Jersey law. Federally owned property may be taxed locally only with the consent of the Government as expressed by some act of Congress. For instance, for real property owned by the Reconstruction Finance Corporation and the Farmers Home Administration permission to tax has been granted. Where possible assessors should access the United States Code for the particular entity to see if Congress has waived immunity to allow taxation. For example, Title 12 U.S.C. S1768 permits real property of Federal credit unions to be taxed by the State, territory, locality "to the same extent as other similar property is taxed". Title 12 U.S.C. S1825 & S1725 also waives tax immunity for real property of the Federal Deposit Insurance Corporation (FDIC) and the Federal Savings and Loan Insurance Corporation (FSLIC). By contrast, the National Credit Union Administration's property tax immunity has not been waived by Congress and remains tax exempt under the Supremacy Clause of the United States Constitution. Again, generally speaking, Federally owned personal property whether leased to or used by private

persons is probably not taxable. Competent legal advice should be obtained before taxing any real or personal property of the Federal Government.

405.21 Taxable Property Acquired by Federal Government - Start of Exemption - No Application Required. Federal property is exempt immediately upon acquisition. The Federal Government is not required to file applications for exemption with the assessor. The appearance of the United States Government as grantor or grantee on abstracts of deeds routinely provided assessors by county registrars or clerks would serve to give the assessor notice.

REFERENCES:

N.J.S.A. 54:4-3.3

Property Taxation, Institute of Property Taxation, Washington, D.C. 1987

Rainhold Holding Co., U.S. Postal Service, and Raintree Assoc. v. Freehold Twp., 14 N.J. Tax 266 (1994)

U.S.A. and F.M.C. Corp. v. Plainsboro Twp., Super-App. Div. March 1977

Thiokol Chemical Corp. v. Morris County Tax Board, 41 N.J. 405, 197 A2d 176 (1964)

Todd Shipyards Corp. v. Weehawken, 45 N.J. 336, 212 A.2d 364 (1965)

United States and Borg-Warner Corp. v. City of Detroit, 355 U.S. 466

City of Detroit v. The Murray Corp. of America, 355 U.S. 489

Continental Motors Corp. v. Twp. of Muskegan, 355 U.S. 484

Sidney Glaser, "New Developments Affecting the Exemption of Federal Property from Local Ad Valorem Taxation," Proceedings of the Seventh Annual

Conference for Assessing Officers: 1960 (New Brunswick: Bureau of Government Research, Rutgers, The State University, May 1961), pp. 48-9

Local Property and Public Utility News, January-February 1978

405.3 State. Property owned by the State of New Jersey is exempt from the local property tax. The constraints of public use are not imposed upon it. In the absence of a clear expression by the Legislature that a particular category of State property should be taxed, that property will be exempt. However, State owned property leased to a private entity for nonpublic purpose is taxable to the lessee under the Leasehold Tax Act, N.J.S.A. 54:4-2.3 to 2.13.

405.31 Taxable Property Acquired by State Government. If State government acquires property after January 1 of the year either by purchase or condemnation from a non-exempt owner, the State is required to pay the property taxes for the remainder of the year. The Report of Eminent Domain Revision Commission of New Jersey (April 1965) recommended, as follows: "When municipalities adopt their annual budget and establish their local tax rate, they anticipate the payment of taxes which they have assessed. The taking of ratables during the year by tax exempt agencies who do not assume liability for such taxes for the period subsequent to the taking, severely disturbs the local municipal finance. The lost revenue must be reflected in the tax rate of the succeeding year. The Commission feels that this is an injustice and that payment of taxes for the entire year during which the taking occurs should be assessed to the municipality."

REFERENCES:

N.J.S.A. 54:4-3.3b.

City of East Orange v. Dwight R. G. Palmer, John A. Kerrick and

New Jersey Highway Department, 47 N.J. 307 (1966)

Local Property Tax Bureau News, July-August 1966

405.32 Taxable Real Property Acquired by State; Start of Exemption - No Application. Real property acquired by the State, a State agency, or an authority created by the State, by purchase, condemnation or otherwise, becomes tax exempt on January 1 of the calendar year following the date of acquisition, provided the municipal assessor is given written notice of the acquisition by certified mail on or before January 10 of that year. And, if real property is acquired between January 1 and January 10 in the tax year and the prescribed notice is given on or before January 10 that year, it becomes tax exempt as of the date acquired. Initial and Further Statement Exemption Applications need not be filed by State Government.

The acquisition of land valued, assessed and taxed under the Farmland Assessment Act of 1964, by purchase, eminent domain or otherwise, is not exempt from the rollback taxes. (Section 3 of Chapter 243, Laws of 1970, approved October 28, 1970). However, if the land is acquired by the State pursuant to a Green Acres Bond Act and is assessed in accordance with the provisions of the "Farmland Assessment Act of 1964" at the time of acquisition by the State, rollback taxes may not be applied. This only applies to State owned property. Where the county or municipality owns land bought with Green Acres Trust dollars given by the State, rollback taxes can be assessed. The right of possession, subject to Chapter 214, Laws of 1970, or vesting of title, whichever occurs first is to be the acquisition date for such real property.

REFERENCES:

N.J.S.A. 54:4-3.3a - 54:4-3.3f
N.J.A.C. 15-12.1

405.33 States' Liability for Taxes after Acquisition. If the former owner paid taxes for the current tax year, in full or in part, beyond the date of acquisition by the State, its agencies, or authorities, the owner is to be reimbursed for the taxes he paid beyond that date. If the taxes for the remainder of the year have not been paid by the owner, the State, its agencies or authorities is to pay the municipality taxes due for the real property it acquired.

REFERENCES:

N.J.S.A. 54:4-3.3a - 54:4-3.3f

405.34 "In lieu" of Property Taxes Paid to Municipality. The presence of certain tax exempt State-owned property in a municipality may qualify that municipality for "in lieu" of tax payments for local services provided those properties. Some State-owned properties which could qualify the

municipality for "in lieu" of payments are: State offices, hospitals, institutions, schools, colleges, universities, garages, inspection stations, warehouses, barracks and armories. Vacant land abutting these properties and held for future development for such uses also qualifies. However, State-owned property which would not qualify for "in lieu" of tax payments includes that used or held for future use for highway, bridge or tunnel purposes or property qualified under State law for any other State payment "in lieu" of taxes.

- (1) To receive "in lieu" of property tax payments assessors must file on September 15 each year a listing of State-owned properties eligible for "in lieu" of payments in their municipality, together with their assessed values. In practice, this list is run by State computer and mailed to each assessor for his review and approval.
- (2) The assessor next reviews and revises, i.e., adds to or deducts from, the list of State owned exempt property, and returns it to the Director of the Division of Taxation. The Director, in turn, reviews and revises the listing, and, as required, on or before November 15 notifies both the county board of taxation and the affected taxing district of any change he makes. Revisions by the Director are final and not subject to appeal except to correct typographical and mathematical errors.
- (3) The Director then computes the State's "in lieu" of property tax liability by multiplying the effective local purpose tax rate of each respective municipality by the aggregate assessed value of eligible State-owned property located in each respective municipality. The total of these calculations constitutes the State's liability.
- (4) Municipalities in which the "in-lieu" payments are less than \$1000 are not eligible to receive payment. A ceiling of "in-lieu" payments to any municipality is placed at 35% of the local purpose property tax levy for the year for which the calculation is made.

(5) In any year that the State appropriation for "in-lieu" payments is insufficient to make full payment, the amount due each municipality will be reduced by the same percentage that the State appropriation bears to the amount required for full funding.

(6) "In lieu" payments are to be made in two equal annual installments on July 5 and November 1.

NOTE: As of the time of this writing, "in lieu" payments have been incorporated into other municipal aid funding using 1994 as base year.

REFERENCES:

N.J.S.A. 54:4-2.2a et seq.
L.1990 c. 16 as amended

405.4 Local Government Property.

405.41 County, Municipal & School District Property. Most property owned by counties, school districts, and municipalities used for public purposes or for the preservation or exhibit of historical data, records, or property, is exempt from local property tax. Applications for exemption, Initial and Further Statements, Forms I.S. and F.S., need not be filed for properties owned by county, or municipal governments or any subdivision thereof. As with federally owned property, deed abstracts would apprise the assessor of government ownership.

REFERENCES:

N.J.S.A. 54:4-3.3

405.5 Authority Property. Each authority is created and defined under separate legislation which establish these entities as "public bodies corporate and politic" and determine their tax status for various taxes. Assessors should index each authority for the applicable statute and confirm exempt/nonexempt standing.

405.51 **New Jersey Turnpike Authority.** Property owned by the New Jersey Turnpike Authority and used for "turnpike projects" is exempt from taxation. Turnpike Authority property not used for "turnpike projects" may be assessed and taxed locally. "Turnpike project" includes the main highway, all bridges, tunnels, overpasses, underpasses, interchanges, entrance plazas, approaches, toll houses, service areas, service stations, service facilities, communication facilities, and administration, storage, and other buildings which the Authority considers necessary for the operation of the project.

REFERENCES:

N.J.S.A. 27:23-3, 27:23-4 & 27:23-12

N.J. Turnpike Authority v Twp Of Monroe 2 N.J. Tax 371 (1981)

N.J. Turnpike Authority v Washington Twp, Mercer County, 16 N.J. 38, 106, A214 (1954)

Local Property Tax Bureau News, June-July, 1954, pp. 1-3

405.52 **Turnpike Roads.** Turnpike roads of any turnpike company used by the public without payment of tolls, are exempt from taxation. Initial and Further Statement applications for exemption must be filed.

REFERENCES:

N.J.S.A. 54:4-3.18, 54:4-4.4

405.53 **New Jersey Highway Authority.** Property owned by the New Jersey Highway Authority, the operator of the Garden State Parkway, used for "projects" of the Authority is exempt from taxation. Property not used for "projects" may be assessed and taxed locally. "Projects" includes all of the facilities listed above for turnpikes as well as traffic circles, grade separations, and such adjoining park or recreational areas and facilities as the Authority, and the Department of Environmental Protection find necessary to promote the public health and welfare and find feasible for development. The courts have ruled that the lessees of lands and buildings operated as restaurants located on the Garden State Parkway are

exempt from local property taxation under the provision of N.J.S.A.

54:4-2.3 et seq.

REFERENCES:

N.J.S.A. 27:12B-3, 27:12B-4 & 27:12B-16

N.J. Highway Authority v. Town of Bloomfield, 8 N.J. Tax 637 (1987)

Walter Reade, Inc. v. Twp of Dennis, et al, (36 N.J. 435, 177 A.2d 752 (1962))

Bloomfield v. Division of Tax Appeals, et al, (84 N.J. Super. 19)

City of East Orange v. Palmer, 47 N.J. 307, 220 A.2d 679 (1966)

Local Property Tax Bureau News, June-July, 1954, pp. 1-3

405.54 Taxable Property Acquired by New Jersey Highway Authority.

Taxable property acquired by N.J. Highway Authority becomes exempt on January 1 of the calendar year following date of acquisition not as of the date of acquisition.

REFERENCES

East Orange v. Palmer, 47 N.J. 307, 220 A.2d 679 (1966)

Hudson County Improvement Authority v. Town of Kearny, 244 N.J. Super 619, 583 A2d 370 (A.D. 1980) 10 N.J. Tax 589 (1989) A.2d November 1990

405.55 County and Municipal Authorities. The real and personal property of county or municipal sewerage, utilities, parking, and incinerator authorities is exempt from the property tax when used for public purpose.

REFERENCES:

N.J.S.A. 40:11A-19, 40:14A-31, 40:14B-63, 40:36A-38, 40:37A-85

N.J.S.A. 40:66A-24

Morris County MUA v. Morris Twp., 14 N.J. Tax 81. (1994)

City of Jersey City v. Jersey City Parking Authority, (App. Div. Jan. 1976)

405.56 Interstate Authorities and Commissions. A number of interstate authorities and commissions hold title to real and personal property in New Jersey. In most cases, the authorizing acts for such organizations as the Port of New York Authority, the Delaware River Port Authority, the Delaware River Joint Toll Bridge Commission and others grant exemption to property used by the organization for its stated purposes. If the tax

status of the property of interstate authorities and commissions is uncertain, the assessor should secure competent legal advice.

REFERENCES:

Port of New York Authority, N.J.S.A. 32:1-1 et seq.
Delaware River Port Authority, N.J.S.A. 32:3-1 et seq.
Delaware River Joint Toll Bridge Commission, N.J.S.A. 32:8-1 et seq.
Palisades Interstate Park, N.J.S.A. 32:14-1 et seq.
Delaware River Basin Water Commission (INCODEL) N.J.S.A. 32:20-1 et seq.
Moonachie v. Port of N.Y. Authority, 38 N.J. 414, 185A2d (1962)

405.57 **Passaic Valley Sewerage Commission.** All real and personal property acquired by the Passaic Valley Sewerage Commission for use as part of or in connection with a main intercepting or trunk sewer, its branches or appurtenances, in the Passaic Valley sewerage district, is exempt from local property taxation.

REFERENCES:

N.J.S.A. 54:4-3.4

405.58 **Watershed Land.** Land of counties, municipalities, and other municipal and public agencies of this State used for the purpose and protection of a public water supply is subject to tax by the respective taxing districts where located, but all other property, buildings and improvements is exempt from taxation.

REFERENCES

N.J.S.A. 54:4-3.3

N.J.S.A. 13:8-1 et seq.

405.59 **Foreclosed Properties.** Properties acquired by municipalities through tax title foreclosures or by deed in lieu of foreclosure, if used for a public purpose, are exempt from taxation. Property bought in for debts or on

foreclosure of mortgages given to secure loans out of public funds is taxable if not for public use.

REFERENCES:
N.J.S.A. 54:4-3.3

406. Leasing of Exempt Property

406.1 Taxable Leases, Assessment Procedure. Usually tax exempt real property leased to an individual whose property is not exempt, is listed as the property of the lessee, rather than the owner, and the leasehold estate is assessed as taxable real estate as of the effective date of the lease. Leasehold estates beginning during the year should be entered on the next Added Assessment List filed after the effective lease date. Any such assessment is to be that proportion of the full amount of the assessment that the number of days the lease is in effect in the tax year bears to 365.

REFERENCES:
N.J.S.A. 54:4-2.3, 54:4-2.4 & 2.5
Borough of Moonachie v. Port of New York Authority, 38 N.J. 414 (1962)
Thiokol Chemical v. Morris County Board of Taxation, 76 N.J. Super 232, 184 A.2d 75 (L.1962) affirmed 41 N.J. 405

406.2 Leases Terminated. Where a taxable leasehold estate of previously exempt property terminates during a tax year, the lessee, after verifying termination to the municipal governing body, is entitled to a cancellation of the proportionate assessment and a refund of any taxes paid in excess of the amount required.

REFERENCES:
N.J.S.A. 54:4-2.9

406.3 Exempt Leases. Certain exempt properties remain exempt even when leased to a nonexempt lessee:

- (1) property leased to or by any interstate agency under an interstate compact between the State of New Jersey and any other state

- (2) property owned by a municipality and leased to some other person or interest for public purpose
- (3) property owned by public housing authorities and various other housing and redevelopment agencies and leased for use as housing projects, when used for public purpose
- (4) property owned by the New Jersey Highway Authority and operated as concessions
- (5) cultural centers leased by the governing body of any city of the first class
- (6) certain property owned by school districts when leased to another school district or governmental agency, or for terms of less than 4 months to nonexempt users

REFERENCES:

- N.J.S.A. 40:60-49.1, 54:4-2.12, 54:4-3.3, 54:4-3.6(d)
NJ Highway Authority v. Town of Bloomfield, 8 NJ Tax 637 (1987)
Howard D. Johnson Co. and Howard Johnson, Inc., v. Twp. of Wall, 36 N.J. 443, A2d756 (1962)
Bergen County v. Leonia Borough, 14 NJ Tax 142 (1994)
Walter Reade, Inc. v. Twp. of Dennis, et al., 36 NJ 435, 177 A.2d 752 (1962)
Town of Bloomfield v. Division of Tax Appeals, et al., 84 Super 19, 200 A.2d 793 (A.D. 1964)
Todd Shipyards Corp. v. Weehawken Township, 45 NJ 336, 212 A.2d 364 (1965)
Martin v. Collingswood, 36 NJ 447 (1962)

407. Tax Exempt Real Property; Activity Conducted for Profit;

Tax Liability of Private Party

When tax exempt real property is used by a private party in connection with a for-profit activity and the use does not render the real property taxable pursuant to N.J.S.A. 54:4-2.3, i.e., the Leasehold Act or otherwise, the real property is to be assessed and taxed as real property of the private party. The private party is liable for taxation as though he owned the property or any portion of it, unless the owner

consents to its taxation. "Use" means the right or license, express or implied, to possess and enjoy the benefits from any real property, whether or not that right or license is actually exercised.

REFERENCES:
N.J.S.A. 54:4-1.10

408. Educational, Religious, and Charitable Organizations

408.1 **General.** Per N.J.S.A. 54:4-3.6 and the Courts, real property tax exemption for educational, religious, and charitable entities is generally determined by: purpose of the organization; use of the property; absence, presence, degree and use of profit; timely ownership of the property; incorporation of the organization or its authorization to operate; extant buildings; and timely application.

408.2 **Exempt Buildings.** The following buildings are exempt from property taxation:

- (1) All buildings actually used for colleges, schools, academies or seminaries, provided that if any portion of such buildings are leased to profit-making organizations or otherwise used for purposes which are not themselves exempt from taxation, said portion shall be subject to taxation and the remaining portion only shall be exempt;
- (2) All buildings actually used for historical societies, associations or exhibitions, when owned by the State, county or any political subdivision thereof or when located on land owned by an educational institution which derives its primary support from State revenue;
- (3) All buildings actually and exclusively used for public libraries, religious worship or asylum or schools for feeble-minded or idiotic persons and children;
- (4) All buildings used exclusively by any association or corporation formed for the purpose and actually engaged in the work of preventing cruelty to animals;

- (5) All buildings actually and exclusively used and owned by volunteer first-aid squads, which squads are or shall be incorporated as associations not for pecuniary profit;
- (6) All buildings actually used in the work of associations and corporations organized exclusively for the moral and mental improvement of men, women and children, provided that if any portion of a building used for that purpose is leased to profit-making organizations or is otherwise used for purposes which are not themselves exempt from taxation, that portion shall be subject to taxation and the remaining portion only shall be exempt;
- (7) All buildings actually and exclusively used in the work of associations and corporations organized exclusively for religious or charitable purposes;
- (8) All buildings actually used in the work of associations and corporations organized exclusively for hospital purposes, provided that if any portion of a building used for hospital purposes is leased to profit-making organizations or otherwise used for purposes which are not themselves exempt from taxation, that portion shall be subject to taxation and the remaining portion only shall be exempt;
- ***As amended by L. 1993, c. 166, "hospital purposes" includes health care facilities for the elderly, such as nursing homes; residential health care facilities; assisted living residences; facilities with a Class C license pursuant to P.L. 1979, c. 496 (C.55:13B-1 et al.), the Rooming and Boarding House Act of 1979; similar facilities that provide medical, nursing or personal care services to their residents; and that portion of the central administrative or service facility of a continuing care retirement community that is reasonably allocable as a health care facility for the elderly.
- (9) All buildings owned or held by an association or corporation created for the purpose of holding the title to such buildings as are actually and exclusively used in the work of two or more associations or corporations organized exclusively for the moral and mental improvement of men, women and children;
- (10) All buildings owned by a corporation created under or otherwise subject to the provisions of Title 15 of the Revised Statutes or Title 15A of the New Jersey

Statutes and actually and exclusively used in the work of one or more associations or corporations organized exclusively for charitable or religious purposes, which associations or corporations may or may not pay rent for the use of the premises or the portions of the premises used by them;

- (11) The buildings not exceeding two, actually occupied as a parsonage by the officiating clergymen of any religious corporation of this State, together with the accessory buildings located on the same premises;
- (12) All property owned and used by any nonprofit corporation in connection with its curriculum, work, care, treatment and study of feeble-minded, mentally retarded, or idiotic men, women, or children shall also be exempt from taxation, provided that such corporation conducts and maintains research or professional training facilities for the care and training of feeble-minded, mentally retarded, or idiotic men, women, or children.

REFERENCES:

N.J.S.A. 54:4-3.6

Grace & Peace Church v. Cranford Twp., 4 NJ Tax 391 (1982)

Paper Mill Playhouse v. Millburn Twp., 7 NJ Tax 78 (1984)

Salvation Army v. Alexandria Twp., 2 NJ Tax 292 (1981)

Hackensack v. Hackensack Med. Ctr., 7 NJ Tax 460 (1988)

408.3

Exempt Land. The land the exempt buildings are erected on, up to 5 acres per building, is also exempt from taxation, provided it's necessary for the fair enjoyment of the property and devoted to the same purposes as the buildings. The relationship of land acreage to building number has had differing legal interpretations depending on the individual character of the property. For example, several buildings could be located on 5 or fewer acres or they could be situated such that 5 acres would be necessary for each. With the exception of cemeteries, graveyards, burial grounds and privately owned recreational or conservation land, (see pertinent sections in this chapter) vacant land is not exempted even though titled to an otherwise exempt

association or corporation. In the absence of buildings used for one of the exempt purposes specified by statute, land cannot be exempted.

REFERENCES:

N.J.S.A. 54:4-3.6

Borough of Allendale v. The Church of the Guardian Angel, Division of Tax Appeals, Case No. 1, Calendar 1/28/63

Pingry Corp. v. Hillaide Twp., 46 NJ 457 217, A.2d 868 (1966)

Boys' Club of Clifton, Inc. v. Jefferson Twp., 72 NJ 389, 271 A.2d 22 (1977)

Fairleigh Dickinson University v. Florham Park Boro, 5 NJ Tax 343 (1983)

Greater Emmanuel Etc. Tabernacles v. Montclair, 4 NJ Tax 618 (1982)

408.4 **Contiguous Land.** Land may be exempt where contiguous to land on which exempt buildings are located.

REFERENCES:

City of Hackensack v. Hackensack Medical Center, 228 NJ Super 310, 549 A.2d 869 (A.D. 1988) cert den, 114 NJ 498, 555 A.2d 619

St. Ann's Catholic Church v. Borough of Hampton, 14 NJ Tax 88 (1994)

Planned Parenthood v. Hackensack City, 12 NJ Tax 598 (1992)

Congregation B'Nai Yisrael v. Millburn Twp., 35 NJ Super 67, 113 A2d182 (1955)

408.5 **Eligibility.** To qualify for exemption each organization must meet all of the following criteria. Wherever there is doubt as to eligibility, the burden of proof is on the applicant.

408.51 **Existing Buildings.** The property must include buildings. The intention of an eligible organization to construct a building at a future date does not qualify vacant land for exemption, nor does the open-air use of land even if for an organization's stated purposes.

408.52 **October 1 Ownership.** The property must be owned by the organization on the statutory assessing date - October 1 of the pretax year. This

requirement has been interpreted to mean full legal title to the property,
not merely an equitable interest.

REFERENCES:

- Emmanuel Missionary Etc. Church v. Newark, 1 NJ Tax 264 (1980)
Atlantic County New School, Inc. v. City of Pleasantville, 2 NJ Tax 192
(1981)
Catholic Relief Services, U.S.C.C. v. South Brunswick Twp., 9 NJ Tax 25
(1987) affirmed 9 NJ Tax 650
Holy Cross Etc. Church v. Trenton City, 2 NJ Tax 352 (1981)
Jersey City v. N.J. Baptist Convention, 18 N.J. Misc. 209, 12A2d, 150
(1940)

408.53 **Exception to October 1 Ownership.** An owner of tax exempt real property under N.J.S.A. 54:4-3.6 and 54:4-3.26 who acquires another property which is exempt under N.J.S.A. 54:4-3.3 through 54:4-4.4, upon application by the new owner, shall be allowed to continue the exemption on the newly acquired property even though he did not own it on October 1 of the pretax year. For example, purchasers of exempt property who are already owners of property granted exemption as a: college, school, academy, seminary; historical society owned by the state, county or a political subdivision; public library, church, parsonage, asylum, school for feeble minded; first aid squad; building for prevention of cruelty to animals; building used for moral and mental improvement of men, women and children; religious or charitable purpose buildings; hospitals; property used in work of a fraternal organization.

REFERENCES:

N.J.S.A. 54:4-3.6B

408.54 **Exempt Use Test - Reasonable Necessity.** The accepted test for determining whether property is used in the work of an entity organized for an exempt purpose is whether the property is "reasonably necessary" for such purpose. Rather than just a convenience the use must be an integral part of the operation of the exempt organization and reasonably

necessary for the proper and efficient operation of the exempt organization.

REFERENCES:

Jersey Shore Medical Center v. Neptune Twp., 14 NJ 49 (1994)
Clinton Twp. v. Camp Brett-Endeavor, Inc., 1 NJ Tax 54 (1980)

408.55 **Actual Use.** With respect to "actual use," Grace & Peace Fellowship Church, Inc. v. Cranford Twp., 4 N.J. Tax 391 (1982), concluded, "For local property tax exemption to apply, there must be actual public use of building in accordance with exemption statute or building must be ready to provide such public use and mere intention to use for exempt purpose at some time in future will not suffice." Here the property was under construction and though utilized for occasional prayer that was deemed incidental use and exemption was disallowed. Holy Cross Precious Zion Glorious Church of God, 2 N.J. Tax 352 (1981), determined a fire damaged property under renovation ineligible for exemption with the explanation "where taxpayer had never occupied or used property for its exempt purposes, fact that its intent as of assessing date was to use the subject property exclusively for religious purposes would not qualify it for exemption for property 'actually and exclusively' used for various religious purposes." This interpretation of "actual use" is of longstanding; Institute of Holy Angels v. Fort Lee, 80 N.J.L. 545, 77 A. 1035 (1910), Longport v. Bamberger Seashore Home, 91 N.J.L. 330, 102 A. 633 (1917), YMCA v. Orange, 3 N.J. Misc. 404, 128 A. 580 (Sup. Ct. 1915); all set forth the same understanding held in Grace & Peace. All properties in the above cases where their stated exempt use had never begun or had ceased were found to be ineligible. In Paper Mill Playhouse v. Millburn Twp., 7 N.J. Tax 78 (1984), though the property was destroyed by arson fire, exemption was retained. The following distinction was made, "The issue here, however, is not an exemption predicated upon construction of a new building on property

which had not previously been exempt. Rather, the issue concerns the exemption of a theater building in the course of reconstruction on property which had been exempt prior or its destruction by fire...(T)here is no such indication of an abandonment of the exempt use...Further, the prompt manner in which the Paper Mill acted to reconstruct its theater, and Paper Mill's continuing activities in support of its offsite presentations of the children's theater activities, all join in support of the proposition that its exemption was not lost as a result of an arsonist's activity."

408.56 **Exclusive Use and Incidental Nonexempt Use.** An exclusive use requires that the "principal or primary" use of the property be the exempt use. An occasional or incidental nonexempt use or activity does not, by itself, void a property tax exemption.

In Ironbound Educational and Cultural Center v. City of Newark, 220 N.J. 346 (1987), the State Superior Court said of N.J.S.A. 54:4-3.6 "That statute clearly contemplates that associations and corporations organized exclusively for religious and charitable purposes are exempt only when 'actually and exclusively used in the work' of the associations and corporations. [P]roperty is actually and exclusively used in the work of an association or corporation if the property is reasonably necessary for one of the purposes enumerated in N.J.S.A. 54:4-3.6. "Merely because an association leases a portion of its property, does not necessarily mean that it is no longer exclusively used for one of the purposes enumerated in N.J.S.A. 54:4-3.6...If the property being leased is not used for a purpose enumerated in the act, then the corporation or association loses its tax exempt status. However, if the property leased is used for one of the purposes in the act, then the lessor - corporation is entitled to maintain its exemption and the lessee shoulders the tax burden." In Ironbound a nonprofit corporation's lease of 35% of its building to a for-profit restaurant business did not entitle it to partial property tax exemption; no

traditional charitable or religious purpose was served by operation of the restaurant facility in the building.

408.57 **Multi-Use.** In 1994, the N.J. Tax Court remarked as follows relative to the amendment of 54:4-3.6, "There is absolutely no suggestion that, when the Legislature separated the pertinent portion of N.J.S.A. 54:4-3.6 into three parts, one for entities formed for moral and mental improvement purposes, another for hospital purposes, and another for religious or charitable purposes, it intended to eliminate the preexisting exemption for multipurpose entities. The sole purpose of the 1985 amendment to N.J.S.A. 54:4-3.6 was to permit a partial exemption for entities organized for moral and mental improvement purposes. As the intent of the Legislature in 1983 and 1985 was to make it easier to qualify for the hospital and moral and mental improvement exemptions, it would defy common sense to conclude that, with no explanation, the Legislature simultaneously intended to make it more difficult to qualify by limiting the exemption to single purpose entities...(statutory construction will not turn on 'literalisms, technisms or the so-called formal rules of interpretation; it will justly turn on the breadth of the objectives of the legislation and the commonsense of the situation')."

REFERENCES:

N.J.S.A. 54:4-3.6
Camp Alpine of Greater N.Y. Councils v. Boro of Norwood, 1 N.J. Tax 223 (1981) affirmed N.J. Super 13, 443 A2d. 213
Jersey Shore Med. Ctr. v. Neptune Twp., 14 N.J. Tax 49 (1994)

408.58 **Non-Profit Use.** Neither the buildings, the land they're situated on, nor the owner-organization may be operated for profit. If any part of a building is used for profit, the entire building loses its exempt status, except for those buildings cited below:

- (1) Where a building property tax exempt as a college, school, academy or seminary is leased, in part, to a nonexempt profit-making

organization, the leased portion of the building is subject to tax. The portion of the building used for college, school, academy or seminary purposes continues to be exempt.

Exception: A college, school, academy or seminary may lease out part of its property or building without losing even a portion of its tax exempt status if the lease arrangement meets these conditions:

- (a) income derived from the lease agreement must be used for the exempt purposes of the educational organization;
 - (b) income derived from the lease agreement cannot result from a primarily profit-seeking transaction, and must be of a "de minimus" nature, not materially affecting the exempt purpose of the educational entity;
 - (c) the lease cannot be more than 4 consecutive months in duration.
- (2) Buildings used in the work of associations and corporations organized exclusively for hospital purposes may be leased, in part, to profit making organizations, but the leased portions are taxable, while the remainder of the buildings are exempt.
- (3) Buildings used in the work of associations and corporations organized exclusively for moral and mental improvement purposes may be leased to profit-making organizations; the leased portions are taxable and the remaining building exempt.

REFERENCES:

N.J.S.A. 54:4-3.6 & 3.6d (as amended by c.204, L.1983, c.224, L.1983 & c.395, L.1985)

- (4) Where a charitable, religious, or benevolent organization derives a portion of its income from fees and charges resulting from the use of its property, exemption should be granted provided:
- (a) the entire income is devoted to the authorized purposes of the organization, and
 - (b) the building is wholly controlled by the charitable organization.

As concerns profit, paraphrasing Kimberley School v. Town of Montclair, 2 NJ 28, 65 A.2d 500 (1949), the past and present operation of each institution must be examined to determine its eligibility, not with regard to whether its income exceeds the cost of operation in any year or years, but rather whether charges are fixed with the intention of yielding a profit. **In applying the test**, look at the background and nature of the school's organization; the character and nature of the membership of its board of trustees or governing body, particularly where former private owners are represented; the amount of its income compared with its operating costs; the amount of any excess income over costs, and the actual and possible use of such excess; the existence and extent of its accumulated surplus and its intended purpose; the tuition charged compared with that of similar schools; the salaries of its teachers and officials compared with similar schools, public and private; and any other factors bearing upon the dominant motive in the conduct of the school. Kimberley School was deemed nonprofit because tuition rates were not excessive, excess income over expenses was not unreasonable, salaries were low, property owners were not compensated and assets upon corporate dissolution went to other nonprofit educational institutions. In City of Trenton v. Division of Tax Appeals, 65 N.J. Super. 2 (App. Div., 1960), it was held that intent to have an operating surplus or profit rather than a loss does not necessarily constitute a profit motive. The key question here is, what happens to the money. If the funds go back into the operation of the educational facility and cannot be diverted to noninstitutional uses, exemption is permissible; if the monies, other than just compensation for services rendered, benefit an individual personally, exemption is not warranted, despite the nonprofit organization and educational function of the facility.

408.59 Incorporation. The organization must be incorporated or otherwise organized under the laws of New Jersey or any other state, and authorized to carry out the purposes for which exemption is claimed. Once a corporation is authorized to operate in this State, even though not incorporated under New Jersey law, it is considered to have met the corporate/organizational criteria for exemption. Incorporation or

registration to do business is done through the Secretary of State's Office in the Department of State, Telephone No. (609) 530-6400.

REFERENCES:

N.J.S.A. 54:4-3.6

WHYY, Inc. v. Borough of Glassboro, et al, 91 N.J. Super. 269 (1966), 50 N.J. 6 (1967), 390 U.S. 979 (1968)

Memorandum Opinion to Samuel Temkin, Superintendent, Local Property and Public Utility from D. A. G. Harry Haushalter, June 16, 1983

408.60 Application. Organizations must apply for real property tax exemption with the assessor on forms supplied by the municipality as prescribed by the Director, Division of Taxation in accordance with the following procedure. Separate applications must be filed for each parcel of property.

408.601 Initial Statement. An "Initial Statement", Form I. S., must

be filed in duplicate with the assessor on or before November 1 of the pretax year. The Initial Statement

establishes eligibility under the requirements of the various exemption statutes - N.J.S.A. 8A:5-10,

N.J.S.A. 54:4-3.6 & 3.6a, N.J.S.A. 54:4-3.10,

N.J.S.A. 54:4-3.13, N.J.S.A. 54:4-3.15, N.J.S.A. 54:4-3.18,

N.J.S.A. 54:4-3.24, N.J.S.A. 54:4-3.25, N.J.S.A. 54:4-3.26,

N.J.S.A. 54:4-3.27, N.J.S.A. 54:4-3.35, N.J.S.A. 54:4-3.52,

N.J.S.A. 54:4-3.64. See sample form EXHIBIT IV-9. .

408.602 Further Statement. "Further Statement", Form F.S., must

be filed in duplicate with the assessor not later than

November 1 of every third succeeding year. The Further

Statement reaffirms that an exemption, granted for past years, should remain in effect. Further Statements show:

- (a) whether there was any change of use of the property, initially determined as tax exempt, during any 3-year period which would defeat the exemption; and

- (b) whether any new or additional property was acquired for which a tax exemption is claimed showing initially the new or additional property's right to the exemption. See sample form EXHIBIT IV-10.

REFERENCES:

N.J.S.A. 54:4-3.6, 54:4-4.4

Blair Academy v. Blairstown, 95 NJ Super. 583 (1967)

Newark v. Essex County Board, 110 NJ Super. 93 (1970)

Kate Macy Ladd Fund v. Peapack-Gladstone, Division of Tax Appeals,
October 27, 1971

408.6

Disposition of Forms, Copy to County Tax Board. Every Initial and Further Statement should be checked carefully by the assessor. The assessor should:

- (1) review Initial and Further Statement applications, Forms I. S. and F. S., as to which statute exemption is requested under.
- (2) review Initial and Further Statement applications, Forms I. S. and F. S., for explanation of organization's purpose(s).
- (3) review organization's certificate of incorporation, articles of association, charter or bylaws for statement of goals, objectives etc.
- (4) use of property should coincide with stated purpose(s) on application forms and in charter or bylaws and use should be a permitted one per statute under which exemption is requested.
- (5) review financial data e.g. federal income tax returns etc. relative to nonprofit/profit status.
- (6) review purchase, acquisition dates in light of October 1 pretax year ownership criteria.

Each assessor may, at any time, inquire as to whether exemption should be continued and may require a Further Statement or such proofs as he considers necessary to determine the claimant's exemption standing. In the event of a claimant's failure to comply with the legal requirements, or where doubt as to entitlement exists the assessor should deny exemption and remove the property from the Exempt Property List. One copy of each approved form should be forwarded, together with the

Exempt Property List, to the county board of taxation by January 10 of the year for which exemption is granted. The other copy should be retained by the assessor.

NOTE: Applications for exemption need not be filed on behalf of properties owned by Federal, State, county, or municipal governments or by any subdivision thereof.

408.7

Failure to File Further Statement. While statute at N.J.S.A. 54:4-4.4, does suggest the necessity of the Further Statement by stating "...not later than November 1 of every third succeeding year, said assessor shall obtain a "further statement" under oath from each owner of real property for which tax exemption is claimed,..." the significance of the directive is unclear since the courts have repeatedly held that failure to file the Further Statement is of no consequence to eligibility for exemption. As noted in Emanuel Missionary Baptist Church v. Newark, 1 N.J. Tax 264 (1980), "The language of N.J.S.A. 54:4-4.4 does not permit the construction that the statement thereby contemplated is a condition precedent to the allowance of an exemption under N.J.S.A. 54:4-3.6. While exemption statutes are strictly construed against the exemption claimants, Princeton Univ. Press v. Princeton, 35 N.J. 209, 172 A.2d420 (1961), the principle of strict construction must never be allowed to defeat the evident legislative design. Princeton Twp. v. Tenacre Foundation, 69 N.J. Super. 559, 563, 174, A.2d 601 (App. Div. 1961), quoted approvingly in Boys Club of Clifton, Inc. v. Jefferson Twp., 72 N.J. 389, 398, 371 A.2d. 22 (1977). The evident legislative design is set forth with great particularity in N.J.S.A. 54:4-3.6." N.J.S.A. 3.6c also allows leeway where an application is not timely filed.

REFERENCES:

West Orange Twp. v. Hebrew Academy, 13 N.J. Tax 48 (1993)
Atlantic County New School v. City of Pleasantville, 2 N.J. Tax 192 (1981)

408.8

Property Tax Refunded by Governing Body. The governing body of a municipality may, by ordinance, where good cause is shown why a timely application was not filed, return all taxes collected on one or more properties owned by associations or corporations organized exclusively for charitable or religious purposes which would

have been exempt under N.J.S.A. 54:4-3.6 if a timely claim had been made. No refund is to be made if more than 3 years have passed since the last date of filing a timely application. No interest is to be paid by the municipality on any refund of this type.

REFERENCES:
N.J.S.A. 54:4-3.6c

409. Property Acquired by Exempt Organizations

- 409.1 Taxable Property Purchased After October 1 Remains Taxable.** Property must be eligible for exemption as of the pretax year October 1 assessing date. If an exempt organization purchases taxable property after the October 1 assessing date, no exemption can be granted until the next following tax year. For example, real property owned by a nonexempt taxpayer on October 1, 1997 is liable for taxes for 1998. Purchase of this improved property in November 1997 by a qualified exempt organization does not gain its exempt status during 1998. If the exempt organization continues its ownership and exempt use of the property through October 1, 1998, exemption can be granted for tax year 1999 provided that neither use nor ownership changes after October 1, 1998.
- 409.2 Exempt Property Purchased After October 1 Remains Exempt - Application Considered Timely Filed.** Where owners of certain exempt properties acquire other exempt property, exemption remains in effect even though the acquiring exempt owner did not have ownership of the new exempt property on October 1 of the pretax year. Properties exempt under N.J.S.A. 54:4-3.6 or 54:4-3.26 which apply for exemption may be considered timely filed despite the acquisition being subsequent to October 1 of the pretax year, and the exemption may be granted, subject to the following conditions being met:
- (1) the applicant and subject property meet all other requirements for exemption; and

- (2) the subject property was exempt from taxation when acquired by the exempt applicant.

REFERENCES:

N.J.S.A. 54:4-3.6, 54:4-3.6b, 54:4-4.4, 54:4-23

410. Exempt Property Ceases to be Exempt - Added and Omitted Assessments

- 410.1** Properties listed on the tax roll as exempt on October 1 which later cease to be exempt become assessable as added or omitted assessments.
- 410.2** **Exempt Property Valued.** Although exempt property is taxed at zero dollars (\$0), assessors must determine accurate taxable values so that should exemption cease proper tax payments will be obtained. Also accurate valuing of exempt property ensures the correct basis for any "in lieu" of payments.
- 410.3** **Ownership or Use Change.** When property ceases to be exempt because of a change in use or ownership, the property is to be assessed as "omitted" property. The county board of taxation, by resolution, directs the assessment to be made and entered on the Tax Duplicate in the same manner as other omitted property. Any such assessment is to be entered on the Added Assessment List of the municipality where the property is located.

REFERENCES:

N.J.S.A. 54:4-63.26, 54:4-63.2 & 63.3

- 410.4** **Previously Exempt Property Valued.** The assessment of such property is to be based on the assessor's valuation of the property indicated on the Exempt Property List subject to equalization and revision by the county tax board.

REFERENCES:

N.J.S.A. 54:4-63.27

410.5

When Exemption Ceases Affects Time of Assessment. If exemption ceases during any tax year, property is assessed and taxed as of the first day of the month following the date the exemption ceased, for the proportionate part of the remainder of the year. If use or ownership changed after October 1 in any year and before January 1, the property becomes taxable as of the first day of the month following such change in use or ownership.

The "Added Assessment List" for the year in which the assessment is made is then filed with the county tax board on or before October 1 in the subsequent tax year. However, the tax rate applied should be the tax rate for the year in which the exemption ceased.

If the exemption ceased between January 1 and October 1 in any year, the property is assessed and taxed as of the first day of the month following the date the exemption ceased, for the proportionate part of the tax year remaining.

Examples:

Ownership changes from exempt to nonexempt between October 1 and January 1 in any year. Change occurs on October 25, 1997.

Total Assessed Value from 1997 Exempt List is \$200,000.

Total Assessed Value from 1998 Exempt List is \$200,000.

1997 Tax Rate is \$3.60/\$100

1998 Tax Rate is \$3.80/\$100

$$1997 \quad \$200,000 \times \frac{2}{12} = \$33,333 \times .036 = \$1,200$$

$$1998 \quad \$200,000 \times \frac{12}{12} = \$200,000 \times .038 = \$7,600$$

\$8,800

Ownership changes from exempt to nonexempt between January 1 and October 1 in any year. Change occurs on April 3, 1998. Tax rate same as above.

$$1998 \quad \$200,000 \times \frac{8}{12} = \$133,333 \times .038 = \$5066.67$$

Upon the assessor's investigation of an exempt building that had been vandalized, he realized that the property had not been used for exempt purposes for the past two years as well as the current year, 1998.

Total Assessed Value from 1996 Exempt List is \$400,000.

Total Assessed Value from 1997 Exempt List is \$400,000.

Total Assessed Value from 1998 Exempt List is \$400,000.

1996 Tax Rate is \$3.85/\$100

1997 Tax Rate is \$3.90/\$100

1998 Tax Rate is \$4.00/\$100

The assessor should make an Omitted Assessment in the 1998 Omitted Assessment List for the year the property was found to no longer be used for exempt purposes and one prior year.

$$1997 \quad \$400,000 \times \frac{12}{12} = \$400,000 \times .039 = \$15,600$$

$$1998 \quad \$400,000 \times \frac{12}{12} = \$400,000 \times .040 = \underline{\$16,000}$$

\$31,600

REFERENCES:

N.J.S.A. 54:4-63.13, 54:4-63.28

St. Michael's Passionist Monastery v. Union City, 195 N.J. Super 608

481A2d 304 (AD 1984)

City of E. Orange v. 280 So. Harrison St. Assoc., 16 N.J. Tax 424 (1997)

City of Camden v. Camden Masonic Assoc., 9 N.J. Tax 331 (1987), Affirm.

11 N.J. Tax 88

Guidelines for Implementation of Chapter 103, Laws of 1974 (an Act Concerning Added Assessments on Properties after October 1 and before January 1 following) - promulgated November 19, 1974

410.6 Appeals. Organizations seeking tax exemption for class 15D, E and F (exempt property) are not required to satisfy the tax payment provisions of N.J.S.A. 54:3-27 to pursue an appeal to a county board of taxation or a direct appeal to the tax court where exemption qualification is the subject of the appeal.

REFERENCES:

N.J.S.A. 54:51A-3

Morris-Sussex Area Co., Boy Scouts v. Hopatcong Boro, 15 N.J. Tax 438 (1996)

411. Nonprofit Educational Television and Radio Production & Broadcasting Property

411.1 "All buildings and structures located in this State and used exclusively by a nonprofit association or corporation organized under the laws of this or another state for the production and broadcasting of educational television or educational radio programs; the land whereon the buildings and structures are erected and which may be necessary for the fair enjoyment thereof, and which is devoted to the foregoing purpose, and no other purpose, and does not exceed 30 acres in extent; the furniture, equipment and personal property in said buildings and structures if used and devoted to the foregoing purpose. The foregoing exemption shall apply only where the association or corporation owns the property in question and is authorized to carry out the purpose on account of which the exemption is claimed."

411.2 **Application.** The association or corporation must file an application for exemption Initial Statement, Form I.S., with the municipal assessor on or before November 1 pretax year and Further Statement, Form F.S., every third year by November 1 after exemption approval.

REFERENCES:

N.J.S.A. 54:4-3.6a, 54:4-4.4

WHYY, Inc. v. Boro. of Glassboro et al., 91 N.J. Super. 269 (1966), 50 N.J. 6 (1967) 390 U.S. 979 (1968)

412. District Superintendent of Religious Organizations

412.1 Property tax exemption is granted on the dwelling house and lot or "curtilage" on which it's erected where the dwelling is actually occupied as a residence by a clergyman who is a **district superintendent** of any religious association or corporation, and to the accessory buildings on the same premises, if proper application is made.

"Curtilage" means the enclosed space of ground and buildings immediately surrounding a dwelling house.

"District Superintendent" means one who supervises a group of established congregations, rather than someone who occupies an executive position in a religious corporation, and does not include an officer of a missionary corporation whose interests are worldwide.

412.2 **Eligibility.** To qualify for exemption, all of the following must be met.

(1) **Ownership.** The property must be owned by the religious organization.

(2) **Occupancy.** The property must be occupied as a residence by the district superintendent of the religious organization.

(3) **Application.** Organization must apply for exemption with the municipal assessor on Initial Statement, Form I.S., on or before November 1 pretax year and on Further Statement, Form F.S., every third year by November 1 after exemption approval.

NOTE: The residence of a district superintendent of a religious organization may be validly exempted even if the organization is not incorporated under New Jersey law.

REFERENCES:

N.J.S.A. 54:4-3.35, 54:4-4.4

International Missions, Inc., v. Boro of Lincoln Park, 87 N.J. Super. 170, 208

A.2d 431 (March 1965)

Shrine of Our Lady of Fatima v. Mantua Twp., 12 N.J. Tax 392 (1992)

413. Volunteer Aid and Relief Organizations

413.1 Property tax exemption is granted to all real and personal property of any association or organization used for the purpose and in the work of providing volunteer aid to the sick and wounded of armies in wartime and/or carrying on a national and international system in peacetime to relieve suffering caused by pestilence, famine,

fires, floods, or other great national calamities. The American Red Cross is such an organization.

413.2 Eligibility. To qualify for exemption the following conditions must be met:

- (1) **Ownership.** The organization must have legal or beneficial ownership of the property.
- (2) **Nonprofit Use.** No part of the property may be used for pecuniary profit.
- (3) **Application.** The organization must apply for the exemption with the municipal assessor on Initial Statement, Form I.S., on or before November 1 pretax year and on Further Statement, Form F.S., every third year by November 1 after exemption approval.

NOTE: The organization need not be incorporated to qualify for exemption.

REFERENCES:

N.J.S.A. 54:4-3.27, 54:4-4.4

414. Military Purpose Property; Veterans' Organizations

414.1 Revised Statutes, R.S. 54:4-3.5, as amended by c.82, P.L. 1996, provides that real or personal property owned and used for military purposes and any building, real estate, or personal property used by an organization composed entirely of veterans of any war of the United States is exempt from taxation.

414.2 Eligibility. To qualify for exemption all of the following conditions must be met:

- (1) **Ownership.** Property used for military purposes must be owned by any organization under the jurisdiction of the State of New Jersey. For property used by an organization composed entirely of veterans, ownership is not specified in the statute but is assumed to be a requirement.
- (2) **Use.** The property must be used for military or charitable purposes or be used by any organization composed entirely of veterans of any war of the United States.

- (3) **Income.** For military purpose property, all income derived from the property, above the costs of maintenance and repair, must be devoted exclusively to military or charitable purposes. In the case of exclusively veterans' organizations, no property shall lose or be denied exemption from taxation because of use of the property for an income-producing activity that is not the organization's primary purpose so long as all net proceeds from that activity are used in furtherance of the primary purpose of the organization or for other charitable purposes.
- (4) **Prorated Exemption.** Where part of the property owned by an organization composed entirely of veterans is leased to a nonexempt tenant, the courts have held that only that portion of the premises used by the veteran's organization is to be exempt.
- (5) **Application.** The eligible organization must apply for exemption on Initial Statement, Form I.S., with the municipal assessor by November 1 pretax year and on Further Statement, Form F.S., every third year by November 1 after exemption approval.

REFERENCES:

N.J.S.A. 54:4-3.5, 54:4-4.4

P.L. 1996 c.82 approved July 25, 1996 retroactive to January 1, 1994

Cairola-Barber Post No. 2342, Inc. v. Borough of Fort Lee, 2 N.J. Tax 262 (1981)

See also John Dolak Home Assoc. v. Boro. of Alpha, N.J. Super (AD 1994) for basis of statutory amendment.

415. Veterans' Organizations

- 415.1 Veterans Organizations Only.** Real and personal property used by any organization composed exclusively of veterans of any war of the United States is exempt from taxation as outlined above.

REFERENCES:

N.J.S.A. 54:4-3.5

415.2 Veteran Organizations including Non-vets. Under R.S. 54:4-3.25, as amended by c.82 P.L.1996, real and personal property used by bonafide national war veteran's organizations or posts, or bonafide affiliated associations, whether incorporated or unincorporated, is exempt even though the organization is not composed exclusively of war veterans, if the following conditions are met:

- (1) **Date Established and Membership.** Organization must have been existing and established as of June 18, 1936. Organizations membership need not be composed entirely of veterans of any war of the United States.
- (2) **Ownership.** Organization must have legal or beneficial ownership of the property.
- (3) **Use.** Exemption does not require property be exclusively devoted to the purposes for which the veteran claimant was organized or that it be free from use for pecuniary profit.
- (4) **Income.** Exemption is conferred in an otherwise proper case, even though the property is devoted to commercial pursuits carried out in the building by the owner-organization itself. No property shall lose exemption or be denied exemption from taxation because of use of property for an income-producing activity that is not the organization's primary purpose so long as all net proceeds from that activity are used to further the primary purpose of the organization or for other charitable purposes.
- (5) **No Prorated Exemption.** Exemption should be denied where a building, or parts thereof are permanently occupied as residences or used for commercial pursuits by individuals or groups other than the claimant veteran organization.
- (6) **Application.** The veterans' organizations must apply for exemption with the municipal assessor on Initial Statement, Form I.S., by

November 1 pretax year and make Further Statements on Form F.S. every third year by November 1 after exemption approval.

REFERENCES:

P.L. 1996, c.82 approved July 25, 1996 retro to January 1, 1994

N.J.S.A. 54:4-3.25, 54:4-4.4

John Dolak Home Assoc. v. Boro. of Alpha, N.J. Super (1984)

416. Crippled Soldiers and Sailors

416.1 Eligibility. To qualify for property tax exemption:

- (1) **Area Limited.** Real estate may not exceed 250 acres in extent.
- (2) **Ownership & Use.** Any personal property or real estate not exceeding 250 acres in extent, owned and actually and exclusively used by any corporation organized under the laws of New Jersey to provide instruction in agricultural pursuits for soldiers and sailors of the United States who have been permanently crippled while in active service in time of war, is exempt from taxation.
- (3) **Income.** All income derived from the property in excess of the expense of maintenance and operation, must be used exclusively for the benefit of crippled soldiers and sailors.
- (4) **Application.** The veterans' organizations must apply for exemption with the municipal assessor on Initial Statement, Form I. S., by November 1 pretax year and on Further Statement, Form F.S., every third year after exemption approval.

REFERENCES:

N.J.S.A. 54:4-3.15, 54:4-4.4

417. Firefighter's Organizations

417.1 Real and personal property of firefighter's organizations is exempt from taxation under certain conditions. The following organizations are eligible:

- (A) "Exempt" firemen's associations;
- (B) Firemen's relief associations;
- (C) Volunteer fire companies.
 - (1) **Ownership.** The property must be owned by one of the above organizations.
 - (2) **Incorporation.** The organization must be incorporated under New Jersey law, or otherwise authorized to operate in this State.
 - (3) **Use.** The property must be used exclusively for the purposes of the organization. Property owned by an association and rented for use by some other interest is not exempt.
 - (4) **Application.** The organization must apply for the exemption with the municipal assessor on Initial Statement, Form I.S., on or before November 1 pretax year and on Further Statement, Form F.S., every third year by November 1 after exemption approval.

REFERENCES:

N.J.S.A. 54:4-3.10, 54:4-4.4

Morristown Firemen's Relief Assoc. v. Town of Morristown, 20 N. J. Misc. 113, 25 A.2d 28 (1942)

Post v. Warren Point Volunteer Firemen's Assoc., 19 N.J. Misc. 367, 19 A.2d 636 (1941)

418. Public Fire Patrol or Salvage Corps

418.1 "The real and personal property of an association or corporation organized under the laws of this State to maintain, and actually maintaining a public fire patrol or salvage corps for the public purpose of saving life and property from destruction by fire, used exclusively for the purpose of such association or corporation shall be exempt from taxation under this chapter."

REFERENCES:

N.J.S.A. 54:4-3.13, 54:4-4.4

419. Young Peoples' Associations

419.1 All real and personal property used for the purposes and in the work of certain young peoples' associations is tax exempt if the following conditions are met.

Eligible youth groups are:

- (1) Young Men's Christian Associations
- (2) Young Women's Christian Associations
- (3) Young Men's and Young Women's Christian Associations
- (4) Young Men's Hebrew Associations
- (5) Young Women's Hebrew Associations
- (6) Young Men's and Young Women's Hebrew Associations
- (7) Boy Scouts of America
- (8) Girl Scouts of the United States of America

419.11 **Ownership.** The association must be the legal or equitable property owner.

419.12 **Area Limitation.** A maximum of five acres of land can be exempted or where the property is improved with a building(s) or structure(s) up to five acres per building may be exempted if the land is necessary to their "fair enjoyment." Also exempt within this limitation is any land upon which construction of a building has begun and intended for use by the association.

419.13 **Use.** Exemption does not apply to any property in whole or in part where used for purposes of pecuniary profit.

419.14 **Application.** Application must be filed on Initial Statement, Form I.S., by November 1 pretax year with the municipal assessor and on Further

Statement, Form F.S., every third year by November 1 after exemption approval.

NOTE: The young peoples' association need not be incorporated under New Jersey law to qualify.

REFERENCES:

N.J.S.A. 54:4-3.24, 54:4-4.4

Trustees, Y.W.C.A. v. New Brunswick, Division of Tax Appeals, January, 1972

Boy's Club of Clifton, Inc. v. Twp. of Jefferson, Division of Tax Appeals, April, 1974

420. Fraternal Organizations

420.1 **Property Tax Exemption for Fraternal Organizations or Lodges.** "All real and personal property used in the work and for the purposes of one or more fraternal organizations or lodges, or any association or society organized on the lodge plan, or affiliated associations, whether incorporated or unincorporated, shall be exempt from taxation under this chapter, if the legal or beneficial ownership of such property is in one or more of said organizations, lodges, associations or societies, and no part of such property is used for pecuniary profit, provided that each such organization, lodge, association or society is also organized and operated in substantial part for charitable or educational purposes and demonstrates these aims in its programs and activities."

420.11 **Ownership.** Real property of a fraternal organization may be owned directly by the fraternal organization itself or by a separate entity composed of members of the fraternal organization.

420.12 **Use.** Operated in "substantial part for charitable or educational purposes" means the charitable and/or educational activities are planned and executed on a regular, continuous basis as opposed to occasionally or

sporadically and are evidenced by the local organization's participation in such activities on a national, state, and local level. Examples of such activities are: drug abuse programs, cultural programs for teens and senior citizens, public safety programs, and health clinics in poverty areas.

Supporting data should include a summary of the charitable and educational programs conducted during the pretax year and those to be conducted during the tax year.

420.13 Profit. All net income must be spent on maintaining and operating the property, and carrying out charitable or educational programs as documented by current financial statements. "Net income", is defined as gross receipts, less any membership dues or assessments, less gross disbursements to maintain the physical property. No part of said income is to inure to the benefit of any individual or member.

420.14 Application. The organization must apply for the exemption with the municipal assessor on Initial Statement, Form I. S., on or before November 1 pretax year and on Further Statement, Form F.S., every third year by November 1 after exemption approval.

REFERENCES:

N.J.S.A. 54:4-3.26, 54:4-4.4

Guidelines for the Property Tax Exemption of Fraternal Organizations.

Pursuant to R.S.54:4-3.26, as amended by P.L. 1971, c. 320 (April 25, 1973)

NuBeta Alumni Assoc. of Phi Gamma Delta v. City of New Brunswick, 7

N.J. Tax 379 (1984) affirmed 7 N.J. Tax 658

Sigma Phi Epsilon v. City of Hoboken, 1 N.J. Tax 607 (1980)

Brunson v. Rutherford Lodge No. 547 of Benevolent and Protective Order of Elks, 128 N. J. Super 66, 319 A.2d 80 (L. 1974)

421. Historic Sites

- 421.1 **Eligibility.** To qualify for tax exemption the historical property must meet the following conditions:
- 421.11 **Building(s).** The property must include a building. The land on which the building is erected necessary to its fair enjoyment, may be included in the exemption. The contents of the building are also exempt if pertinent to the historical nature of the property.
- 421.12 **Ownership & Use.** The property must be owned by a nonprofit corporation and used for exempt purposes.
- 421.13 **Certification.** The property must be certified by the Commissioner of the N.J. Department of Environmental Protection as a historic site having material relevance to the history of the State and its government which warrants preservation.
- 421.14 **Restoration.** If a restoration is made, the resulting building must be of the same kind, character and description as the original.
- 421.15 **Application.** The owner of the property must apply for the exemption with the municipal assessor on Initial Statement, Form I.S., by November 1 pretax year and on Further Statement, Form F.S., every third year by November 1 after exemption approval.
- 421.16 **Certificate Cancelled.** Any substantial change in the building or premises may be cause for canceling the certificate.

REFERENCES:

N.J.S.A. 54:4-3.52, 3.53 & 3.54

Town of Morristown v. Woman's Club of Morristown, 124 NJ 605, 592A2d, 216 (1991)



State of New Jersey

Department of Environmental Protection
DIVISION OF PARKS AND FORESTRY
HISTORIC PRESERVATION OFFICE
CN-404

Robert C. Shinn, Jr.
Commissioner

Christine Todd Whitman
Governor

TRENTON, N.J. 08625-0404
TEL: (609) 292-2023
FAX: (609) 291-0578

INSTRUCTIONS TO BE FOLLOWED IN ORDER TO QUALIFY AS AN
OFFICIAL CERTIFIED HISTORIC SITE OF THE STATE OF NEW JERSEY
UNDER THE LAWS OF 1962 and 1964
N.J.S.A. 54:4-3.52, 3.53, 3.54

The following items are required before a tax-exempt determination can be made:

1. A petition addressed to the Commissioner of the Department of Environmental Protection requesting tax-exempt status and signed by the officers of the corporation. This petition should include evidence that the site:
 - a. Will be preserved by the said corporation.
 - b. Will be freely available to all people, without discrimination as to race, creed, color, or religion, under reasonable terms and conditions, such as a nominal fee, which would insure the preservation, and maintenance of the site.
 - c. Will be available to the public on a regular basis.
 - A copy of the corporation by-laws will be sufficient if they include items a through c.
2. A copy of the organization incorporation papers.
3. A copy of the deed to the property noting exact location, street number, deed boundaries, and/or lot numbers.
4. A brief description of the property, site, structure, or building.
5. Photographs of the property and its buildings. (at least 3 x 5 black and white glossaries).

This information should be submitted to the Historic Preservation Office at the above address.

REQUIREMENTS FOR HISTORIC SITE CERTIFICATION BY D.E.P.

Under provisions of the Laws of New Jersey (1962, Chapter 92, as amended 1964, Chapter 61, N.J.S.A. 54:4-3.52), you, as the Commissioner of the Department of Environmental Protection, can declare historic properties owned by private non-profit organizations tax exempt from local property taxes. This is similar to the exempt status that can be granted to non-profit organizations, but specifically focuses on historic properties.

The Historic Preservation Office (HPO) requires the following conditions to be met and documented before Certified Historic site status can be granted:

1. The property must be listed in the New Jersey Register of Historic Places.
2. The property must be owned by a non-profit corporation.
3. The non-profit organization must agree to preserve the historic property.
4. The property must be open to the public on a regular basis.
5. Access to the property must be non-discriminatory in regard to race, creed, color, or religion.

The following have been declared historic sites by the Commissioner of the Department of Environmental Protection and authorized for tax exemption under the provisions of the Act approved on June 25, 1962, Chapter 92 of the Laws of New Jersey. They are available to all people without discrimination as to race, creed, color or religion, and subject to reasonable terms and conditions, such as a nominal fee, which will insure the preservation and maintenance of the site.

Belcher Mansion - Elizabeth - 12/19/62
Old Weymouth Iron Forge - Weymouth - 6/21/63
James Fennimore Cooper House - Burlington - 7/17/63
Cooper House + How House - Burlington - 7/17/63
Old Franklin Schoolhouse - Metuchen - 7/15/63
Church of the Presidents - Long Branch - 3/18/65
Conover-Schenck Cemetery - Pleasant Valley - 6/1/65
Bonnell House - Elizabeth - 10/1/65
Historic Burlington County Prison - Mount Holly -
12/20/66
Macculloch Hall - Morristown - 4/23/68
Speedwell Village - Morristown - 10/68
Gibbon House - Greenwich - 1/8/70
Hunter-Lawrence House - Woodbury - 7/17/70
Moravian Church - Swedesboro - 7/17/70
Doric House - Flemington - 11/19/70
Alexander Grant House - Salem - 1/4/71
Contemporary Victorian Museum - Trenton - 2/17/71
Kirby's Mill - Medford - 7/12/71
Franklin Mineral Museum - Franklin - 9/24/71
Acorn Hall - Morristown - 10/22/71
Dr. Condict House - Morristown - 11/19/71
Silas Riggs House - Ledgewood - 12/20/71
D.A.R. Van Bunschooten Museum - Wantage Township - 1/4/72
Miller-Cory House - Westfield - 1/19/72
Smith-Cadbury Mansion - Moorestown - 7/19/72
Kingswood Cemetery - Kingwood - 4/5/73
Peachfield - West Hampton Township - 8/15/73
Old School House - Mount Holly - 8/15/73
Fortnightly Woman's Club - Haddonfield - 11/26/73
Garretson Forge and Farm - Fair Lawn - 1/12/76
James Colles Mansion (Kellogg Club) - Morristown -
5/23/78
Lloyd Houses - Newark Preservation and Landmarks
Committee - Newark 2/20/79
Bucklew House (Jamesburg Historical Assoc.) - Jamesburg -
2/24/81
Botto House (American Labor Museum) - Haledon - 9/14/83
Anthony Reckless House (Woman's Club of Red Bank) - Red
Bank - 12/28/83
Our Lady of Mt. Carmel Church (Ironbound Educational and
Cultural Center) - Newark - 3/20/84
Abram Demaree Homestead-Closter - 9/10/85
Rectory of Mt. Carmel Church-Newark - 10/29/91
Risley Homestead-Northfield - 3/31/92

Christine Todd Whitman
Governor



State of New Jersey
Department of Environmental Protection

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Robert C. Shinn, Jr.
Commissioner

Natural & Historic Resources
PO Box 404
Trenton, N.J. 08625-0404
TEL: (609) 292-3541
FAX: (609) 84-0836

ADMINISTRATION
DIRECTOR

October 1, 1997

Mr. Richard Gardiner
Division of Taxation
PO Box 240
Trenton, New Jersey 08646

Dear Mr. Gardiner:

The attached copy of Certificate of Historic Site is for your files and concerns tax-exempt status for Twin Maples (the Fortnightly Club of Summit) Summit, Union County, New Jersey.

Under provisions of the Laws of New Jersey (1962, Chapter 92, as amended 1964, Chapter 61, N.J.S.A. 54:4-3.52), the Commissioner of the Department of Environmental Protection has declared this historic property, owned by a private non-profit organization, exempt from local property taxes.

If you have any questions concerning this certification, please contact Mr. Terry Karschner at the Historic Preservation Office (609) 292-2028.

Sincerely,

James F. Hall
Assistant Commissioner

State of New Jersey



CERTIFICATE OF HISTORIC SITE

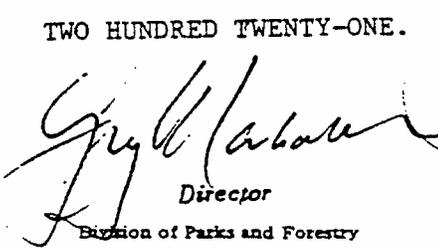
TO ALL WHO SHALL SEE THESE PRESENTS, GREETING:

THIS IS TO CERTIFY THAT:

THE SISTERS OF CHARITY DAIRY BARN
(PARK AVENUE FOUNDATION), FLORHAM PARK, MORRIS COUNTY
HAS BEEN DECLARED AN HISTORIC SITE UNDER THE PROVISIONS

OF AN ACT APPROVED ON THE TWENTY-FIFTH DAY OF JUNE, NINETEEN
HUNDRED AND SIXTY-TWO, CHAPTER 92 OF THE LAWS OF NEW JERSEY OF 1962

THIS CERTIFICATE IS AWARDED IN RECOGNITION OF
THE HISTORIC VALUE OF THIS SITE TO THE HISTORY AND
GOVERNMENT OF THE GREAT STATE OF NEW JERSEY
AND TO TRANSMIT THE SAME UNIMPAIRED TO SUCCEEDING GENERATIONS.
DONE AT TRENTON, NEW JERSEY, THIS SECOND DAY OF APRIL IN
THE YEAR OF OUR LORD ONE THOUSAND NINE HUNDRED AND NINETY-SEVEN
AND OF THE INDEPENDENCE OF THE UNITED STATES OF AMERICA THE
TWO HUNDRED TWENTY-ONE.


Director
Division of Parks and Forestry


Commissioner
Department of
Environmental Protection



State of New Jersey

Certificate of Historic Site

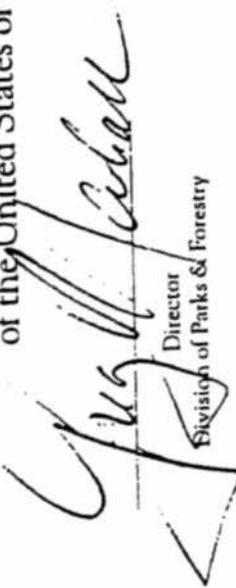
This is to certify that:

**Twin Maples (The Fortnightly Club of Summit)
214 Springfield Avenue
Summit, NJ, Union County**

has been declared an historic site and exempt from property taxes under the provisions of Chapter 92 of the Laws of New Jersey of 1962, as amended. This certificate is awarded in recognition of

the historic value of this property to the history and government of the Great State of

New Jersey and to transmit the same unimpaired to succeeding generations, this Nineteenth day of September in the Year of Our Lord One Thousand Nine Hundred and Ninety-seven and of the Independence of the United States of America the Two Hundred Twenty-one, Trenton, New Jersey.


Director
Division of Parks & Forestry


Commissioner
Department of Environmental Protection



422. Automatic Fire Suppression Systems

422.1 To encourage property owners' voluntary installation of automatic fire suppression equipment and help defray the cost of those required by law to install it, property tax exemption is provided to the extent such equipment enhances the market value of the property in which it is installed. Exemption applies to a fire suppression system installed in a residential, commercial or industrial building once certified by the enforcing agency.

"Automatic fire suppression system" means a mechanical system designed and equipped to detect a fire, activate an alarm, and suppress or control a fire without human intervention. Such a system activates as a result of a predetermined temperature rise, rate of temperature rise, or increase in the level of combustion products.

"Enforcing agency" means the municipal agency provided for under the State Uniform Construction Code Act 52:27D-119 et seq.

REFERENCES:

N.J.S.A. 54:4-3.130, 54:4-3.131

422.2 **Certification Required.** The local code enforcing agency, upon application, is to review and grant or deny certification of the system. An automatic fire suppression system is exempt from taxation when the equipment, facility, or system installed is designed primarily for purposes of automatic fire suppression as guided by regulations set forth by the Commissioner of the Department of Community Affairs. The certification must identify the system and its cost.

REFERENCES:

N.J.S.A. 54:4-3.132, 54:4-3.133

422.3 **Applying for Certification and Exemption.** Certification as an automatic fire suppression system is to be applied for to the local enforcing agency on Form FSS-1 (See Exhibit IV-11.) supplied by the enforcing agency and promulgated by the

Director, Division of Taxation. The enforcing agency may, at any time, inquire into the claimant's right to exemption, and may require a new application or proofs it feels necessary to continue the exemption. The enforcing agency has the right to inspect the premises for which exemption is claimed.

REFERENCES:

N.J.S.A. 54:4-3.132

422.31 Claimant, Assessor, Enforcing Agency to get Certificates. The approved certificate itself is given to the claimant. A copy of the certificate is sent to the assessor of the municipality where the building having the automatic fire suppression system is located. A copy of the certificate is also retained in the files of the enforcing agency.

REFERENCES:

N.J.S.A. 54:4-3.133

422.32 Assessor to Allow Exemption. Once the assessor receives a copy of the enforcing agency's certification that an automatic fire suppression system is exempt from taxation, exemption begins in the tax year following the year in which certification was granted. The assessor should reflect the exemption on the Tax List as a partial exemption. The Tax List should show the full assessed value and, in a separate column, the amount of the exemption, as well as a separate net assessed valuation of the property.

REFERENCES:

N.J.S.A. 54:4-3.133

422.4 Exempt Amount. The owner of a building equipped with a properly certified automatic fire suppression system is entitled to annual exemption on the assessed value of the building in an amount equal to the value of the fire suppression system. The assessor should first determine the assessed value of the property including the

automatic fire suppression system and then determine the assessed value of the property minus the fire suppression system. The difference between these two figures will indicate the amount of exemption accorded the system.

REFERENCES:

N.J.S.A. 54:4-3.136

422.5 Certificate Revoked. The enforcing agency, after notice to the FSS certificate holder, may revoke the certificate for any of the following reasons:

- (1) the certificate was obtained by fraud or misrepresentation;
- (2) the exemption claimant has failed substantially to proceed with construction, reconstruction, installation or acquisition of an automatic fire suppression system;
- (3) the mechanical system is no longer used for the primary purpose of automatic fire suppression, and is used for a different primary purpose;
- (4) the claimant so departed from the equipment, design and construction previously certified that in the enforcing agency's opinion the system is not suitable and reasonably adequate for providing automatic fire suppression.

REFERENCES:

N.J.S.A. 54:4-3.134

422.6 Appeal. A person aggrieved by an action of the assessor may appeal to the County Tax Board or to the New Jersey Tax Court as appropriate. A person aggrieved by the action of the Director, Division of Taxation may seek a review before the Director. A person aggrieved by the action of the enforcing agency may seek a review before the board of appeals. Board of appeals means the municipal or county board provided for under the State Uniform Construction Code Act.

REFERENCES:

N.J.S.A. 54:4-3.135 & 3.130

422.7 Sales Ratio Usability of Property with a Certified Fire Suppression System.

Where property having an automatic fire suppression system exemption is sold, the assessor should attach a copy of the approved certification or application to the

SR-1A form. The property assessment reported on the SR-1A form should be the full assessment including the assessed value of the system. This information will be carefully reviewed to determine the usability or nonusability of the sale. Generally, it's assumed there is a reasonable relationship between the full assessed value of the sold property and the selling price.

REFERENCES:

Ltr. to all Assessors from Samuel Temkin, Superintendent, Local Property and Public Utility Branch, September 12, 1983

423. Certain Air and Water Pollution Facilities and Devices

- 423.1 Pollution Abatement or Prevention Equipment.** Any equipment, facility or device constructed or installed and used primarily for abating or preventing pollution of the atmosphere or waters of this State which is certified to be an air or water pollution abatement facility by the Division of Environmental Quality and the Commissioner of the Department of Environmental Protection, is exempt from taxation.

REFERENCES:

N.J.S.A.54:4-3.56

- 422.2 Certification.** The Commissioner of the Department of Environmental Protection, as requested, is to certify a facility as an air or water pollution abatement facility when he finds the equipment, facility or device constructed or installed, or to be constructed or installed, designed primarily for controlling or abating air or water pollution and suitable and reasonably adequate for such purpose. The certificate must identify the facilities, their cost and be in such form and detail as the commissioner prescribes. (See Exhibit IV-12.) The certificate is to be sent to the applicant with a copy to the assessor of the taxing district where the facilities are located and installed. Tax exemption becomes effective for the tax year following the year in which certification

is granted and thereafter during the facility's or equipment's use primarily for such purpose.

REFERENCES:
N.J.S.A. 54:4-3.57

423.3 Certificate Revoked. The Commissioner of Department of Environmental Protection, after giving notice to a pollution abatement certificate holder and an opportunity for a hearing, may revoke the certificate as follows:

- (1) the certificate was obtained by fraud or misrepresentation;
- (2) the exemption claimant failed substantially to proceed with construction, reconstruction, installation or acquisition of pollution control facilities;
- (3) the previous structure or equipment or both is no longer used for the primary purpose of pollution control and is used for a different primary purpose;
- (4) the claimant so departed from the equipment, design and construction previously certified that in the Commissioner's opinion the primary purpose of such installation is no longer to prevent pollution or the installation is not suitable and reasonably adequate for that purpose;
- (5) performance of the equipment as installed is not, in the commissioner's opinion, suitable and reasonably adequate for the primary purpose for which certified; and in lieu of revocation, the commissioner may modify the certificate in accordance with the facts.

The commissioner must forward a copy of the notice of revocation or modification of any certificate to the assessor of the taxing district in which the equipment is located.

REFERENCES:
N.J.S.A. 54:4-3.58

424. Improvement to Water Supply or Sewerage Disposal System

424.1 Improvement Value Exempt. The value of any "improvement" to real estate, to the extent the improvement enhances the value of the property, is exempt from taxation.

An "improvement" or "improvement to real estate" means any structure, machinery, equipment, device or facility necessary to the installation or maintenance of a potable water supply system or a water-carried sewerage disposal system. Such improvements apply only to those located on land in agricultural or horticultural use.

REFERENCES:

N.J.S.A. 54:4-3.59, 54:4-3.60, 54:4-23.12

- 424.2 **Application.** An initial application, Form WS-1, must be filed by the claimant with the assessor on or before October 1 of the pretax year. Forms are supplied by the municipality. Form WS-1 as prescribed by the Director, Division of Taxation must authorize the assessor, or his representative, to enter the premises to periodically inspect the improvement. (See Exhibit IV-13.)

REFERENCES:

N.J.S.A. 54:4-3.61

- 424.3 **Exemption Continued.** A tax exemption, once granted, continues from year to year without further application as long as the improvement is maintained in working order as verified by the assessor.

REFERENCES:

N.J.S.A. 54:4-3.62

425. Growing Crops, Trees, Shrubs, and Vines

Commercially planted and growing crops, trees, shrubs, and vines are exempt from property taxation while in the ground. Real property is to be assessed at true value without regard to any enhancement in value because of commercially planted and growing crops, trees, shrubs or vines while in the ground.

REFERENCES:

N.J.S.A. 54:4-3.28

Julius Roehrs Co. v Div. Tax Appeals, 16 NJ 493, 109 A2d 611 (1955)

426. Conservation or Recreation Land

426.1 **Legislative Rationale.** The Legislature finds "that natural open space areas for public recreation and conservation purposes are rapidly diminishing; that public funds for the acquisition and maintenance of public open space should be supplemented by private individuals and conservation organizations; and that it is therefore in the public interest to encourage the dedication of privately-owned open space to public use and enjoyment."

426.2 **Eligibility.** To qualify for exemption the property must meet the following conditions:

426.3 Lands and improvements must be actually and exclusively used for conservation or recreation purposes, owned and maintained or operated for public benefit by a nonprofit 501c3 federal tax exempt organization and certified by the Commissioner of the N.J. Department of Environmental Protection as such.

426.31 **Certification.** The property must be certified by the Department of Environmental Protection's Commissioner as a recreation or conservation area benefiting the public. Certification may be granted only after application is made to the Commissioner and a public hearing held to establish equal access to all citizens and public benefit.

REFERENCES:

N.J.S.A. 54:4-3.64; 54:4-3.66

426.32 **Application.** Property owners claiming tax exemption must file an application in duplicate for certification with the Commissioner of D.E.P. on or before August 1 of the pretax year. Applications as prescribed by the Commissioner require a physical description of the land and

improvements, a plan for use and preservation, a statement of public uses and access.

REFERENCES:

N.J.S.A. 54:4-3.67

426.33 Commissioner to Notify. The Commissioner of D.E.P. must approve any applications for certification, on or before September 15 of the pretax year and deliver them to the property owner and assessor of the taxing district where the property is located.

REFERENCES:

N.J.S.A. 54:4-3.67

Princeton Twp v. Bardin, 147 N.J. Super 557, 371 A2d 776 (A.D. 1977)
certden 74 NJ 281, 366 A2d 685

Wildlife Reserves Inc. v. Boro Lincoln Park, 151 N.J. Super 533, 377 A2d 706 (A.D. 1977)

426.4 Assessor to Exempt. Tax exemption for certified recreation or conservation land and improvements is to be granted in accordance with N.J.S.A. 54:4-4.4 filing provisions for Initial and Further Statements.

REFERENCES:

N.J.S.A. 54:4-3.68

West Milford Twp. v Garfield Recreation Committee, Inc., 194 N.J. Super 148, 476 A.2d.333 (1983)

426.5 Change of Use. When real property exempt as a certified recreational or conservation area ceases to be used for that purpose, it is subject to roll-back taxes.

REFERENCES:

N.J.S.A. 54:4-3.69

426.51 Roll-back Taxes. Roll-back taxes are to be assessed in an amount equal to taxes payable on the property if nonexempt for the year of the change in

use and 2 years immediately prior to the year of the use change. Interest is to be charged at a rate of 8% compounded annually.

REFERENCES:

N.J.S.A. 54:4-3.69

426.52 Roll-back Taxes Restricted. No roll-back taxes are to be assessed when the property which is exempted is sold, leased, donated or otherwise conveyed to a public agency, nonprofit corporation or organization.

REFERENCES:

N.J.S.A. 54:4-3.69

Camp Alpine of Greater N.Y. Councils v. Boro. of Norwood, 178 N.J. Super 98 (1981), 2 N.J. Tax 223, 183 N.J. Super, 13, 443 A2d 213

427. Cemeteries, Burial Grounds, Graveyards

427.1 Cemeteries. Lands used or intended for use as cemeteries and buildings for cemetery use erected on the land, mausoleums, vaults, crypts, or structures intended to hold or contain bodies of the dead or their ashes and solely devoted to or held for that purpose are exempt from taxation. No limit is imposed on the area of a cemetery to be exempt. The lands used or dedicated to cemetery purposes is a question of fact in each case where proof plainly indicates that the property is actually used as a cemetery or within reasonable contemplation thereof. Lands being cleared and prepared for cemetery use may be in reasonable contemplation of cemetery use and may be exempt; but brush and swampland not needed for burial in a reasonable number of years, together with failure to obtain municipal permits, might be evidence to defeat a claim for exemption.

427.2 Graveyards and Burial Grounds. Lands used or intended for use as graveyards, or burial grounds and cemeteries and buildings for cemetery use are exempt from taxation. The exemption for graveyard, or burial ground, is limited to 10 acres. A

"graveyard" is defined as that plot next to a church used for burial of parishioners; the term "burial ground" remains undefined.

- 427.3 **Application.** Cemetery associations or other owners must apply for exemption with the municipal assessor on Initial Statement, Form I.S. by November 1 pretax year and on Further Statement, Form F.S., every third year by November 1 after exemption approval.

REFERENCES:

N.J.S.A. 54:4-3.9, 54:4-4.4

Lakeview Memorial Park Association v. Twp. of Cinnaminson, Division of Tax Appeals, February 15, 1962

City of Jersey City v. Roman Catholic Diocese of Newark, 4 N.J. Tax 593 (1982)

428. Nonprofit Cemetery Associations or Corporations

- 428.1 **Exemptions.** Nonprofit cemetery companies are exempt from the real estate tax on lands dedicated for cemetery purposes, as well as all land, structures, buildings, and equipment used for the operation and maintenance of the lands so dedicated.

REFERENCES:

N.J.S.A. 8A:5-10

Frank v. Kugler, 121 N.J. Super 589, (1972)

- 428.2 **Cemetery Size Limited.** An incorporated cemetery company may take by gift, purchase or devise and hold lands not to exceed 250 acres in extent at any one location.

REFERENCES:

N.J.S.A. 8A:6-1

- 428.3 **Prohibited Activities.** Every cemetery company whether incorporated or organized prior to or subsequent to the enactment of the "New Jersey Cemetery Act" (L. 1971, c. 333), is prohibited from engaging directly or indirectly, in any of the following:

- (1) Manufacture or sale of monuments, markers or bronze memorials;
- (2) Manufacture or sale of vaults as defined in the act and manufacture or sale of private mausoleums or any private sarcophagus;
- (3) Conduct of any funeral home or engaging in the business or profession of mortuary science; provided that crematoriums operated in conjunction with funeral homes prior to December 1, 1972 are excepted from these provisions.

REFERENCES:

N.J.S.A. 8A:5-3

Frank v. Kugler, 121 Super. 589 (1972)

Terwilliger v. Graceland Memorial Park Ass'n., 35 N.J. 259 (1961)

Frank v. Clover Leaf Park Cemetery Ass'n., 29 N.J. 193 (1959)

Locustwood Cem. Assoc. v. Cherry Hill Twp., 133 N.J. Super 92 (1975)

Greenwood Cemetery Assoc. v. City of Millville, 1 N.J. Tax 408 (1980)

- 428.4 A cemetery company must not lease any of its lands, directly or indirectly, to any person or entity engaged in any activity prohibited under the statutes (see N.J.S.A. 8A:5-3). Engaging in any prohibited activities or any contractual lease agreements above may invalidate the cemetery company's exempt status.

REFERENCES:

N.J.S.A. 8A:6-2

Lakeview Memorial Park Assoc. v. Boro. of Cinnaminson, Division of Tax Appeals, February 15, 1961

- 428.5 **Application.** The cemetery organization or association must apply for the exemption with the municipal assessor on Initial Statement, Form I.S. by November 1 pretax year and on Further Statement, Form F.S., every third year by November 1 after exemption approval.

REFERENCES:

N.J.S.A. 54:4-3.9, 54:4-4.4

429. Blast or Radiation Fallout Shelters

429.1 Blast or radiation fallout shelters in residential properties are exempt from taxation to the extent that they enhance the value of the property, up to \$1,000 of true value.

REFERENCES:

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

429.2 **Eligibility.** To qualify for exemption, the following conditions must be met as of October 1 of the pretax year:

429.21 **Standards.** A shelter must comply with design and construction standards authorized by the New Jersey Department of Defense and issued by the United States Department of Defense, 500 C Street SW, Washington, DC 20472.

NOTE: Office of Civil Defense is no longer in existence. It's authority is now under Federal Emergency Management Agency (FEMA).

REFERENCES:

N.J.S.A. 54:4-3.49

429.22 **Completion.** A shelter must be erected, installed and completed.

429.23 **Residential Property.** A shelter must be on property occupied for residential purposes by no more than two families. It may be inside another building or a separate structure.

REFERENCES:

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

429.24 **Application.** Claimants of shelter exemption must apply with the assessor on or before October 1 of the pretax year on Form F.S. 1 Claim for Exemption on Blast or Radiation Fallout Shelter prescribed by the

Director, Division of Taxation. (See Exhibit IV-14.) Claimant's authorization for the assessor to enter the property to make periodic inspections is required. An exemption, once granted, continues from year to year without further application as long as the shelter is properly maintained.

REFERENCES:

N.J.S.A. 54:4-3.50 & 3.51

429.25 **Exempt Amount.** The amount of the exemption is the value by which the entire property is enhanced through construction of the shelter, but not in excess of \$1,000 of true value. In calculating the enhanced value, assessors should consider the shelter's construction, erection, or installation costs.

REFERENCES:

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



EXHIBITS

HANDBOOK FOR NEW JERSEY ASSESSORS



EXHIBIT IV-1

July, 2009

Property Administration

TO: ASSESSORS, TAX COLLECTORS, COUNTY TAX BOARD
COMMISSIONERS AND COUNTY TAX ADMINISTRATORS

FROM: Patricia Wright, Assistant Director
Local Property Tax

RE: **REVISED 2009 INCOME GUIDELINES FOR REAL PROPERTY TAX
DEDUCTION FOR SENIOR CITIZENS, DISABLED PERSONS AND
SURVIVING SPOUSES**
**N.J.S.A.54:4-8.40 et seq.; Chapter 129, P.L. 1976, as
Amended**
N.J.A.C.18:14-1.1 et seq.

To assist all concerned with the administration of Chapter 129, Laws of 1976, as amended, and to aid in determining income which may be deducted or excluded from gross income of citizens and residents of this State, 65 years of age or more, or less than 65 years but permanently and totally disabled, or their surviving spouses, age 55 or more, in certain cases, who are applying for the Real Property Tax Deduction under N.J.S.A.54:4-8.40 et seq the following guidelines are provided.

This information supersedes that in the Guidelines of July 2008 and pertains to Property Tax Deduction Claims (Form PTD) for tax year 2009 and Annual Post-Tax Year Statements (Form PD5) filed by March 1, 2010 to confirm 2009 income. Initial application Form PTD must be filed with the assessor between October 1 and December 31 of pretax year 2008 or with the tax collector at any time during tax year January 1, 2009 - December 31, 2009. Social Security income data is based on an individual retiring at full retirement age in 2009 who has contributed to Social Security at maximum wage levels through 2008 and can be used to determine whether a PTD applicant meets the \$10,000 income limit for 2009. PTD applicants should provide the assessor or collector with the amount of annual benefit and the name and address of the agency granting the benefit.

INCOME DEFINED

N.J.S.A.54:4-8.40(a) defines "**income**" as all income from whatever source derived including, but not limited to, realized capital gains except for a capital gain resulting from the sale or exchange of real property owned and used by the taxpayer as his principal residence...and, in their entirety, pension, annuity and retirement benefits.

N.J.A.C.18:14-1.1 enumerates "**income**" as salaries, wages, bonuses, commissions, tips and other compensations before payroll deductions, all dividends, interest, realized capital gains, royalties, income from rents, business income and, in their entirety, pension, annuity and retirement benefits. Realized capital gains, except for capital gain resulting from the sale or exchange of real property owned and used by the taxpayer as his principal residence...and dividends, interest, pensions, annuities and retirement benefits must be included in full without deductions even though they may be wholly or partially exempt for Federal Income Tax purposes.

N.J.A.C.18:14-1.1 further defines "**business income**" as gross income derived from a business, trade, profession or the rental of property after deductions of the ordinary and necessary expenses of the business, trade, profession or rental of property allowed under the Federal Internal Revenue Code and regulations.

Ordinary and necessary expenses incurred in a trade or business are included as deductions for adjusted gross income. Such deductions are subtracted from gross income to arrive at adjusted gross income to the extent allowed under the IRS Code and Regulations. However, certain categories of expenses may only be used against similar categories of income and not applied broadly against all income. To ascertain the treatment of such expenses, it is necessary to review how the income was categorized, reported and treated for Federal Income Tax purposes. Deductions for AGI are reported on page 1 of the Federal 1040 and originate on supporting schedules; Federal Schedule C for business expenses and Federal Schedule E for rent, royalty, partnership and fiduciary deductions.

"**Married persons income**" income received by the applicant and spouse is combined in establishing eligibility for the property tax deduction unless they are living separately. N.J.S.A.54:4-8.41 provides, in part, income of a married person includes an amount equal to the income of the spouse during the applicable income year, except for that portion of the year as the two were living apart in a state of separation, whether under judicial decree or otherwise.

N.J.A.C.18:14-1.1 also provides income of applicant's family members, other than a spouse, is not to be combined with income of the applicant.

EXCLUDABLE INCOME

A PTD applicant is entitled to exclude benefits under only ONE of following three categories:

1. The Federal Social Security Act and all its amendments and supplements; *** **SEE NOTE**
2. Any other Federal government program or Federal law which provides benefits in whole or in part in lieu of Social Security benefits or for persons excluded from coverage under Social Security, including but not limited to the Federal Railroad Retirement Act (Tier I and II) and Federal pension, disability and retirement programs; *** **SEE NOTE**
3. Pension, disability or retirement programs of any state or its political subdivisions, or agencies for persons not covered under Social Security. *** **SEE NOTE**

*** **NOTE:** Where the PTD applicant and/or spouse receives only Social Security benefits and no benefits under 2. & 3., the amount of Social Security received may be deducted from income in full. Where the PTD applicant and/or spouse receives both Social Security benefits and benefits under 2. or 3., the larger of any one of the income categories can be deducted. The amount of Federal, State, County, Municipal pension, disability or retirement benefit etc. excluded should be based on actual benefits received provided that the total excluded under 2. or 3. above is not in excess of the maximum benefit amount excludable in similar circumstances under 1. Social Security. (N.J.S.A.54:4-8.40(a)(1)(2)(3))

"Disability benefits" the New Jersey Constitution, statutes and regulations are silent on the subject of disability income other than those disability benefits received under a Federal, State, or Political Subdivision program which are excludable only to the extent of the maximum benefit received under the Federal Social Security Act. Therefore, any other disability income received should be evaluated for inclusion or exclusion based on its proper treatment for Federal Income Tax purposes. (See **Handbook for New Jersey Assessors**, Section 402.241, as updated in April 1998 and the **Local Property Branch Newsletter**, September/October 1977, page 1.)

A WORD ABOUT SOCIAL SECURITY DISABILITY DETERMINATIONS

The amount of Social Security benefits awarded surviving spouses is variable and is best established by Social Security Certificate, Forms SSA-30 OR SSA-2458, or Third Party Query (TPQY) Response when determining the income deduction allowed. Where award certificate has an issue date that is not current, assessors/collectors may need to request proof of current eligibility such as current check stub.

Disability under Social Security is based on a person's inability to work. Someone will be considered disabled if that person cannot do work he/she did before and the Social Security Administration decides that same person cannot adjust to other work because of his/her medical condition(s). The disability also must last or be expected to last for at least a year or to result in death. Social Security does not pay for partial disability or for short-term disability. Under Social Security law, all disability cases must be reviewed from time to time. This is to make sure that people receiving benefits continue to be disabled and meet all other requirements. Benefits generally will continue unless there is strong proof of medical improvement and an ability to return to work. How often a case is reviewed depends on the likelihood of improvement. The frequency can range from six months to seven years.

- If medical improvement is "expected," a case normally will be reviewed within six to eighteen months.
- If medical improvement is "possible," a case normally will be reviewed no sooner than three years.
- If medical improvement is "not expected," a case normally will be reviewed no sooner than seven years.

GENERAL RULE OF THUMB WITH REGARD TO INCOME

If income treatment is not addressed in New Jersey Statutes, N.J.S.A.54:4-8.40 et seq., or the New Jersey Administrative Code, N.J.A.C.18:14-1.1 et seq. defer to income status for Federal Income Tax purposes. **Local Property Newsletter**, May/June 1982, page 1.

"Business Income Expenses" Ordinary and necessary expenses incurred in a trade or business are treated as deductions for adjusted gross income. Such deductions are subtracted from gross income to arrive at adjusted gross income to the extent allowed under the IRS Code and Regulations. However, certain categories of expenses may only be used against similar categories of income and not applied broadly against all income. To ascertain the treatment of such expenses, it is necessary to review how the income was categorized, reported and treated for Federal Income Tax purposes. Deductions for AGI are reported on page 1 of the Federal 1040 and originate on supporting schedules; Federal Schedule C for business expenses and Federal Schedule E for rent, royalty, partnership and fiduciary deductions.

"Gifts" are not treated as income for Federal Income Tax purposes and, therefore, are not income when determining the annual \$10,000 limit for the Real Property Tax Deduction. But any income generated from the gifts, including profits derived from their sale, is income. **Section 849 U.S. Master Tax Guide.**

"Inheritances, bequests, devises" are not income for Federal Income Tax purposes and are not included as income for establishing the \$10,000 ceiling for property tax deduction. However, any income generated from the property such as investment income, rental

income, or profits from their sale is income. **Section 847 U.S. Master Tax Guide.**

"IRA income", when it is distributed, must be counted toward the \$10,000 limit.

"Life insurance" all payments due to death of the insured are not considered income for Federal Income Taxes, nor for property tax deduction entitlement. **Section 803 U.S. Master Tax Guide.**

"N.J. Worker's Compensation" payments made under state law for occupational injury or illness arising out of employment are not considered income subject to Federal taxation, nor are they income when calculating income levels for the \$250 property tax deduction. **Section 851 U.S. Master Tax Guide.**

"Alimony and Child Support" Alimony and separate maintenance payments are deductible by the payor and are includible in the gross income of the party receiving the payments. Child support payments are not includible as income received. **Sections 771 and 776 U.S. Master Tax Guide.**

"Unemployment Compensation" The entire annual amount of unemployment compensation benefits received must be included as income to recipient. Payments to laid-off employees from company-financed supplemental unemployment benefit plans are taxable income in the year received. **Section 722 U.S. Master Tax Guide.**

"Armed Forces Benefits" Benefits under any law administered by the Veterans Administration are not includible income for Federal Income Tax purposes. This includes amounts paid to veterans or their families in the form of educational, training, or subsistence allowances, disability compensation and pension payments for disabilities, grants for homes designed for wheelchair living, and so forth. Such payments are prefaced as payments "for personal injuries or sickness which resulted from combat-related service in the armed forces..." **Section 891 U.S. Master Tax Guide.**

"State Lottery Winnings" are considered income for purposes of establishing the \$10,000 income cutoff for \$250 Real Property Tax Deduction. **Local Property Newsletter**, May/June 1977, page 2.

"Reverse Mortgage" Because a reverse mortgage is the assumption of a debt, it is not considered income for purposes of this deduction.

"Homestead Rebate" is not considered income when computing the yearly \$10,000 income limitation for \$250 Real Property Tax Deduction. **Local Property Branch Newsletter**, January/February 1978, page 2.

"NJ SAVER" Rebate (School Assessment Valuation Exemption Relief) is similar to the Homestead Rebate and is not income for property tax deduction purposes. **"FAIR Rebate"** Beginning with tax year 2005, the Homestead Rebate and the NJ SAVER Rebate have been combined into the **FAIR Rebate** and, like prior rebates, is not considered income for purposes of this deduction. As of 2007, the rebate was redesignated as the Homestead Property Tax Credit, but its form is a rebate and treatment is the same as prior rebates, that is, it's not income.

"REAP" Payment (Regional Efficiency Aid Program) is not income but like the Homestead Rebate and SAVER Rebate is deemed a refund of property taxes.

"Property Tax Reimbursement" The Property Tax Reimbursement (PTR), also known as the Senior/Disabled Tax Freeze, is not considered income when computing the annual \$10,000 income limitation for the \$250 Real Property Tax Deduction. As with the rebates, the PTR functions as a refund of property taxes paid.

FULL RETIREMENT AGE

Age To Receive Full Social Security Benefits

Year of Birth	Full Retirement Age
1937 or earlier	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

Because of longer life expectancies, the Social Security law was changed in 1983 [P.L. 98-21 (H.R. 1900) signed on April 20, 1983] to increase the full retirement age in gradual steps until it reaches age 67. Beginning in the year 2003, this change affects people born in 1938 and later. Benefits will still be available at age 62, but with greater reduction.

SOCIAL SECURITY BENEFIT MAXIMUM

The following are the annual maximum benefit estimates for a male or female worker retiring at full retirement age in 2009 who contributed to Social Security at maximum wage levels through 2008, as compiled from information received from the Department of Health & Human Services, Social Security Administration:

- Retired worker (full retirement age) \$27,876
- Retired worker and spouse receiving Social Security benefits through the retired worker.

Retired worker (full retirement age) \$27,876
 Spouse nonworking (full retirement age) \$13,932
 Retired worker and spouse (both full retirement age) \$41,808

- Disabled worker (less than full retirement age) receives benefits based on average yearly earnings under Social Security in the same amount he would get if retiring at full retirement age. \$27,876

- Disabled worker and spouse - where spouse receives Social Security benefits through the disabled worker.

Disabled worker (less than full retirement age) \$27,876
 Spouse (full retirement age) \$13,932
 Spouse (with minor or disabled children) \$13,932
 Disabled worker and either spouse as above \$41,808

- Spouse (less than 62 with no minor or disabled children) No benefits

- Surviving spouse (age 60 or more) receives Social Security benefits through the deceased worker unless:
 Surviving spouse (age 50-60 years) is totally disabled
 Surviving spouse (with minor or disabled children of the deceased)

Any questions in regard to this information can be directed to the New Jersey Division of Taxation, Property Administration, PO Box 251, Trenton, NJ 08695-0251.

Adherence to these Guidelines should result in a more uniform implementation of the Act.

INCOME DETERMINED-EXAMPLES

All examples assume all other prerequisites for eligibility for Property Tax Deduction have been met. Examples 1-5 reflect applicant/spouse with excludable Social Security benefits only. Examples 6-16 reflect applicants with income in more than one of the three excludable categories. Income may be excluded from only ONE of the three categories when determining the \$10,000 income limitation.

EXAMPLE 1

PTD Applicant and spouse both full retirement age. Each a retired worker in his/her own right.

	<u>INCOME</u>	<u>DEDUCTION ALLOWED</u>
Applicant-Social Security	\$27,876	\$27,876
Spouse-Social Security	10,500	10,500
Other Income	3,500	0
Total	<u>\$41,876</u>	<u>\$38,376</u>

Social Security benefits of applicant and spouse can be deducted in full leaving a balance of \$3,500 which is under the \$10,000 income limit.

Conclusion: Eligible

EXAMPLE 2

PTD Applicant full retirement age and spouse age 62, the earliest possible retirement age, or more. Each a retired worker in his/her own right.

	<u>INCOME</u>	<u>DEDUCTION ALLOWED</u>
Applicant-Social Security	\$27,876	\$27,876
Spouse-Social Security	10,000	10,000
Other Income	5,000	0
Total	<u>\$42,876</u>	<u>\$37,876</u>

Social Security benefits of applicant and spouse can be deducted in full leaving a balance of \$5,000 which is under the \$10,000 income limit.

Conclusion: Eligible

EXAMPLE 3

PTD Applicant and spouse both age 70* years. Each a retired worker in his/her own right.

	<u>INCOME</u>	<u>DEDUCTION ALLOWED</u>
Applicant-Social Security	\$28,000**	\$28,000
Spouse-Social Security	11,500	11,500
Other Income	2,000	0
Total	<u>\$41,500</u>	<u>\$39,500</u>

Social Security benefits of applicant and spouse can be deducted in full leaving a balance of \$2,000 which is under the \$10,000 income limit. **Social Security benefits may be more than maximum if retirement is deferred beyond full retirement age.

Conclusion: Eligible

EXAMPLE 4

PTD Applicant disabled, less than full retirement age; spouse retired worker, age 62 or more. Disabled individual is considered as a retired worker of full retirement age.

	<u>INCOME</u>	<u>DEDUCTION ALLOWED</u>
Applicant-Social Security	\$27,876	\$27,876
Spouse-Social Security	9,000	9,000
Other Income	6,500	0
Total	<u>\$43,376</u>	<u>\$36,876</u>

Social Security benefits of applicant and spouse can be deducted in full leaving a balance of \$6,500 which is under the \$10,000 income limit.

Conclusion: Eligible

EXAMPLE 5

PTD Applicant disabled, less than full retirement age; spouse retired worker, full retirement age or more. Disabled individual is considered as a retired worker of full retirement age.

	<u>INCOME</u>	<u>DEDUCTION ALLOWED</u>
Applicant-Social Security	\$27,876	\$27,876
Spouse-Social Security	27,876	27,876
Other Income	1,000	0
Total	<u>\$56,752</u>	<u>\$55,752</u>

Social Security benefits of applicant and spouse can be deducted in full leaving a balance of \$1,000 which is under the \$10,000 income limit.

Conclusion: Eligible

EXAMPLE 6

PTD Applicant and spouse both full retirement age. Each a retired worker in his/her own right. Or PTD Applicant disabled, less than 65 years, spouse full retirement age.

	<u>INCOME</u>	<u>DEDUCTION ALLOWED</u>
Applicant-Railroad pension	\$28,000	\$27,876 (SS maximum)
Applicant-Social Security	6,500	0
Spouse-State pension	27,500	27,876 (SS maximum)
Spouse-Social Security	5,500	0
Total	<u>\$67,500</u>	<u>\$55,752</u>

Applicant can deduct income from only ONE of the three categories of excludable income, i.e., either Railroad pension or Social Security-not both. Since the Railroad pension is larger than the Social Security benefit, it is the most advantageous choice. However, the amount of Railroad pension deducted cannot exceed the maximum amount allowed under Social Security. The same is true of the spouse's State pension. A total of \$55,752 can be deducted from income leaving a balance of \$11,748 which is over the \$10,000 income limit.

Conclusion: Not Eligible

EXAMPLE 7

PTD Applicant disabled, less than full retirement age; spouse retired, age 62 or more. Disabled individual is considered as a retired worker of full retirement age. Or PTD Applicant and spouse both full retirement age.

	<u>INCOME</u>	<u>DEDUCTION ALLOWED</u>
Applicant-County pension	\$10,000	\$10,000
Applicant-Social Security	4,500	0
Spouse-Public School pension	8,000	8,000
Spouse-Social Security	3,000	0
Other Income	\$ 2,350	0
Total	<u>\$27,850</u>	<u>\$18,000</u>

Applicant can deduct income from only ONE of the three categories of excludable income, i.e., either County pension or Social Security. The County pension is larger than the applicant's Social Security benefit, but does not exceed the Social Security maximum of \$27,876 and can be deducted in full. The same is true of the spouse's Public School pension. A total of \$18,000 can be deducted from income leaving a balance of \$9,850 which is under the \$10,000 income limit.

Conclusion: Eligible

EXAMPLE 8

PTD Applicant and spouse both full retirement age. Each a retired worker in his/her own right. Or PTD Applicant disabled less than full retirement age; spouse age 62 or more.

	<u>INCOME</u>	<u>DEDUCTION ALLOWED</u>
Applicant-Municipal pension	\$ 8,000	\$ 0
Applicant-Social Security	9,500	9,500
Spouse-State pension	3,600	3,600
Spouse-Social Security	1,700	0
Total	<u>\$22,800</u>	<u>\$13,100</u>

Applicant can deduct income from only ONE of the three categories of excludable income, i.e., either Municipal pension or Social

Security. Applicant's Social Security benefit is larger than the Municipal pension and can be deducted in full. State pension is larger than spouse's Social Security benefit but not more than the SS maximum of \$27,876 and can be deducted in full. Again, one category only. A total of \$13,100 can be deducted from income leaving a balance of \$9,700 which is under the \$10,000 income limit.

Conclusion: Eligible

EXAMPLE 9

PTD Applicant disabled, less than full retirement age; spouse retired worker, age 62 or more. Disabled individual is considered as a retired worker of full retirement age. Or PTD Applicant and spouse both full retirement age.

	<u>INCOME</u>	<u>DEDUCTION ALLOWED</u>
Applicant-Federal pension	\$28,500	\$27,876 (SS maximum)
Spouse-Social Security	9,000	9,000
Other Income	<u>11,000</u>	<u>0</u>
Total	\$48,500	\$36,876

Applicant can deduct Federal pension up to the maximum amount allowed under Social Security. Spouse's Social Security benefit can be deducted in full but the balance of \$11,624 is over the \$10,000 income limit.

Conclusion: **Not** Eligible

EXAMPLE 10

PTD Applicant and nonworking spouse both full retirement age. Spouse receives benefits through retired worker.

	<u>INCOME</u>	<u>DEDUCTION ALLOWED</u>
Applicant-Railroad pension	\$32,000	\$27,876 (SS maximum)
Applicant-Social Security	7,500	0
Spouse-Social Security	<u>4,250</u>	<u>13,932</u> (1/2 applicant)
Total	\$43,750	\$41,808

Applicant can deduct income from **ONE** category, i.e., the larger Railroad pension, up to the maximum amount allowed under Social Security. Spouse is receiving Social Security benefits through retired worker applicant amounting to 50% of worker's SS benefit; the spouse is allowed, by administrative decision, a deduction equal to 1/2 of the applicant's deduction (1/2 of the applicant's monthly Railroad (governmental pension) benefits rounded down to the next lower dollar). A total of \$41,808 can be deducted from income leaving a balance of \$1,942 which is under the \$10,000 income limit.

Conclusion: Eligible

EXAMPLE 11

PTD Applicant full retirement age and spouse less than age 62, the earliest possible retirement age.

	<u>INCOME</u>	<u>DEDUCTION ALLOWED</u>
Applicant-Federal pension	\$ 6,000	\$ 0
Applicant-Social Security	7,500	7,500
Spouse-Private pension	<u>5,000</u>	<u>0</u>
Total	\$18,500	\$ 7,500

Applicant's Social Security, larger than the Federal pension, can be deducted in full. However, the spouse's private pension is not an excludable category of income, nor can social security benefits be received through the retired worker applicant because spouse is not of retirement age as required by Social Security. A total of \$7,500 can be deducted from income leaving a balance of \$11,000 which is over the \$10,000 income limit.

Conclusion: **Not** Eligible

EXAMPLE 12

PTD Applicant full retirement age and spouse age 62 or more.

	<u>INCOME</u>	<u>DEDUCTION ALLOWED</u>
Applicant-Social Security	\$ 8,500	\$ 8,500
Spouse-Public School pension	9,500	9,500
Other Income	<u>2,700</u>	<u>0</u>
Total	\$20,700	\$18,000

Applicant's Social Security benefits and spouse's School pension, not in excess of the Social Security maximum of \$27,876, can both be deducted from income in full leaving a balance of \$2,700 which is under the \$10,000 income limit.

Conclusion: Eligible

EXAMPLE 13

PTD Applicant surviving spouse, is retired worker, age 55 years, non-disabled w/no minor or disabled children.

	<u>INCOME</u>	<u>DEDUCTION ALLOWED</u>
Applicant-School pension	\$ 9,500	\$ 0
Applicant-Federal pension	<u>2,500</u>	<u>0</u>
Total	\$12,000	\$ 0

Applicant is less than age 62 years, the earliest age a non-disabled worker can receive Social Security benefits, and is less than 60 years, the earliest age a non-disabled surviving spouse can receive SS benefits through deceased worker. Therefore, all income must be included and total of \$12,000 is over \$10,000 income limit.

Conclusion: **Not** Eligible

EXAMPLE 14

PTD Applicant and spouse both full retirement age. Or PTD applicant disabled, less than full retirement age, spouse age 62 or more.

	<u>INCOME</u>	<u>DEDUCTION ALLOWED</u>
Applicant-Social Security	\$18,000	\$18,000
Applicant-Rental Income	2,400	0
Spouse-County Pension	11,000	11,000
Spouse-Social Security	6,000	0
Other Income	<u>1,000</u>	<u>0</u>
Total	\$38,400	\$29,000

Applicant can deduct Social Security benefit in full. Spouse can deduct income from **one** category of excludable income, i.e., either Social Security or County pension. Spouse's County pension is larger and is the most advantageous choice. A total of \$29,000 can be deducted from income leaving a balance of \$9,400 which is under the \$10,000 income limit.

Conclusion: Eligible

EXAMPLE 15

PTD Applicant disabled, less than full retirement age, spouse age 62 or more.

	<u>INCOME</u>	<u>DEDUCTION ALLOWED</u>
Applicant-Social Security	\$18,500	\$18,500
Applicant-Business Income	12,000	0
Applicant-Allowable Business Expenses	(7,500)	0
Spouse-Social Security	<u>10,452</u>	<u>10,452</u>
Total	\$33,452	\$28,952

Applicant's Social Security benefit can be deducted in full. Applicant's business income is not deductible but ordinary and necessary expenses of the business as allowed by the Federal Internal Revenue Code and regulations can be subtracted from the business income. Spouse's Social Security is deducted in full leaving a balance of \$4,500 which is under the \$10,000 income limit.

Conclusion: Eligible

EXAMPLE 16

PTD Applicant of full retirement age.

	<u>INCOME</u>	<u>DEDUCTION ALLOWED</u>
Applicant Social Security	\$15,500	\$15,500
Applicant Rental Income	14,000	0
Applicant Allowable Rental Expenses	(15,000)	0
Applicant Private Pension	9,000	0
Other income	1,500	0
Total	<u>\$25,000</u>	<u>\$15,500</u>
	or *\$26,000	

Social Security benefit deducted in full. Income total subject to Federal Internal Revenue Code treatment of rental income and allowable expenses in excess of rental income. Disposition of the net \$1,000 rental income loss is dependent on Federal Income Tax Treatment.

Conclusion: Depends on review of Federal Income Tax Treatment.

Where federal guidelines permit taxpayer to apply expense loss against income, the \$1,000 net loss reduces the income to \$25,000. After allowable deductions, a balance of \$9,500 remains which is under the \$10,000 income limit resulting in eligible status.

*Where rental income is reduced to zero after deductions of ordinary and necessary expenses of the rental property, income totals \$26,000. After allowable deductions, a balance of \$10,500 remains which is over the \$10,000 income limit resulting in ineligibility.

CLAIM FOR REAL PROPERTY TAX DEDUCTION ON DWELLING HOUSE OF QUALIFIED NEW JERSEY RESIDENT SENIOR CITIZEN, DISABLED PERSON, OR SURVIVING SPOUSE/SURVIVING CIVIL UNION PARTNER

(N.J.S.A. 54:4-8.40 et seq.; L.1963 c.172 as amended) (N.J.A.C. 18:14-1.1 et seq.); Civil Union Act PL 2006, c.103, effective 2/19/07

IMPORTANT File this completed claim with your municipal tax assessor or collector. (See instructions on reverse.)

I. CLAIMANT NAME

Name(s) of claimant owner(s) permanently residing in dwelling house.

2. DWELLING LOCATION

Street Address of resident owner claimant's dwelling. (Unit # if Co-op)

County & Municipality

Block / Lot / Qualifier

3. YEAR OF DEDUCTION This deduction is claimed for the tax year (indicate tax year).

4. CITIZEN & RESIDENT (Complete A & B)

- A. I was a citizen of New Jersey as of October 1 of the pretax year, i.e., the year prior to the tax year for which deduction is claimed; and
B. I was also a legal or domiciliary resident of New Jersey for at least one year immediately prior to October 1 pretax year. See instructions 2 & 3.

5. OWNER & OCCUPANT

I (my spouse/civil union partner and I, as tenants by entirety), solely owned, held title to above identified dwelling occupied as my (our) principal or permanent residence as of October 1 of the pretax year. See instructions 4 & 5.

**Complete 5a only if partial owners

5a. Name of part owner % ownership interest in property
**Complete 5b only if resident-tenant shareholder in Cooperative or Mutual Housing Corporation

5b. Corporation Name of Cooperative or Mutual Housing

Co-op/M.H. Corp. Street Address Municipality State
\$ Co-op
Mutual Housing Corp.
Net Property Tax Amount for Unit

6. ANNUAL INCOME LIMIT (must be reaffirmed by March 1 following year for which deduction was given.)
During the tax year for which the deduction is claimed, I reasonably anticipate that my annual income (and that of my spouse/civil union partner combined) will not exceed \$10,000 after a permitted exclusion of Social Security Benefits, or Federal Government Retirement/Disability Pension, or State, County, Municipal Government and their political subdivisions and agencies Retirement/Disability Pension. See instructions 6 & 8.

7. BIRTH DATE MARITAL/CIVIL UNION STATUS

- A. Date of Birth
B. Single Married/Civil Union Partner Surviving Spouse/Surviving Civil Union Partner
Legally Separated/Divorced/Dissolutioned

8. SENIOR OR DISABLED CITIZEN OR SURVIVING SPOUSE/SURVIVING CIVIL UNION PARTNER

(Choose A, B, or C)

- A. I was age 65 or more years as of December 31, of the year prior to tax year for which deduction is claimed.
B. I was permanently and totally disabled and unable to be gainfully employed as of December 31 of the year prior to the tax year. ATTACH PHYSICIAN'S OR SOCIAL SECURITY DISABILITY OR NEW JERSEY COMMISSION FOR BLIND CERTIFICATE.
C. I was a surviving spouse/surviving civil union partner as of October 1 of the year prior to the tax year and have not remarried/entered into a new civil union partnership. I was age 55 or more as of December 31 of the year prior to the tax year and at time of my spouse's/civil union partner's death. **My deceased spouse/civil union partner at his or her death was receiving a senior citizen's property tax deduction or a permanently and totally disabled person's property tax deduction.

9. REAL PROPERTY TAX DEDUCTION OTHER DWELLING I (and my spouse/civil union partner) did not receive a senior or disabled citizen or surviving spouse/civil union partner (if applicable) property tax deduction on another dwelling for the same tax year except on my (our) former home identified below where I (we) resided from month/year to month/year.

Street Address Municipality

I certify the above declarations are true to the best of my knowledge and belief and understand they will be considered as if made under oath and subject to penalties for perjury if falsified.

Signature of Claimant Date

OFFICIAL USE ONLY -Block Lot Approved in amount of \$
Age Disability Surviving Spouse/Surviving Civil Union Partner of senior citizen or disabled person

Assessor Date

Collector Date

GENERAL INSTRUCTIONS

- 1. **APPLICATION FILING PERIOD** - File this form with the municipal tax assessor from October 1 through December 31 of the pretax year, i.e., the year prior to the calendar tax year or with the municipal tax collector from January 1 through December 31 of the calendar tax year. For example, for a property tax deduction claimed for calendar tax year 2007, the pretax year filing period would be October 1 - December 31, 2006 with the assessor and the tax year filing period would be January 1 - December 31, 2007 with the collector.
- 2. **ELIGIBILITY DATES** - Eligibility for the property tax deduction is established in the year prior to the calendar tax year for which the deduction is claimed as follows:
 - New Jersey Citizenship as of October 1 pretax year
 - Property Ownership as of October 1 pretax year
 - Residence in New Jersey and in Dwelling House as of October 1 pretax year and
 - Residence in New Jersey for 1 year immediately prior to October 1 pretax year
 - Senior Citizen Age 65 or more as of December 31 pretax year
 - Permanent and Total Disability as of December 31 pretax year
 - Surviving Spouse/Surviving Civil Union Partner Age 55 or more as of December 31 pretax year and at the time of spouse's/civil union partner's death
- 3. **CITIZEN & RESIDENT DEFINED** - United States Citizenship is not required. Resident for purposes of this deduction means a claimant who was legally domiciled in New Jersey for one year immediately prior to October 1 of the pretax year. Domicile is the place you regard as your permanent home - the place you intend to return to after a period of absence. You may have only one legal domicile even though you may have more than one residence. Seasonal or temporary residence in this State, of whatever duration, does not constitute domicile. Absence from the State for a 12 month period is prima facie evidence of abandonment of domicile.
- 4. **RESIDENCE IN DWELLING HOUSE DEFINED** - Residence in the dwelling house means the dwelling where a claimant makes his principal or permanent home. Vacation, summer or second homes do not qualify. Only one deduction may be received per principal residence regardless of the number of qualified claimants residing on the premises.
- 5. **TENANCY BY ENTIRETY DEFINED** - Tenancy by Entirety means ownership of real property by both husband and wife or civil union partners, as a single ownership, in joint title acquired after marriage/civil union partnership.
- 6. **INCOME DEFINED & LIMITED** -
 - a.) The income period is the same tax year as the tax year for which a deduction is claimed.
 - b.) A claimant must reasonably anticipate that income received during the tax year, including income of the claimant's spouse/civil union partner, will not exceed \$10,000. Income of claimant's family members, other than spouse/civil union partner, should not be included as annual income.
 - c.) Income means all income received from whatever source derived including, but not limited to, salaries, wages, bonuses, commissions, tips, and other compensations before payroll deductions, all dividends, interest, realized capital gains, royalties, income from rents, business income, and in their entirety, pension, annuity and retirement benefits. Realized capital gains, except for capital gain from the sale or exchange of real property owned and used by the claimant as his principal residence, dividends, interest, pensions, annuities and retirement benefits must be included in full without deductions even though they may be wholly or partially exempt for Federal income tax purposes.

EXCLUDABLE INCOME** Income can be excluded under ONE of the following three categories: Social Security Benefits or Federal Government Retirement/Disability Pension including Federal Railroad Retirement Benefits or State, County, Municipal Government and their political subdivisions and agencies Retirement/Disability Pension.

NOTE: In accordance with the Civil Union Act, eligibility guidelines that apply to married couples and surviving spouses apply equally to civil union couples and surviving civil union partners.
- 7. **DOCUMENTARY PROOFS REQUIRED** - Each assessor and collector may require such proofs necessary to establish claimant's deduction entitlement and photocopies of any documents should be attached to this form as part of application record. For example: AGE may be verified by birth certificate, baptismal record, family Bible, census record, marriage certificate, court record, Social Security record, military record or discharge, immigration document, insurance policy, DISABILITY may be verified by physician's certificate, Social Security document, New Jersey Commission for Blind certificate. SURVIVING SPOUSE/SURVIVING CIVIL UNION PARTNER by death certificate of decedent. OWNERSHIP by deed, executory contract for property purchase, last will and testament. RESIDENCY by New Jersey driver's license, motor vehicle registration, voter's registration, State tax return.
- 8. **ANNUAL POST-TAX YEAR INCOME STATEMENT REQUIRED** - On or before March 1 of the year immediately following the tax year for which deduction was claimed or received, a claimant must file a Post-Tax Year Income Statement, Form PD5, confirming that annual income for the tax year did not exceed the \$10,000 limit and that anticipated annual income for the current year will not exceed that limit and that all other eligibility prerequisites continue to be met. For example, the Post-Tax Year Income Statement filed by March 1, 2008 supports the claim for deduction for tax year 2007 by confirming 2007 income. Anticipated income would refer to income received in tax year 2008 for the 2008 deduction. IF THIS INCOME STATEMENT IS NOT TIMELY FILED, DEDUCTION WILL BE DISALLOWED AND CLAIMANT WILL BE BILLED FOR THE DEDUCTION AMOUNT.
- 9. **APPEALS** - A claimant may appeal any unfavorable determination by the assessor or collector to the County Board of Taxation annually on or before April 1.

This form is prescribed by the New Jersey Division of Taxation, as required by law, and may be reproduced for distribution, but may not be altered without prior approval.

FOR OFFICIAL USE ONLY	
BLOCK _____	LOT _____
<input type="checkbox"/> Claim by senior citizen <input type="checkbox"/> Claim by disabled person <input type="checkbox"/> Claim by surviving spouse of a senior citizen <input type="checkbox"/> Claim by surviving spouse of a disabled person	

**NOTICE OF DISALLOWANCE OF CLAIM FOR A REAL PROPERTY TAX DEDUCTION
ON DWELLING HOUSE OF A NEW JERSEY RESIDENT SENIOR CITIZEN,
DISABLED PERSON, OR SURVIVING SPOUSE
(N.J.S.A. 54:4-8.40 et seq.)**

To:

This is to inform you that your application for the real property tax deduction upon your dwelling house in this municipality for the tax year _____ has been disallowed for lack of:

- Age- 65 years or older
- Ownership of dwelling
- Occupancy of dwelling as principal or permanent residence
- Legal residence or domicile in New Jersey
- Annual income limit
- Permanent and total disability
- Qualification as surviving spouse of a deceased senior citizen or disabled person property tax deduction recipient
- Other _____

An aggrieved taxpayer has the right to appeal the disallowance of a property tax deduction to the county board of taxation, which will review all of the qualifications for the deduction. If the municipal assessor or tax collector has disallowed the property tax deduction application at a date too late to permit the filing of an appeal with the county board of taxation on or before April 1 of the current year, then the claimant is entitled to file a petition of appeal at any time on or before April 1 of the succeeding year. If you are considering an appeal, as soon as possible please obtain information about the proper procedure to be followed and the time in which to file the appeal from the _____ County Board of Taxation, at

_____ in _____.

Assessor/Collector

Date

NOTICE OF DISALLOWANCE OF CLAIM – If the application for deduction has been disapproved, a Notice of Disallowance (form PD4) must be forwarded to the claimant by regular mail and must state the reason or reasons for disallowance of the claim. The Notice of Disallowance must also advise the taxpayer of his or her right to appeal to the county board of taxation on or before April 1 of the tax year.

(a) Disallowance by the Assessor

Where an initial application for deduction under N.J.S.A. 54:4-8.40 et seq. form PTD (May, 1996) has been filed with the assessor on or after October 1 and not later than December 31 of the year prior to the tax year for which the deduction is claimed and it has been denied, the assessor must forward the Notice of Disallowance to the claimant on or before June 1 of the tax year.

(b) Disallowance by the Collector

Where an initial application for deduction under N.J.S.A. 54:4-8.40 et seq. form PTD (May, 1996) has been filed with the tax collector on or after January 1 and not later than December 31 of the tax year and it has been denied, the collector must forward the Notice of Disallowance to the claimant within 30 days of receipt of the application.

Where the property tax deduction has been denied by the collector because the claimant failed to prove his entitlement to the deduction for the tax year or to the continuation of the deduction for the following tax year, as required by N.J.S.A. 54:4-8.44a, Notice of Disallowance must be forwarded to the claimant on or before April 1 of the post-tax year or, where an extension of time for filing has been granted, no later than June 1 of the post-tax year.

STATUTORY EXCERPT

N.J.S.A. 54:4-8.44a et seq.:

“Every person who is allowed a deduction shall, except as hereinafter provided, be required to file with the collector of the taxing district on or before March 1 of the post-tax year a statement under oath of his income for the tax year and his anticipated income for the ensuing tax year as well as any other information deemed necessary to establish his right to a tax deduction for such ensuing tax year. The collector may grant a reasonable extension of time for filing the statement required by this section, which extension shall terminate no later than May 1 of the post-tax year, in any event where it shall appear to the satisfaction of the collector, verified by a physician’s certificate, that the failure to file by March 1 was due to illness or a medical problem which prevented timely filing of the statement. In any case where such an extension is granted by the collector, the required statement shall be filed on or before May 1 of the post-tax year. Such statement...shall be mailed by the collector on or before February 1 of the post-tax year to each person within the taxing district who was allowed a deduction in the preceding year. Each collector may require the submission of such proof as he shall deem necessary to verify any such statement. Upon the failure of any such person to file the statement within time herein provided or to submit such proof as the collector deems necessary to verify a statement that has been filed, or if it is determined that the income of any such person exceeded the applicable income limitation for said tax year, his tax deduction for said tax year shall be disallowed. A notice of disallowance, on a form prescribed by the director, shall be mailed to that person by the collector on or before April 1 of the post-tax year or, where an extension of time for filing has been granted, no later than June 1...or, where an extension of time for filing has been granted no later than 30 calendar days after the notice of disallowance was mailed...after which date if unpaid, said taxes shall be delinquent, constitute a lien on the property, and, in addition, the amount of said taxes shall be a personal debt of said person. The amount of any lien and tax liability shall be prorated by the tax collector upon the transfer of title based on the number of days during the tax year that entitlement to the tax deduction is established. The lien shall be considered satisfied by the tax collector upon payment of the prorated amount for that portion of the tax year for which entitlement to the tax deduction is not established.”

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The Director of the Division of Taxation in the Department of the Treasury has promulgated form PD4. Officially promulgated forms may be reproduced for distribution, but cannot be altered or amended without the prior approval of the Director.

ANNUAL POST-TAX YEAR INCOME STATEMENT OF QUALIFIED NEW JERSEY RESIDENT SENIOR CITIZEN, DISABLED PERSON, OR SURVIVING SPOUSE/SURVIVING CIVIL UNION PARTNER REQUIRED TO CONTINUE RECEIPT OF REAL PROPERTY TAX DEDUCTION ON DWELLING HOUSE

(N.J.S.A. 54:4-8.40 et seq.; L.1963, c.172 as amended)

P.L. 2006, Chapter 103 The Civil Union Act effective 2/19/07

This INCOME STATEMENT must be filed with the municipal tax collector timely by March 1 annually or it will result in loss of the deduction and you will be billed for the deducted amount. (See instructions on reverse.)

1. NAME(S) OF REAL PROPERTY TAX DEDUCTION RECIPIENT(S)

2. LOCATION OF CLAIMED DWELLING HOUSE

Street Address _____ (Unit #, if Co-op)

County & Municipality _____

Block/Lot/Qualifier _____

Name & Address of Cooperative or Mutual Housing Corporation, if applicable. _____

3. CONFIRMATION OF INCOME FOR TAX YEAR FOR WHICH DEDUCTION WAS GRANTED

I declare and confirm that the total annual income I (and my spouse/civil union partner combined) received from all sources, after permitted income exclusion, during the previous calendar tax year, that is, the tax year for which deduction was granted

- DID NOT exceed \$10,000.
 DID exceed \$10,000.

SEE REVERSE, INCOME DEFINED AND EXCLUDABLE INCOME DEFINED.

4. ESTIMATION OF ANTICIPATED INCOME FOR CURRENT TAX YEAR

I reasonably anticipate that the total annual income I (and my spouse/civil union partner combined) will receive from all sources, after permitted income exclusion, during the current calendar tax year

- WILL NOT exceed \$10,000.
 WILL exceed \$10,000.

5. REAFFIRMATION OF ELIGIBILITY

- I reaffirm that all information provided on the initial CLAIM FORM PTD concerning New Jersey domicile or legal residence, principal residence in and ownership of the above identified dwelling house as of October 1 pretax year, i.e., the year prior to the calendar tax year, as well as personal data, i.e., age, disability, marital/civil union status as previously filed with the municipal tax assessor and/or collector is true and accurate and remains unchanged except as listed below.*

CHOOSE A, B, or C.

- A. As a surviving spouse/civil union partner, I also reaffirm that I have not remarried/entered into a new civil union partnership.
B. As a permanently and totally disabled person, I also reaffirm that my disability status has not changed.
C. I initially applied as a senior citizen, age 65 or more.

*List below any changes in domicile, residence or occupancy, ownership, marital/civil union status, disablement etc.; if none, state "none":

I certify the above declarations are true to the best of my knowledge and belief and understand they will be considered as if made under oath and subject to penalties for perjury if falsified.

Signature of Claimant _____ Date _____

WARNING: Failure to timely file this statement with the collector or to submit proof of income as he or she requires OR where annual income exceeds the statutory limit will result in disallowance of the previously granted deduction or jeopardize its continuation. Disallowed deductions must be repaid on or before June 1 of the post-tax year or become delinquent, a lien on the property and a personal debt of the claimant.

OFFICIAL USE ONLY Approved _____ Disapproved _____

Collector _____ Date _____

1. **FILING PROCEDURE** - On or before March 1 of the post-tax year, deduction recipients **MUST** file this Income Statement with the municipal tax collector to confirm that annual income for the preceding tax year did not exceed the \$10,000 limit, after permitted income exclusion, and that anticipated income for the current tax year will not exceed \$10,000. Deduction recipients must also confirm that all other eligibility conditions continue to be met.
2. **APPLICABLE INCOME PERIOD** - The income period is the same tax year as the tax year for which the deduction was claimed or received. For example, an Annual Post-Tax Year Statement to be filed on or before March 1, 2008 should support the deduction claim for tax year 2007 by confirming actual 2007 income. It should also support the current deduction claim for tax year 2008 by estimating 2008 anticipated income.
3. **EXTENSION OF TIME FOR FILING THIS INCOME STATEMENT** - Where illness or medical problem, as certified by a physician's statement, prevents timely filing of the Annual Post-Tax Year Income Statement the collector may at his or her discretion grant a reasonable extension of time to file but no later than May 1 of the post-tax year.
4. **INCOME DEFINED** - N.J.S.A. 54:4-8.40(a) defines "income" as all income from whatever source derived including, but not limited to, realized capital gains except for a capital gain resulting from the sale or exchange of real property owned and used by the taxpayer as his principal residence...and, in their entirety, pension, annuity and retirement benefits.

N.J.A.C. 18:14-1.1 defines "income" as salaries, wages, bonuses, commissions, tips and other compensations before payroll deductions, all dividends, interest, realized capital gains, royalties, income from rents, business income and, in their entirety, pension, annuity and retirement benefits. Realized capital gains, except for capital gain resulting from the sale or exchange of real property owned and used by the taxpayer as his principal residence,...and dividends, interest, pensions, annuities and retirement benefits must be included in full without deductions even though they may be wholly or partially exempt for Federal income tax purposes.

N.J.A.C. 18:14-1.1 further defines "business income" as gross income derived from a business, trade, profession or the rental of property after deductions of the ordinary and necessary expenses of the business, trade, profession or rental of property allowed under the Federal Internal Revenue Code and regulations.

"Disability benefits," the New Jersey Constitution and statutes are silent on the subject of disability income other than those disability benefits received under a Federal, State, or Political Subdivision program which are excludable only to the extent of the maximum benefit received under the Federal Social Security Act. Therefore, any other disability income received should be evaluated for inclusion or exclusion based on its proper treatment for Federal Income Tax purposes.

"Married/civil union persons income," income received by the applicant and spouse/civil union partner is combined in establishing eligibility for the property tax deduction unless they are living separately. N.J.S.A. 54:4-8.41 provides, in part, income of a married/civil union person includes an amount equal to the income of the spouse/civil union partner during the applicable income year, except for that portion of the year as the two were living apart in a state of separation, whether under judicial decree or otherwise.

N.J.A.C. 18:14-1.1 also provides income of claimant's family members other than a spouse/civil union partner is not to be combined with income of claimant.

NOTE: In accordance with the Civil Union Eligibility guidelines that apply to married couples and surviving spouses apply equally to civil union couples and surviving civil union partners.

5. **EXCLUDABLE INCOME DEFINED** - Benefits are excludable under only ONE of three categories:
 1. The Federal Social Security Act and all its amendments and supplements;
 2. Any other Federal government program or Federal law which provides benefits in whole and in part in lieu of Social Security benefits or for persons excluded from coverage under Social Security, including but not limited to the Federal Railroad Retirement Act and Federal pension, disability and retirement programs;
 3. Pension, disability or retirement programs of any state or its political subdivisions, or agencies for persons not covered under Social Security.

**** NOTE** Where the claimant and/or spouse/civil union partner receives only Social Security benefits and no benefits under 2. & 3., the amount of Social Security received can be deducted from income in full. Where the claimant and/or spouse/civil union partner receives both Social Security benefits and government retirement/disability benefits under 2. or 3., the larger of either one of the income categories can be deducted but any government pension/disability benefit deduction cannot exceed the maximum allowable Social Security benefit. The amount of Federal, State, County, Municipal pension, disability or retirement benefit etc. excluded should be based on actual benefits received provided that the total excluded under 2. or 3. above is not in excess of the maximum benefit amount excludable in similar circumstances under 1. Social Security.

N.J.S.A. 54:4-8.40(a)(1)(2)(3)

6. **DOCUMENTARY PROOFS REQUIRED** - Each collector may require any information necessary to establish claimant's deduction entitlement.
7. **DISALLOWANCE** - Failure to timely file this statement or meet income and other eligibility requirements will result in disallowance of the deduction. Claimants will be notified by formal Notice of Disallowance. Disallowed deductions must be repaid on or before June 1 of the post-tax year or where a filing extension was granted no later than 30 days after mailing of the Notice of Disallowance. If unpaid, taxes will be delinquent, constitute a lien on the property and a personal debt of claimant.
8. **APPEALS** - Disallowed claims may be appealed to the County Board of Taxation.

This form is prescribed by the New Jersey Division of Taxation, as required by law, and may be reproduced for distribution but may not be altered without prior approval.

PROPERTY TAX DEDUCTION CLAIM BY VETERAN OR SURVIVING SPOUSE/SURVIVING CIVIL UNION PARTNER/SURVIVING DOMESTIC PARTNER OF VETERAN OR SERVICEPERSON

(N.J.S.A. 54:4-8.10 et seq.; L.1963, c.171 as amended) (N.J.A.C. 18:27-1.1 et seq.)

IMPORTANT File this completed claim with your municipal tax assessor or collector. (See instructions on reverse.)

1. CLAIMANT NAME

Name of claimant owner

2. CLAIMED PROPERTY LOCATION

Street Address

Unit #, if Co-op

Phone #

County

Municipality

Block

Lot

Qualifier

Mailing Address if different than Claimed Property Location

3. YEAR OF DEDUCTION This deduction is claimed for the tax year (indicate tax year).

4. VETERAN/SURVIVING SPOUSE/SURVIVING CIVIL UNION PARTNER/SURVIVING DOMESTIC PARTNER OF VETERAN OR SERVICEPERSON

(Choose A, B, or C)

- A. Honorably discharged veteran with active wartime service in the United States Armed Forces. ATTACH copy DD214.
B. Surviving spouse/surviving civil union partner/surviving domestic partner of honorably discharged veteran with active wartime service in the United States Armed Forces; and
I have not remarried/formed a new civil union partnership/or a new registered domestic partnership. ATTACH copy DD214 if not previously provided by veteran claimant.
C. Surviving spouse/surviving civil union partner/surviving domestic partner of serviceperson who died on wartime active duty in the United States Armed Forces; and
I have not remarried/formed a new civil union or a new registered domestic partnership. ATTACH copy Military Notification of Death.

5. ACTIVE WARTIME SERVICE PERIOD (Check All Applicable Service Periods)

- **A. Operation Northern/Southern Watch August 27, 1992 - March 17, 2003
**B. Operation Iraqi Freedom March 19, 2003 - Ongoing
**C. Operation Enduring Freedom September 11, 2001 - Ongoing
**D. Joint Endeavor/Joint Guard - Bosnia & Herzegovina November 20, 1995 - June 20, 1998
**E. Restore Hope Mission - Somalia December 5, 1992 - March 31, 1994
**F. Operation Desert Shield/Desert Storm Mission August 2, 1990 - February 28, 1991
**G. Panama Peacekeeping Mission December 20, 1989 - January 31, 1990
**H. Grenada Peacekeeping Mission October 23, 1983 - November 21, 1983
**I. Lebanon Peacekeeping Mission September 26, 1982 - December 1, 1987
J. Vietnam Conflict December 31, 1960 - May 7, 1975
**K. Lebanon Crisis of 1958 July 1, 1958 - November 1, 1958
L. Korean Conflict June 23, 1950 - January 31, 1955
M. World War II September 16, 1940 - December 31, 1946

**NOTE - Peacekeeping Missions require a minimum of 14 days service in the actual combat zone except where service-incurred injury or disability occurs in the combat zone, then actual time served, though less than 14 days, is sufficient for purposes of property tax deduction. The 14 day requirement for Bosnia and Herzegovina may be met by service in one or both operations for 14 days continuously or in aggregate. For Bosnia and Herzegovina combat zone also includes the airspace above those nations.

6. PROPERTY OWNERSHIP

I, the above named claimant, owned, wholly or in part on (deed date) the property above identified. Property must be owned as of October 1 of the pretax year, i.e., the year prior to the tax year for which deduction is claimed. For example, where deduction is claimed for tax year 2006, ownership criterion must be met as of pretax year October 1, 2005.

**Complete 6a only if partial owners of claimed property

6a. Name(s) of part owner(s)

% ownership interest in property

**Complete 6b only if claimed property is a Cooperative or Mutual Housing Corporation in which you're a Tenant-Shareholder.

6b. Corporation Name of Cooperative or Mutual Housing

Co-Op/M.H. Corp. Street Address

Municipality

State

\$

Co-op

Net Property Tax Amount for Unit

Mutual Housing Corp.

7. CITIZENSHIP & RESIDENCY (Complete A or B)

- A. I, the above claimant veteran, was a citizen and legal or domiciliary resident of New Jersey as of October 1 of the pretax year.
B. I, the above claimant surviving spouse/surviving civil union partner/surviving domestic partner, was a citizen and legal or domiciliary resident of New Jersey as of October 1 of the pretax year; and
My deceased veteran or serviceperson spouse/civil union partner/domestic partner was a citizen and resident of New Jersey at death.

8. TAX DEDUCTION OTHER PROPERTY

I am not receiving a Veteran's Property Tax Deduction on any other property for the same tax year except as indicated here:

Street Address

Municipality

For assistance in documenting veterans' status, contact the NJ Department of Military and Veterans Affairs at (609) 530-6854 or US Veterans Administration at 1-800-827-1000.

I certify the above declarations are true to the best of my knowledge and belief and understand they will be considered as if made under oath and subject to penalties for perjury if falsified.

Signature of Claimant

Date

OFFICIAL USE ONLY - Block Lot Approved in amount of \$

Veteran Surviving Spouse/Surviving Civil Union Partner/Surviving Domestic Partner of Veteran or Serviceperson

Assessor/Collector

Date

Form V.S.S. rev. February 2007

APPLICATION FILING PERIOD - File this claim with the municipal tax assessor from October 1 through December 31 of the pretax year, i.e., the year prior to the calendar tax year or with the municipal tax collector from January 1 through December 31 of the calendar tax year. For example, for a property tax deduction claimed for calendar tax year 2006, the pretax year filing period would be October 1 - December 31, 2005 with the assessor and the tax year filing period would be January 1 - December 31, 2006 with the collector.

ELIGIBILITY REQUIREMENTS - All requirements for deduction must be met as of October 1 of the pretax year, i.e., the year prior to the calendar tax year for which the deduction is claimed.

A. **Veteran Claimant** as of October 1 pretax year must:

1. have had active wartime service in United States Armed Forces and been honorably discharged;
2. own the property, wholly or in part, or hold legal title to the property for which deduction is claimed;
3. be a citizen and legal or domiciliary resident of New Jersey.

B. **Surviving Spouse/Surviving Civil Union Partner/Surviving Domestic Partner Claimant** as of October 1 pretax year must:

1. document that the deceased veteran or serviceperson was a citizen and resident of New Jersey at death who had active wartime service in the United States Armed Forces and who was honorably discharged or who died on active wartime duty;
2. not have remarried/formed a new civil union or/a new registered domestic partnership;
3. be a legal or domiciliary resident of New Jersey;
4. own the property, wholly or in part, or hold legal title to the property for which deduction is claimed.

NOTE **Claimants must inform the assessor of any change in status which may affect their continued entitlement to the deduction.

VETERAN DEFINED - means any New Jersey citizen and resident honorably discharged from active wartime service in the United States Armed Forces. Current statute does not provide for deduction for military personnel still in active service who have not been discharged.

For assistance in documenting veterans' status, contact the NJ Department of Military and Veterans Affairs at (609) 530-6854. The United States Veterans Administration may be contacted at 1-800-827-1000.

ACTIVE SERVICE TIME OF WAR DEFINED - means military service during one or more of the specific periods listed under #5 on front of this VSS Claim.

CITIZEN & RESIDENT DEFINED - United States Citizenship is not required. Resident for purposes of this deduction means an individual who is legally domiciled in New Jersey. Domicile is the place you regard as your permanent home - the place you intend to return to after a period of absence. You may have only one legal domicile even though you may have more than one place of residence. Seasonal or temporary residence in this State, of whatever duration, does not constitute domicile. Absence from the State for a 12 month period is prima facie evidence of abandonment of domicile.

SURVIVING SPOUSE/SURVIVING CIVIL UNION PARTNER/SURVIVING DOMESTIC PARTNER DEFINED - means the lawful widow or widower/ civil union partner/domestic partner of a qualified New Jersey resident veteran or serviceperson, who has not remarried/formed a new civil union/or a new registered domestic partnership.

NOTE**A surviving spouse/surviving civil union partner/surviving domestic partner though a New Jersey resident himself/herself is not entitled to deduction if the deceased veteran/serviceperson spouse/partner at death was not a New Jersey resident.

DOCUMENTARY PROOFS REQUIRED - Each assessor and collector may require such proofs necessary to establish claimant's deduction entitlement and photocopies of any documents should be attached to this claim as part of application record.

MILITARY RECORDS Certificate of Honorable Discharge or Release, Form DD214, or Military Notification of Death or Certification of United States Veteran's Administration.

SURVIVING SPOUSE/SURVIVING CIVIL UNION PARTNER/SURVIVING DOMESTIC PARTNER Death Certificate of decedent, marriage license/civil union license/domestic partnership registration certificate.

OWNERSHIP real property deed, executory contract for property purchase; or Last Will and Testament if by devise or if intestate or without a will give names and relationships of decedent's heirs-at-law.

RESIDENCY New Jersey driver's license or motor vehicle registration, voter's registration, etc.

APPEALS - A claimant may appeal any unfavorable determination by the assessor or collector to the County Board of Taxation annually on or before April 1.

This form is prescribed by the New Jersey Division of Taxation, as required by law, and may be reproduced for distribution, but may not be altered without prior approval.

CLAIM FOR PROPERTY TAX EXEMPTION ON DWELLING HOUSE OF DISABLED VETERAN OR SURVIVING SPOUSE/SURVIVING CIVIL UNION PARTNER/SURVIVING DOMESTIC PARTNER OF DISABLED VETERAN OR SERVICEPERSON

(N.J.S.A. 54:4-3.30 et seq.; L.1948, c.259 as amended) (N.J.A.C. 18:28-1.1 et seq.)

IMPORTANT File this completed claim with your municipal tax assessor. (See instructions on reverse.)

1. CLAIMANT NAME

Name(s) of veteran claimant owner (& spouse/civil union partner, as tenants by entirety, or domestic partner) or of surviving spouse/surviving civil union partner/surviving domestic partner permanently residing in dwelling

2. DWELLING LOCATION

Street Address of claimant owner's principal residence _____ Phone # _____

County _____ Municipality _____

Block _____ Lot _____ Qualifier _____

3. DISABLED VETERAN/SURVIVING SPOUSE/SURVIVING CIVIL UNION PARTNER/SURVIVING DOMESTIC PARTNER OF DISABLED VET OR SERVICEPERSON (Choose A, B, or C)

- A. Honorably discharged disabled veteran with active wartime service in United States Armed Forces. ATTACH copy of DD214.
- B. Surviving spouse/surviving civil union partner/surviving domestic partner of honorably discharged disabled veteran with active wartime service in United States Armed Forces; **and**
 - I have not remarried/formed a new civil union or a new registered domestic partnership. ATTACH copy of DD214.
- C. Surviving spouse/surviving civil union partner/surviving domestic partner of serviceperson who died on wartime active duty in the United States Armed Forces; **and**
 - I have not remarried/formed a new civil union or a new registered domestic partnership. ATTACH copy of Military Notification of Death.

4. ACTIVE WAR TIME SERVICE PERIOD (Check All Applicable Service Periods)

- **A. Operation Northern/Southern Watch August 27, 1992 - March 17, 2003
- **B. Operation Iraqi Freedom March 19, 2003 - Ongoing
- **C. Operation Enduring Freedom September 11, 2001 - Ongoing
- **D. "Joint Endeavor/Joint Guard" - Bosnia & Herzegovina November 20, 1995 - June 20, 1998
- **E. "Restore Hope" Mission - Somalia December 5, 1992 - March 31, 1994
- **F. Operation Desert Shield/Desert Storm Mission August 2, 1990 - February 28, 1991
- **G. Panama Peacekeeping Mission December 20, 1989 - January 31, 1990
- **H. Grenada Peacekeeping Mission October 23, 1983 - November 21, 1983
- **I. Lebanon Peacekeeping Mission September 26, 1982 - December 1, 1987
- J. Vietnam Conflict December 31, 1960 - May 7, 1975
- **K. Lebanon Crisis of 1958 July 1, 1958 - November 1, 1958
- L. Korean Conflict June 23, 1950 - January 31, 1955
- M. World War II September 16, 1940 - December 31, 1946

**NOTE - Peacekeeping Missions require a minimum of 14 days service in the actual combat zone except where service-incurred injury or disability occurs in the combat zone, then actual time served though less than 14 days, is sufficient for purposes of property tax exemption. The 14 day requirement for Bosnia and Herzegovina may be met by services in one or both operations for 14 days continuously or in aggregate. For Bosnia and Herzegovina combat zone also includes the airspace above those nations.

5. DISABILITY (Choose A or B & complete C)

- A. Wartime service-connected disability from paraplegia, sarcoidosis, osteochondritis resulting in permanent loss of use of both legs, or permanent paralysis of both legs and lower parts of the body, or from hemiplegia and having permanent paralysis of one leg and one arm or either side of the body, resulting from injury to spinal cord, skeletal structure, or brain or from disease of spinal cord not resulting from any form of syphilis; or from total blindness; or from amputation of both arms or both legs, or both hands or both feet, or the combination of a hand and a foot; or
- B. Other wartime service-connected disability declared to be a total or 100% permanent disability, and not so evaluated solely because of hospitalization or surgery and recuperation, sustained through enemy action, or accident, or resulting from disease contracted while in such service.
- C. Date V.A. determined 100% permanently and totally disabled _____

6. OWNERSHIP & OCCUPANCY (Complete A, B, and C)

- A. I (my spouse/civil union partner, as tenants by entirety/domestic partner), solely own or hold legal title to the above dwelling house. Grantee (buyer) _____ name per deed. Deed Date _____
- C. The dwelling house is One-Family and I occupy all of it as my principal residence. **OR**
- The dwelling house is Multi-Unit and I occupy _____ % as my principal residence.

7. CITIZEN & RESIDENT (Complete A or B)

- A. As of _____ (insert date - month/day/year), I, the above named veteran claimant was a citizen and legal or domiciliary resident of New Jersey.
- B. As of _____ (insert date - month/day/year), I, the above named surviving spouse/surviving civil union partner/surviving domestic partner claimant was a citizen and legal or domiciliary resident of New Jersey; **and**
- My deceased veteran or serviceperson spouse/civil union partner/domestic partner was a citizen and resident of New Jersey at death.

For assistance in documenting veterans' status, contact the NJ Department of Military and Veterans Affairs at (609) 530-6854 or US Veterans Administration at 1-800-827-1000.

I certify the above declarations are true to the best of my knowledge and belief and understand they will be considered as if made under oath and subject to penalties for perjury if falsified.

Signature of claimant _____ Date _____

OFFICIAL USE ONLY - Block _____ Lot _____ Approved Disallowed

Assessor _____ Date _____

1. **APPLICATION FILING PERIOD** - File this form with the municipal tax assessor at any time during the tax year. Partial or prorated exemption is permitted for the remainder of any taxable year from the date ownership or title to the dwelling house is acquired provided all other eligibility requirements are met. For example, where application is filed on June 1st of the tax year for exemption on a dwelling house acquired on February 14th of the tax year, the assessed value is to be prorated for taxation purposes so that 44/365th's of the total assessment would be taxable and 321/365th's would be exempt.
2. **ELIGIBILITY REQUIREMENTS**
 - A. **Disabled Veteran Claimant** (must meet all 5 requirements)
 1. have had active wartime service in United States Armed Forces and been honorably discharged;
 2. have a United States Veterans Administration certification of wartime service-connected disability as described under #5 on front of this DVSS Claim;
 3. wholly own or hold legal title to the dwelling house for which exemption is claimed;
 4. occupy the dwelling house as the principal residence;
 5. be a citizen and legal or domiciliary resident of New Jersey.
 - B. **Surviving Spouse/Surviving Civil Union Partner/Surviving Domestic Partner Claimant** (must meet all 6 requirements)
 1. document that the deceased veteran or serviceperson was a citizen and resident of New Jersey at death who had active wartime service in the United States Armed Forces and who was honorably discharged or who died on active wartime duty;
 2. document that the deceased veteran had V. A. certified wartime service-connected disability;
 3. not have remarried/formed a new civil union or a new registered domestic partnership;
 4. wholly own or hold legal title to the claimed dwelling house;
 5. occupy the dwelling house as the principal residence;
 6. be a citizen and legal or domiciliary resident of New Jersey.

NOTE **Claimants must inform the assessor of any change in status which may affect their continued entitlement to the exemption.

3. **DWELLING HOUSE & CURTILAGE DEFINED** - dwelling house means any one-family building or structure or unit in a horizontal property regime or condominium or multiple-family building or structure on that portion occupied by the claimant as his legal residence including any outhouses or appurtenances used for the dwelling's fair enjoyment. Curtilage means the enclosed space of ground and buildings immediately surrounding the dwelling house and enjoyed with it for its more convenient occupation.
4. **DISABILITY DEFINED** - means a wartime service-connected disability as described under #5 on front of this claim and certified as such by the United States Veterans Administration.
5. **VETERAN DEFINED** - means any New Jersey citizen and resident honorably discharged from active wartime service in the United States Armed Forces. **For assistance in documenting veterans' status, contact the NJ Department of Military and Veterans Affairs at (609) 530-6854. The United States Veterans Administration can be reached at 1-800-827-1000.**
6. **SURVIVING SPOUSE/SURVIVING CIVIL UNION PARTNER/SURVIVING DOMESTIC PARTNER DEFINED** - means the lawful widow or widower/civil union partner/domestic partner of a deceased disabled veteran or serviceperson who has not remarried/formed a new civil union/ or a new registered domestic partnership.
7. **ACTIVE SERVICE TIME OF WAR DEFINED** - means military service during one or more of the specific periods listed under #4 on front of this claim.
8. **CITIZEN AND RESIDENT DEFINED** - United States Citizenship is not required. Resident for purposes of this exemption means an individual who is legally domiciled in New Jersey. Domicile is the place you regard as your permanent home - the place you intend to return to after a period of absence. You may have only one legal domicile even though you may have more than one place of residence. Seasonal or temporary residence in this State, of whatever duration, does not constitute domicile. Absence from the State for a 12 month period is prima facie evidence of abandonment of domicile.
9. **DOCUMENTARY PROOFS REQUIRED** - Each assessor may require such proofs necessary to establish claimant's exemption entitlement and photocopies of any documents should be attached to DVSS Claim as part of the application record.
MILITARY RECORDS Certificate of Honorable Discharge or Release, Form DD214, or Military Notification of Death or Certification of United States Veterans Administration.
DISABILITY Veterans Administration Certification of Disability.
SURVIVING SPOUSE/SURVIVING CIVIL UNION PARTNER/SURVIVING DOMESTIC PARTNER Death Certificate of Decedent, marriage license/civil union license/domestic partnership registration certificate.
OWNERSHIP Real property deed, executory contract for property purchase, or Last Will and Testament if by devise, or if intestate or without a will give names and relationships of decedent's heirs-at-law.
RESIDENCY New Jersey driver's license or motor vehicle registration, voter's registration, etc.
10. **APEALS** - A claimant may appeal any unfavorable determination by the assessor to the County Board of Taxation annually on or before April 1.

 This form is prescribed by the New Jersey Division of Taxation, as required by law, and may be reproduced for distribution, but may not be altered without prior approval.

DATA	1. LAST NAME - FIRST NAME - MIDDLE NAME DELIATAS, JOSEPH WILLY			2. SERVICE NUMBER 04 083 193			3. SOCIAL SECURITY NUMBER 135 26 9348			
	4. DEPARTMENT, COMPONENT AND BRANCH OR CLASS ARMY - USAR - 1st			5a. GRADE, RATE OR RANK Captain			6. DATE OF RANK 24 Nov 61			
PERM DATA	7. U. S. CITIZEN <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO			8. PLACE OF BIRTH (City and State or Country) Orange, New Jersey			9. DATE OF BIRTH 9 Jan 33			
	10a. SELECTIVE SERVICE NUMBER 23 13 33 22 1B 3 13			10b. SELECTIVE SERVICE LOCAL BOARD NUMBER, CITY, COUNTY, STATE AND ZIP CODE East Orange, New Jersey			c. DATE INDUCTED 71			
TRANSFER OR DISCHARGE DATA	11. TYPE OF TRANSFER OR DISCHARGE Relieved from Active Duty			11a. STATION OR INSTALLATION AT WHICH EFFECTED USACOMZUS, 120 New York			11b. EFFECTIVE DATE 13 Oct 57			
	12. LAST DUTY ASSIGNMENT AND MAJOR COMMAND COMZ, Europe			13a. CHARACTER OF SERVICE Honorable			13b. TYPE OF CERTIFICATE ISSUED None			
SERV DATA	16. TERMINAL DATE OF RESERVE UNITS OBLIGATION DAY MONTH YEAR 71			17. CURRENT ACTIVE SERVICE OTHER THAN BY INDUCTION a. SOURCE OF ENTRY: <input type="checkbox"/> ENLISTED (First Enlistment) <input type="checkbox"/> ENLISTED (Prior Service) <input type="checkbox"/> REENLISTED <input checked="" type="checkbox"/> OTHER omissioned			14. TYPE OF CERTIFICATE ISSUED 71			
	16. PRIOR REGULAR ENLISTMENTS 71			19. GRADE, RATE OR RANK AT TIME OF ENTRY INTO CURRENT ACTIVE SVC CPT			15. REENLISTMENT CODE 71			
VA AND EMP. SERVICE DATA	21. HOME OF RECORD AT TIME OF ENTRY INTO ACTIVE SERVICE (Street, RFD, City, County, State and ZIP Code) 293 E. Center St Orange, New Jersey			20. PLACE OF ENTRY INTO CURRENT ACTIVE SERVICE (City and State) Orange, New Jersey			16. TERM OF SERVICE (Years) 71			
	23. SPECIALTY NUMBER & TITLE 51193 - Snucloer Weapons Employment			24. RELATED CIVILIAN OCCUPATION AND D.O.T. NUMBER NA			c. DATE OF ENTRY DAY MONTH YEAR 13 May 57			
REMARKS	24. DECORATIONS, MEDALS, BADGES, COMMENDATIONS, CITATIONS AND CAMPAIGN RIBBONS AWARDED OR AUTHORIZED National Defense Service Medal Armed Forces Reserve Medal									
	25. EDUCATION AND TRAINING COMPLETED Purdum University, NY, NY - BS, Biology USA Arty - CW School - PA Officer Basic Crs USA Chemical School - CB2 Officer Crs USARMS, Ft Sill, Okla - PA Officer Career Crs USARMS, Ft Sill, Okla - Eng Projectile Assembly Crs USA School, Europe - Officer Material Readiness Crs									
AUTHENTICATION	26. NON-PAY PERIODS TIME LOST (Preceding Two Years) None			27. INSURANCE IN FORCE (NSLI or USGLI) <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO			28. AMOUNT OF ALLOTMENT 2.00			
	28. VA CLAIM NUMBER C NA			29. SERVICEMEN'S GROUP LIFE INSURANCE COVERAGE <input checked="" type="checkbox"/> \$10,000 <input type="checkbox"/> \$5,000 <input type="checkbox"/> NONE			c. MONTH ALLOTMENT DISCONTINUED Oct 57			
30. REMARKS Item 5a - Temp CPT, 45S Apt 24Korol, Perm CPT, USAR, 4pt Ling63 Blood Group:			31. PERMANENT ADDRESS FOR MAILING PURPOSES AFTER TRANSFER OR DISCHARGE (Street, RFD, City, County, State and ZIP Code) 23 Reynolds Place Newark, New Jersey 07106						32. SIGNATURE OF PERSON BEING TRANSFERRED OR DISCHARGED	
33. TYPED NAME, GRADE AND TITLE OF AUTHORIZING OFFICER			34. SIGNATURE OF OFFICER AUTHORIZED TO SIGN							



DEPARTMENT OF VETERANS AFFAIRS

Regional Office
20 Washington Place
Newark, NJ 07102

S
A

In Reply Refer To: 309/21
CSS

M

Dear

This is to certify that the records of the U.S. Department of Veterans Affairs disclose that your wartime service-connected disability is totally disabling. A 100% permanent and total evaluation was assigned effective [redacted] in accordance with the Veterans Affairs Rating Schedule and not so evaluated because of hospitalization or surgery and recuperation.

The records further indicate that you served in the United States [redacted], from [redacted] to [redacted], and received a honorable discharge.

The above statement is issued in accordance with N.J.S.A. 54: 4-3.30, ET.SEQ.

Sincerely yours,

U. G. HENDERSON
Benefits Delivery Officer

P

L

E

INITIAL STATEMENT OF ORGANIZATION CLAIMING PROPERTY TAX EXEMPTION
 (N.J.S.A. 54:4-4.4; & 54:4-3.5; 54:4-3.6; 54:4-3.6a; 54:4-3.9; 54:4-3.10; 54:4-3.13; 54:4-3.15; 54:4-3.24; 54:4-3.25; 54:4-3.26; 54:4-3.27; 54:4-3.35; 54:4-3.52; 54:4-3.64; & N.J.S.A. 8A:5-10 et al)

IMPORTANT File this claim in **duplicate** with **municipal assessor** of taxing district where property is located by **November 1 of the pretax year**. Separate claims must be filed for each parcel. Every **third year as of November 1** a Further Statement updating the organization's status must be filed with the assessor. See instructions.

1. CLAIMANT ORGANIZATION NAME

2. ORGANIZATION ADDRESS (Corporate Headquarters)

3. CONTACT INDIVIDUAL, REPRESENTATIVE, OFFICER for ORGANIZATION

Name	Phone #	E-Mail Address	Fax #
Postal Mailing Address			

4. INCORPORATION

A. Domestic-Incorporated or organized in New Jersey on (month/day/year) _____ under statute cite # _____

B. Foreign-Incorporated or organized in the state of _____ on (month/day/year) _____

Registered with New Jersey Secretary of State on (month/day/year) _____

5. ORGANIZATION'S PURPOSES (Explain organization's purposes. **Attach** Certificate of Incorporation, Articles of Association, Charter/Mission Statement, and Constitution & By-laws.)

6. NEW JERSEY STATUTE UNDER WHICH PROPERTY TAX EXEMPTION IS CLAIMED

State New Jersey statute cite # and brief description (see list in instructions)

7. PROPERTY LOCATION IN NEW JERSEY

Street Address	City	Zip Code
County	Municipality	Block #
		Lot #
		Qualifier

8. PROPERTY OWNERSHIP

Grantor (Seller) _____ Grantee (Buyer) _____ Page _____

Deed Date (Month/Day/Year) _____ Deed Book _____

County of recording _____ Recording Date _____

Owner of legal title Yes No If no, describe ownership arrangement. **Attach** ownership document.

9. PROPERTY'S PHYSICAL DESCRIPTION

Total Land Area (Sq. Ft./Acreage) _____ Land is Vacant or Improved with buildings and/or structures? (Check one)

If improved, state number of buildings and/or structures _____

State each building size in square feet _____

Fully describe each building/structure type _____

State \$ amount for which improvements are insured _____

10. PROPERTY'S ACTUAL USE or ACTUAL/EXCLUSIVE USE

If vacant land, state uses and area size for each use. If not used, state none. _____

If improved with buildings and/or structures, state uses of each. _____

Are land and/or buildings used for stated purposes of claimant organization per section 5 above?

No Yes If yes Entirely or Partially? Explain if used for other than claimant organization's purposes or if used or occupied by other than the claimant organization _____

Are land and/or buildings leased or rented by other than claimant organization? No Yes

If yes, Entirely or Partially? Percentage of property leased _____ % **Attach** copy lease/rental agreement.

Explain rental uses. _____

State tenant names and rental income received. _____

Is commercial business conducted on premises? No Yes If yes, explain _____

11. COMPENSATION, REMUNERATION RECEIVED

List names of individuals, officers, entities receiving compensation, salaries, allowance, monetary profits from claimant organization and dollar amounts received. If none, state none. Supporting financial data may be required by assessor.

12. SIGNATURE, DATE & TITLE OF OFFICER CLAIMING EXEMPTION FOR ORGANIZATION

I certify the above declarations are true to the best of my knowledge and belief and understand they will be considered as if made under oath and subject to penalties for perjury if falsified.

Signature _____ Official Title or Position _____ Date _____

Official Use _____ Denied _____ Approved _____ Exempt Property Code _____ Date _____
 Assessor _____

INFORMATION/INSTRUCTIONS

GENERAL ELIGIBILITY: Real property tax exemption is determined by:

1. the organization's purpose
2. the property's use as of October 1 of the pretax year
3. the absence, presence, degree and use of profits
4. the property's ownership as of October 1 of the pretax year
5. incorporation of the organization or its authorization to operate in New Jersey
6. land area or existing buildings
7. timely application as of November 1 of the pretax year

Because eligibility criteria varies from statute to statute, specific questions regarding your organization's exemption requirements should be directed to the municipal assessor in the taxing district where the property is located.

LAND & BUILDINGS: Land and building criteria vary depending on statute under which exemption is claimed. Although there are some exceptions; such as cemetery and conservation land, vacant land **IS NOT** generally exempt even when owned by an otherwise exempt organization. In most cases, in the absence of buildings used for one of the exempt purposes specified by statute, independent vacant land is not exempt. Also most statutes impose acreage limits on exemptable land area. A common limit is five acres per exempt building. Please review applicable statute.

OWNERSHIP: Property must be owned by the organization claiming exemption as of October 1 of the pretax year. For example, possession of legal title as of October 1, 2000 would fulfill the ownership prerequisite for exemption for tax year 2001. In most cases, full legal title must be acquired; equitable title is insufficient. However, certain statutes by specific provision allow for equitable or beneficial ownership interest. Please review the statute under which you are requesting exemption with respect to eligible ownership.

EXEMPT USE TEST-REASONABLE NECESSITY: Use must be a qualifying exempt use. Property's use must be an integral part of the exempt organization's operations, not just a convenience, and reasonably necessary for the proper and efficient fulfillment of the organization's exempt purpose.

ACTUAL USE: Property must be actually used for a permitted or qualifying use pursuant to the statute under which exemption is sought. Future use; for-profit use; and private use are ineligible. Occasional, incidental nonexempt use does not in itself invalidate exemption.

PARTIAL (PRORATED) USE v. EXCLUSIVE USE: Whether a property must be used **solely or exclusively** for its exempt purpose or if a proration is permitted depends upon the statutory language specific to that organization. For instance, schools, hospitals, religious and charitable organizations allow prorated exempt/taxable use while volunteer first-aid squads and associations to prevent cruelty to animals must meet the exclusive or singular use criteria. Please review applicable statute.

NONPROFIT STATUS: Federal 501(c)(3) status is not controlling with respect to New Jersey property tax exemptions. A monetary surplus, rather than a loss, does not necessarily indicate a for-profit, commercial operation. Provided moneys go back into operation of exempt organization, exemption is permissible. However, a for-profit motive, as evidenced by the facts, invalidates exemption, i.e., is the organization's structure, financial agreements, tuitions, fees set etc. with the intent to make a profit.

DOCUMENTARY PROOFS: N.J.S.A. 54:4-4.4 provides, Each assessor may at any time inquire into a claimant's right to continue an exemption and for that purpose he may require the submission of such documentation as he considers necessary to determine the claimant's continuing right to exemption. Claimants may be asked to provide: proof of income via audited financial statements, tax return copies; proof of ownership via deed; proof of use via lease/rental agreements, itinerary/calendar of events & organization's promotional literature; proof of organization's purpose via certificate of incorporation, articles of association, charter or mission statement, and constitution and by-laws.

Burden of proof is on exemption claimant; it is not the responsibility of the assessor to seek out claimant or to bring claimant into exemption compliance.

STATUTES: Veterans organizations	N.J.S.A.54:4-3.5 & 54:4-3.25 & 54:4-3.15
Educational, religious, charitable organizations	N.J.S.A.54:4-3.6
Firefighter organizations	N.J.S.A.54:4-3.10 & 54:4-3.13
Burial grounds & cemeteries	N.J.S.A.54:4-3.9 & N.J.S.A.8A:5-10
Youth organizations	N.J.S.A.54:4-3.24
Fraternal organizations	N.J.S.A.54:4-3.26
Disaster relief organizations	N.J.S.A.54:4-3.27
District Supervisor Religious Organization	N.J.S.A.54:4-3.35
Historic Sites	N.J.S.A.54:4-3.52
Conservation/Recreation Land	N.J.S.A.54:4-3.64

FURTHER STATEMENT REQUIRED: Every **third year as of November 1** after approval of the initial statement, a further statement is to be filed with the municipal assessor.

DENIALS/APPEALS: Any unfavorable determination by the assessor may be appealed to the County Board of Taxation annually on or before **April 1**.

FOR ASSESSOR USE ONLY

Deed/Ownership Documents	Lease/Rental Agreements
Insurance Policy on Property	Certificate of Incorporation
Articles of Association	Constitution and By-laws
Audited Financial Statements	Tax Returns
Charter and/or Mission Statement	Organization's Promotional Literature
Itinerary/Calendar of Events	Addendum containing any other pertinent information

FURTHER STATEMENT OF ORGANIZATION CLAIMING PROPERTY TAX EXEMPTION
 (N.J.S.A. 54:4-4.4; & 54:4-3.5; 54:4-3.6; 54:4-3.6a; 54:4-3.9; 54:4-3.10; 54:4-3.13; 54:4-3.15; 54:4-3.24; 54:4-3.25;
 54:4-3.26; 54:4-3.27; 54:4-3.35; 54:4-3.52; 54:4-3.64; & N.J.S.A. 8A:5-10 et al)

IMPORTANT File this claim in **duplicate** with **municipal assessor** of taxing district where property is located **no later than November 1 of every third succeeding year**, updating the organization's status. Separate claims must be filed for each parcel. See instructions.

1. CLAIMANT ORGANIZATION NAME

2. ORGANIZATION ADDRESS (Corporate Headquarters)

3. CONTACT INDIVIDUAL, REPRESENTATIVE, OFFICER for ORGANIZATION

Name	Phone #	E-Mail Address	Fax #

4. EXEMPT PROPERTY LOCATION IN NEW JERSEY for which continued exemption is claimed

Street Address	City	Zip Code

5. CONFIRMATION OF FILING OF INITIAL STATEMENT

Initial Statement claiming exemption from taxation for the above mentioned real property in item #4 was filed on _____ with the assessor of the aforementioned municipality.
 (Date)

6. PHYSICAL and/or USE CHANGES of the aforementioned real property in item #4

Fully describe any **physical changes** that have occurred since the filing of the previous Initial or Further Statement.

Total Land Area (Sq. Ft./Acreage) _____

Land is Vacant or Improved with buildings and/or structures? (Check one)

If improved, state number of buildings and/or structures _____ State building(s) size in square feet _____

Fully describe building(s)/structure(s) type _____

State \$ amount for which improvements are insured _____

Fully describe any **changes** in the **use** that have occurred since the filing of the previous Initial or Further Statement.

If vacant land, state purpose, area used and size for each use. If not used, state none _____

If improved with buildings and/or structures, state uses of each. _____

Are land and/or buildings used for originally stated purposes of claimant organization? No Yes

If yes, Entirely or Partially? Explain if used for other than claimant organization's purposes or if used or occupied by other than the claimant organization _____

Are land and/or buildings leased or rented by other than claimant organization? No Yes

If yes, Entirely or Partially? Percentage of property leased _____% **Attach** copy lease/rental agreement.

Explain rental uses _____

State tenant names and rental income received. _____

Is commercial business conducted on premises? No Yes If yes, explain _____

7. COMPENSATION/REMUNERATION CHANGES

Fully describe any changes that have occurred since the filing of the previous Initial or Further Statement.

List names of individuals, officers, entities receiving compensation, salaries, allowance, monetary profits from claimant organization and dollar amounts received. If none, state none. Supporting financial data may be required by assessor.

8. PROPERTY OWNERSHIP CHANGES/DISPOSITIONS

Has any portion of the real property described in item 4, for which exemption has previously been claimed and allowed, been rented, sold or otherwise disposed of since the filing of the prior Initial or Further Statement? Yes No

If yes, describe the property and state to whom conveyed and date of conveyance. _____

9. PROPERTY NEWLY ACQUIRED for which exemption is claimed

Has any new or additional real property been acquired by claimant since the filing of the previous Initial or Further Statement? Yes No Property Location _____

If yes, an Initial Statement, Form I.S., as to such new or additional real property must be filed with the assessor.

10. SIGNATURE, DATE & TITLE OF OFFICER CLAIMING EXEMPTION FOR ORGANIZATION

I certify the above declarations are true to the best of my knowledge and belief and understand they will be considered as if made under oath and subject to penalties for perjury if falsified.

Signature _____ Official Title or Position _____ Date _____

Official Use Denied Approved Exempt Property Code _____
 Assessor _____ Date _____

FURTHER STATEMENT REQUIRED: Every **third year as of November 1** after approval of the Initial Statement, a Further Statement is to be filed with the municipal assessor.

IMPORTANT File this claim in **duplicate** with **municipal assessor** of taxing district where property is located by **November 1**. Separate claims must be filed for each parcel. If additional space is needed, please attach a rider.

GENERAL ELIGIBILITY: Real property tax exemption is determined by:

1. the organization's purpose
2. the property's use as of October 1 of the pretax year
3. the absence, presence, degree and use of profits
4. the property's ownership as of October 1 of the pretax year
5. incorporation of the organization or its authorization to operate in New Jersey
6. land area or existing buildings
7. timely application as of November 1 of every third succeeding year

Because eligibility criteria varies from statute to statute, specific questions regarding your organization's exemption requirements should be directed to the municipal assessor in the taxing district where the property is located.

STATUTES: Veterans organizations	N.J.S.A 54:4-3.5 & 54:4-3.25 & 54:4-3.15
Educational, religious, charitable organizations	N.J.S.A. 54:4-3.6
Firefighter organizations	N.J.S.A. 54:4-3.10 & 54:4-3.13
Burial grounds & cemeteries	N.J.S.A. 54:4-3.9 & N.J.S.A. 8A:5-10
Youth organizations	N.J.S.A. 54:4-3.24
Fraternal organizations	N.J.S.A. 54:4-3.26
Disaster relief organizations	N.J.S.A. 54:4-3.27
District Supervisor Religious Organization	N.J.S.A. 54:4-3.35
Historic Sites	N.J.S.A. 54:4-3.52
Conservation/Recreation Land	N.J.S.A. 54:4-3.64

DENIALS/APPEALS: Any unfavorable determination by the assessor may be appealed to the County Board of Taxation annually on or before **April 1**.

DOCUMENTARY PROOFS: N.J.S.A. 54:4-4.4 provides, Each assessor may at any time inquire into a claimant's right to continue an exemption and for that purpose he may require the submission of such documentation as he considers necessary to determine the claimant's continuing right to exemption. Claimants may be asked to provide: proof of income via audited financial statements, tax return copies; proof of ownership via deed; proof of use via lease/rental agreements, itinerary/calendar of events & organization's promotional literature; proof of organization's purpose via certificate of incorporation, articles of association, charter or mission statement, and constitution and by-laws.

Burden of proof is on exemption claimant; it is not the responsibility of the assessor to seek out claimant or to bring claimant into exemption compliance.

FOR ASSESSOR USE ONLY

Deed/Ownership Documents	Lease/Rental Agreements
Insurance Policy on Property	Certificate of Incorporation
Articles of Association	Constitution and By-laws
Audited Financial Statements	Tax Returns
Charter and/or Mission Statement	Organization's Promotional Literature
Itinerary/Calendar of Events	Addendum containing any other pertinent information

State of New Jersey
 Division of Taxation
 CLAIM FOR PROPERTY TAX EXEMPTION FOR
 AUTOMATIC FIRE SUPPRESSION SYSTEMS
 C 309 P.L. 1983 (NJSA 54:4-3.130 et seq.)

Submit this claim to the
 Construction Code Office
 of the municipality where
 property is located.

MUNICIPALITY _____ COUNTY _____

The following declaration is submitted in accordance with the provisions of NJSA 54:4-3.130 et seq., and I certify is true to the best of my knowledge and belief and fully understand that such declaration will be considered as if made under oath, and, as to a false declaration shall be subject to the penalties as provided by law for perjury.

DATE _____ SIGNATURE OF OWNER _____

SEC. A	OWNER	Name of Owner _____ Mailing Address _____ City _____ State _____ Zip Code _____ Block No. _____ Lot No. _____, or Page _____ Line _____
SEC. B	Loc- ation of Property	If location of property is different than above, complete this section Street Address _____ City _____ State _____ Zip Code _____ Block No. _____ Lot No. _____, or Page _____ Line _____
SEC. C	Gen- eral Cop- tractor or Equal	Name _____ Telephone Number _____ Mailing Address _____ City _____ State _____ Zip Code _____
SEC. D	Arch. Eng. if Applicable	Name _____ Telephone Number _____ Mailing Address _____ City _____ State _____ Zip Code _____
SEC. E	Cost of System	Cost of Eligible Automatic Fire Suppression System (Labor and Material) _____
SEC. F	Automatic Fire Suppression System	<p>1. Proposed Work (Check One)</p> <p>_____ Automatic Fire Suppression System, as part of new construction.</p> <p>_____ Automatic Fire Suppression System, as part of an addition to existing structure.</p> <p>_____ Automatic Fire Suppression System, as part of an alteration to existing structure.</p> <p>2. Use group of building.</p> <p>As shown on construction permit _____</p> <p>3. Type of Automatic Fire Suppression System (Check applicable components)</p> <p>_____ Water sprinklers or spray</p> <p>Indicate: _____ Wet _____ Dry Pipe _____ Other (specify) _____</p> <p>Water Supply: Source _____ Size _____</p> <p>_____ Foam</p> <p>_____ Carbon dioxide</p> <p>_____ Halon</p> <p>_____ Dry chemical</p> <p>_____ Other (specify) _____</p> <p>Area sprinkled: _____ Full _____ Partial (specify) _____</p> <p>Number of Heads: _____ Number of Spare Heads: _____</p> <p>If valves are supervised, specify method: _____</p>

NOTE: Detailed cost breakdown of the proposed automatic fire suppression installation must be attached.

CERTIFICATION FOR AUTOMATIC FIRE SUPPRESSION
SYSTEM PROPERTY TAX EXEMPTION

This is to certify that the automatic fire suppression system set forth was designed and installed in conformance with the Uniform Construction Code and is eligible equipment as defined in NJSA 54:4-3.130 et seq. and is used primarily to detect a fire, activate an alarm and suppress or control a fire.

Construction Permit Number _____

Date Certified _____

Construction Code Official _____

Date-Copy furnished to Assessor _____

FOR USE BY ASSESSOR ONLY

The within claim for tax exemption is approved on real property referred to as Block No. _____ Lot No. _____ on the tax map of said municipality (or Page _____ Lines _____ on the 19 _____ Tax List.) Exemption is authorized beginning with tax year 19____, in the amount of \$ _____.

DATE _____

ASSESSOR _____

INSTRUCTIONS

A certified application of each automatic fire suppression system which qualifies for exemption shall be allowed by the assessor.

It should be noted the Act does not preclude the system from being assessed as an added assessment for the period prior to the effective date of the exemption. The exemption from taxation for the automatic fire suppression system shall commence in the tax year following the year in which certification has been granted.

Claim for the exemption, once certified shall continue in force until certification has been revoked by the enforcing agency under regulations promulgated by the Department of Community Affairs.

Data concerning the exemption shall be recorded and retained in the Assessor's Office. The Assessor shall forthwith send a copy of the certified application to the:

Local Property Branch
Appraisal Section - 9th floor

50 Barrack Street - CN 251
Trenton, New Jersey 08646

In applying the exemption the assessor may regard the automatic fire suppression system as not increasing the value of the property.

N.J.S.A. 54:4-3.135 provides that; any person aggrieved by any action of the Director of the Division of Taxation, may seek a review before the Director of the Division of Taxation pursuant to the Administrative Procedure Act, P.L. 1968, C.410(C.52:14B-1 et seq.)

A person aggrieved by an action of the assessor may appeal to the county board of Taxation or the Tax Court, as appropriate.

EXCERPTS FROM N.J.S.A. 54:4-3.130 et seq.

N.J.S.A. 54:4-3.130 (a) "Automatic fire suppression system" means a mechanical system designed and equipped to detect a fire, activate an alarm, and suppress or control a fire without the necessity of human intervention and activates as a result of a predetermined temperature rise, rate of rise of temperature, or increase in the level of combustion products.

N.J.S.A. 54:4-3.130 (b) "Commissioner" means the Commissioner of the Department of Community Affairs.

N.J.S.A. 54:4-3.130 (c) "Enforcing agency" means the enforcing agency in any municipality provided for under the "State Uniform Construction Code Act," P.L. 1975, c.217 (C.52:27D-119 et seq.) and regulations promulgated thereunder.

N.J.S.A. 54:4-3.130 (d) "Board of appeals" means the municipal or county board provided for under the "State Uniform Construction Code Act," P.L. 1975, c.217 (C.52:27D-119 et seq.) and regulations promulgated thereunder.

N.J.S.A. 54:4-3.131 An automatic fire suppression system installed after the effective date of this act in a residential, commercial, or industrial building and certified by the enforcing agency as an automatic fire suppression system shall be exempt from taxation under Chapter 4 of Title 54 of the Revised Statutes.

N.J.S.A. 54:4-3.132 The enforcing agency shall grant a certification pursuant to section 2 of this act upon receipt of a written application made under oath on a form prescribed by the Director of the Division of Taxation in the Department of the Treasury. The form shall be made available to claimants by the enforcing agency. The enforcing agency may at any time inquire into the right of a claimant to the exemption and for that purpose may require the filing of a new application or the submission of any proof necessary to determine the right of the claimant to the continuation of the exemption. The enforcing agency shall have the right to make an inspection of the premises which are the subject of the claim for exemption under this act.

N.J.S.A. 54:4-3.134 The enforcing agency, after giving notice to the holder of an automatic fire suppression system certificate, may revoke the certificate whenever any of the following appears:

- a. The certification was obtained by fraud or misrepresentation.
- b. The claimant for tax exemption has failed substantially to proceed with the construction, reconstruction, installation or acquisition of an automatic fire suppression system.
- c. The mechanical system to which the certificate relates has ceased to be used for the primary purpose of providing automatic fire suppression and is being used for a different primary purpose.
- d. The claimant for tax exemption hereunder has so departed from the equipment, design and construction previously certified by the enforcing agency that, in the opinion of the enforcing agency, the automatic fire suppression system is not suitable and reasonably adequate for the purpose of providing automatic fire suppression.

N.J.S.A. 54:4-3.135 (a) A person aggrieved by an action of the enforcing agency may seek review before the board of appeals.

N.J.S.A. 54:4-3.135 (b) A person aggrieved by an action of the Director of the Division of Taxation may seek a review before the Director of the Division of Taxation pursuant to the "Administrative Procedure Act" P.L. 1968, c. 410 (C.52:14B-1 et seq.)

N.J.S.A. 54:4-3.135 (c) A person aggrieved by an action of the assessor may appeal to the county board of taxation or the Tax Court, as appropriate.

N.J.S.A. 54:4-3.136 The owner of real property equipped with a certified automatic fire suppression system may have exempted annually from the assessed valuation of the real property a sum equal to the remainder of the assessed valuation of the real property with the automatic fire suppression system included, minus the assessed valuation of the real property without the automatic fire suppression system.

N.J.S.A. 54:4-3.137 Subject to the "Administrative Procedure Act," P.L. 1968, c. 410 (C.52:14B-1 et seq.)

- a. The Director of the Division of Taxation shall adopt rules and regulations necessary for the proper certification of a tax exemption and the form of a certificate to be issued.
- b. The commissioner shall adopt rules and regulations establishing technical standards for automatic fire suppression systems necessary to qualify those systems for exemption from taxation pursuant to this act.

N.J.S.A. 54:4-3.138 This act shall take effect on November 24, 1983.



State of New Jersey
Department of Environmental Protection

Christine Todd Whitman
Governor

Robert C. Shinn, Jr.
Commissioner

May 14, 1997

Todd Hipwell
Bayer Corporation (formerly miles Inc.)
100 Bayer Road
Pittsburgh, PA 15202-9741

Dear Todd Hipwell:

Enclosed is your approved claim(s) for tax exemption under the authority of Chapter 127 of P.L. 1966 (Title 54.4 - 3.56 to 3.58). Deviation from the application(s) parameters may result in the revocation of your claim for tax exemption.

If you have any questions regarding this document, please contact the Bureau of New Source Review at the above address.

Sincerely,

Louis Mikolajczyk, Chief
Bureau of New Source Review

cc: State Division of Taxation
Local Tax Assessor
Regional Office
File

A

M

P

L

E

CLAIM FOR TAX EXEMPTION OF AIR POLLUTION ABATEMENT FACILITY
Application for Certification of Air Pollution Abatement Facility

PERMIT/CERTIFICATE NO. LOG # 01-95-5674 DATE 4/1/96

DATE PERMIT/CERT. ISSUED 3/19/96 EXPIRATION DATE _____

The following information is submitted in accordance with the provisions of Chapter 127, P.L. 1966 (N.J.S.A. 54.4 - 3.56 et seq.) and to the best of my knowledge and belief is true and correct.

LOG NUMBER: _____

Signature PF Wright
Title DIRECTOR OF TAX

Sec. A CLAIMANT	(1) Full Business Name <u>BAYER CORPORATION (FORMERLY MILES INC.)</u>
	(2) Type of Ownership Individual _____ Partnership _____ Corporation <u>X</u>
	(3) Person to contact regarding additional details <u>TODD HIPWELL</u> <i>Name</i> <u>100 BAYER ROAD</u> <i>Street Address</i> <u>PITTSBURGH, PA 15205-9741</u> <i>Municipality, State & Zip</i>
Sec. B LOCATION	(1) Location of Abatement Facilities <u>550 BELMONT AVENUE</u> <i>Street Address</i> <u>BOROUGH OF NORTH HALEDON</u> <i>Municipality</i> <u>PASSAIC</u> <i>County</i> and further described as Lot(s) No. <u>19</u> in Block(s) No. <u>81.02</u> _____ on the Tax Map of said municipality (or Page (s) _____ Line(s) _____ on the 19 <u>95</u> Tax List).
	Sec. C OPERATIONS
Sec. D PROCESS	(2) Standard Industrial Classification No. (SIC) <u>2830</u>
	(1) Describe unit process _____ _____ _____ (2) Raw Materials used in process <u>PURUS RESIN, CARBON.</u> _____ _____

c. E

atmosphere.

POLLUTION ABATEMENT

CONTAMINANT	RATE OF EMISSION		CONTROL EFFICIENCY (%)	
	With Facility	Without Facility	Design	Performance
SEE ATTACHED.				

ec. F

(1) Describe abatement facility A COMBINED SOIL VAPOR, GROUND WATER, AND VOLATILE ORGANICS TREATMENT SYSTEM USING PURUS RESIN BED SYSTEM, AIR STRIPPERS, AND CARBON

ABSORPTION.

ABATEMENT FACILITY

- (2) Are contaminants collected in any manner by the control facility? Yes No
- (3) Are the collected contaminants sold or used? Yes No (if yes, see instructions)
- (4) Are air contaminants burned by the control facility? Yes No
- (5) Is the heat value from the burned air contaminants and any auxiliary fuel reused or reclaimed? Yes No (if yes, see instructions)
- (6) Date installation was completed APRIL, 1995
- (7) a. Original cost reported if considered tangible personal property used in business \$ _____
 b. Original cost reported if considered real property \$ _____
 c. Net worth on date of application reported if considered real property \$ \$378,000
- (8) Are the emissions of contaminants controlled by the abatement facility currently regulated by any standards in state or local laws, codes, regulations, or ordinances? Yes No
- (9) Law, code, regulation or ordinance NJDEP AIR AND ISRA AND NJDPES TE-97-0027
- (10) Does the facility comply with such requirements? Yes No

FOR OFFICIAL USE ONLY

Log # 222

The equipment, facility or device for which tax exemption is claimed does not qualify for certification for the reason checked below:

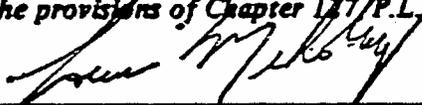
- 1. Not designed, constructed and/or used for air pollution abatement or control.
- 2. A substantial part is designed or constructed for purposes other than preventing air pollution. (Reapplication may be made for that part which controls or abates pollution of the outdoor air).
- 3. The prime function is other than preventing pollution of the outdoor air.
- 4. Does not comply with existing State or local Codes, Regulations or Ordinances.
- 5. The performance of the equipment as installed is not suitable and adequate for the primary purpose of preventing or abating air pollution.
- 6. Application incomplete or incorrect - See item checked.

CERTIFICATION OF AIR POLLUTION ABATEMENT FACILITY

This is to certify that the air pollution abatement facility set forth above was designed primarily for the control of abatement of pollution of the air and is suitable and reasonably adequate for such purpose.

This certificate shall remain in full force and effect subject to the provisions of Chapter 127/P.L. 1966, until further notice.

Date Forwarded to Local Tax Assessor 5/14/97


 Chief, Bureau of New Source Review

Municipality Borough of North Haledon

FOR USE BY TAX ASSESSOR ONLY

The within claim for tax exemption is approved in the sum of \$ _____ on real property referred to as Lot(s) No. _____ in Block(s) No. _____ on the Tax Map of said municipality (or Page(s) _____, Line(s) _____ on the 19 _____ Tax List).

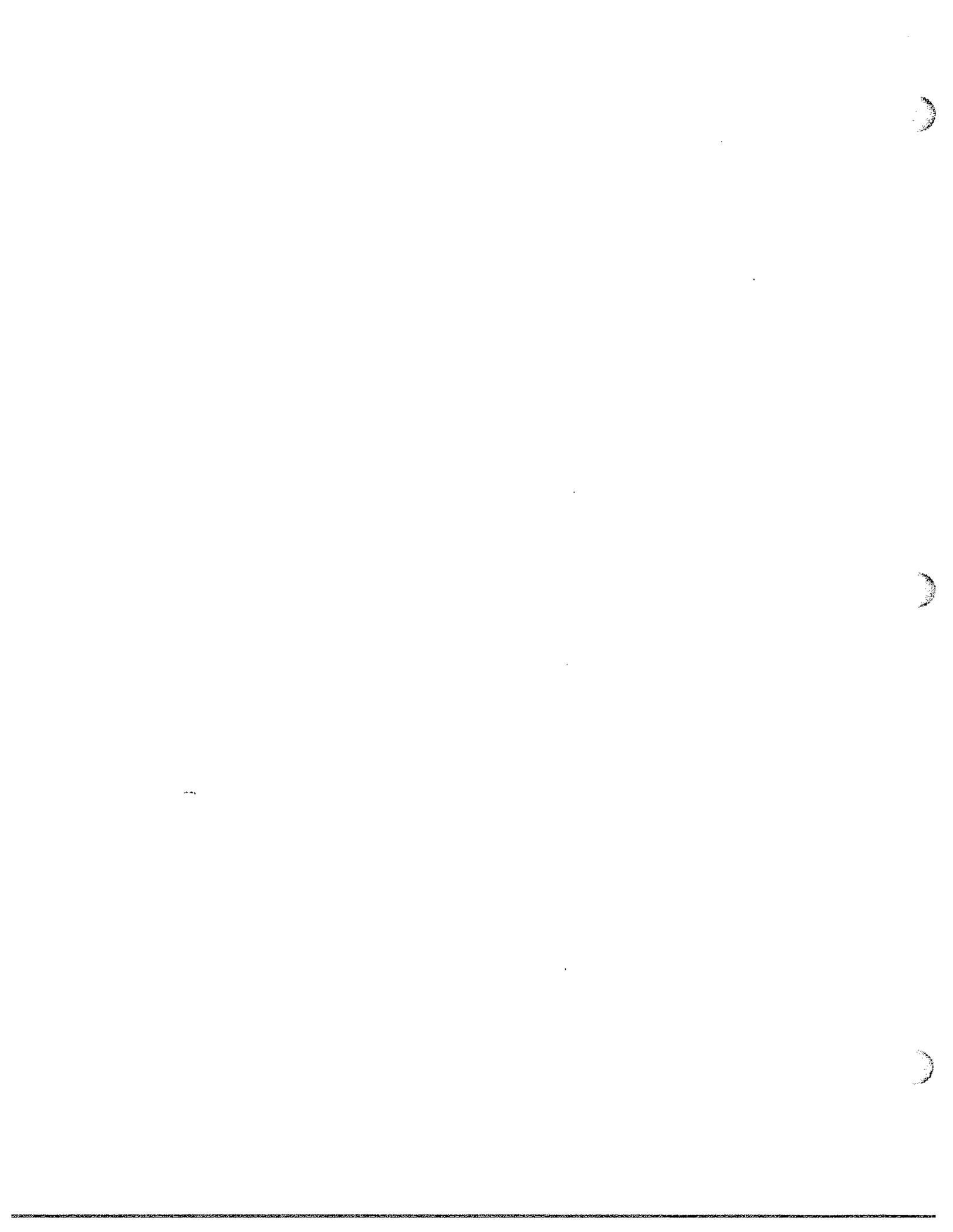
Exemption authorized for the tax year beginning 19 _____ for \$ _____ of the assessed valuation.

Date _____ Assessor's Signature _____

SUBMIT ORIGINAL AND THREE COPIES

CONTAMINANT	RATE OF EMISSIONS (lbs/hr)		CONTROL	EFFICIENCY
	With Facility*	Without Facility	Design	Performance*
Benzene	0.0025	0.02101	98%	88.10%
Chloroform	0.0025	0.0149	98%	83.22%
Methylene Chloride	0.0038	0.1875	98%	97.97%
1,1,2,2- Tetrachloroethane	0.0025	0.00643	98%	61.12%
1,1,2- Tetrachloroethane	0.055	5.46871	99%	98.99%
Trichloroethane	0.0025	0.00018	98%	n/a
Trichloroethylene	0.018	0.925764	98%	98.06%
Vinyl Chloride	0.10	0	n/a	n/a
Total VOCs & methane	1.80	11.12	98%	83.81%

* Emission and Performance values reflect actual NJDEP air permit discharge limits.



INSTRUCTIONS

1. GENERAL - An "improvement to real estate" or "improvement" shall mean any structure, machinery, equipment, device or facility necessary to the installation or maintenance of a potable water supply system or water-carried sewerage disposal system used in connection with a "migrant labor camp" and in accordance with the provisions of sections 26, 27, or 28 of Chapter 71 of the Laws of 1945, as amended and supplemented. These sections are reprinted in full, as follows:

N.J.S.A. . 35:9A-26 Water

(a) Each camp shall be provided with an adequate supply of potable water which is of safe sanitary quality.

(b) Wells or springs used as sources of water supply shall have tight covers and be so constructed and located as to preclude their pollution by seepage from cesspools, privies, sewers, sewage treatment works, stables or manure piles, or pollution from surface drainage. The water from such sources shall be obtained by free gravity flow or by a metal pump with watertight connection to a concrete slab covering such well or spring. If the pump is situated adjacent to the well or spring, it shall be so located and connected as to prevent pollution of the water.

(c) Basins, pressure tanks or reservoirs used for the storage of drinking water subsequently distributed without treatment shall be so lined, curbed, covered, or otherwise protected as may be necessary to prevent pollution of the supply by surface water, and to preclude pollution of an accidental, incidental or willful nature. Water therefrom shall be delivered to the camp fixtures, if such fixtures are provided, by means of a watertight discharge pipe by gravity or by pumping.

(d) No common drinking cup shall be used. If drinking fountains are provided they shall be of sanitary design and construction.

N.J.S.A. . 39:9A-27 Bathing Facilities

Convenient and suitable bathing facilities of a reasonable nature to suit conditions, kept clean and sanitary, shall be provided for every camp.

N.J.S.A. . 34:9A-28 Toilets and Privies

(a) An adequate number of convenient and suitable privy or other toilet facilities, kept clean and sanitary shall be provided for every camp. A privy other than a water-closet shall consist of a pit at least two feet deep with a suitable shelter. The openings of the shelter and pit shall be inclosed by screening or other suitable netting. No privy pit shall be filled with excreta to nearer than one foot from the surface of the ground and the excreta in the pit shall be covered with earth, ashes, lime or other similar substance.

(b) Privies shall be so located, constructed and maintained that they shall not be offensive to the users, nor permit access of flies to the privy vaults nor leakage or seepage offer a possible pollution of any water supply, adjacent surface waters or ground surfaces.

(c) Sewage disposal systems shall not allow exposure of sewage or sewage effluent on the ground.

2. LISTING OF OWNERSHIP - List every individual, partnership or corporation having an interest in the water supply and/or sewage disposal items and the land on which they are located as owner. Attach separate sheet, if necessary.

3. DESCRIPTION - State block and lot as shown on the official tax map or page and line on the current year's tax list. This information may be obtained from your tax bill. If it is necessary to give "metes and bound" description, attach separate rider.

4. FILING DATE - The application must be filed with the local assessor on or before October 1 of the pretax year. A tax exemption once granted shall be continued in favor of the applicant from year to year without further application as long as the improvement, as shown by periodic inspection by the assessor, is maintained in working order.

5. SIGNATURE, VERIFICATION AND AUTHORIZATION - In the case of multiple ownership, one of the owners may sign on behalf of the other co-owners, except corporate co-owners. Any such signer will be presumed to have authority to sign in behalf of the other non-corporate owners. In the case of a corporate owner, the full name of the corporation must be separately filled in, accompanied by the signature and title of the corporate officer authorized to sign the application in its behalf. The owner must grant authorization to the assessor, or to his authorized representative, to enter upon the premises to make periodic inspection of the improvement.

REPRINT OF LAW EXEMPTION CERTAIN WATER SUPPLY AND SEWAGE DISPOSAL FACILITIES (P.L. 1967, C. 260, N.J.S.A. 54:4-3.59 et seq.)

1. Notwithstanding the provisions of section 12 of "The Farmland Assessment Act of 1964," P.L. 1964, c. 48, the value of any improvement to real estate, to the extent that said improvement has enhanced the value of such property, shall be exempt from general property taxation pursuant to Title 54 of the Revised Statutes.

2. For the purposes of this act, an "improvement to real estate" or "improvement" shall mean any structure, machinery, equipment, device or facility necessary to the installation or maintenance of a potable water supply system or water-carried sewerage disposal system in accordance with the provisions of section 26, 27 or 28 of Chapter 71 of the Laws of 1945, as amended and supplemented.

3. Initial application for a tax exemption pursuant to this section shall be filed by the taxpayer with the assessor of the taxing district on or before October 1 of the pretax year on a form to be prescribed by the Director of the Division of Taxation and supplied by the assessor. The application shall contain an authorization to the assessor, or to his authorized representative, to enter upon the premises to make periodic inspection of the improvement.

4. A tax exemption granted pursuant to this act shall be continued in favor of the applicant from year to year without further application as long as the improvement, as shown by periodic inspection by the assessor is maintained in working order.

5. This act shall take effect immediately. (Approved December 26, 1967).

CLAIM FOR EXEMPTION ON BLAST OR
RADIATION FALLOUT SHELTER

THIS CLAIM FOR EXEMPTION MUST BE FILED WITH THE LOCAL TAX ASSESSOR
ON OR BEFORE OCTOBER 1 OF THE YEAR PRECEDING THE TAX YEAR

Municipality _____ County _____

I, _____
hereby make claim for exemption under Chapter 87, Laws of 1962 (N.J.S.A. 54:4-3.48,
et. seq.) with respect to the "blast or radiation fallout shelter" on the property des-
cribed below, for the tax year 19 ____ and thereafter, and make the following declara-
tion in support of such claim:

1. On or before October 1, 19 ____ (insert the year preceding the tax year
which exemption is claimed):
 - (a) I owned the premises, occupied for residential purposes by not more than
situated at

(Address) _____ (Municipality)
and further described as Lot No. _____ in Block No. _____ on the Tax Map
of said Municipality (or Page _____ Line _____ on the 19 ____ Tax List).

- (b) There was erected on said premises a "blast or radiation fallout shelter"
designed and equipped in compliance with standards established by the
the State Department of Defense, for temporary occupancy by human be-
ings to minimize exposure to nuclear explosion or radioactive fallout re-
sulting from nuclear explosion.

2. The actual construction or erection and installation cost of said "blast or
radiation fallout shelter" was \$ _____.
3. I hereby authorize the assessor or his representative to enter upon the
above premises to make periodic inspection of the "blast or radiation
fallout shelter." (See Instruction D).

I hereby certify that the foregoing declarations are true to the best of my know-
ledge and belief and I fully understand that such declarations will be considered as
if made under oath, and, as to a false declaration, shall be subject to the penalties
provided by law for perjury.

Date: _____ Signature of Claimant _____

RESERVED FOR OFFICIAL USE

1. Amount by which true value of property was enhanced \$ _____
2. Amount of exemption to be deducted from true value of property; or
\$ _____
(not to exceed \$1,000.)
3. Amount of exemption to be deducted from assessed value.
\$ _____
(multiply line 2 by district assessment level for the tax year)

Date: _____ Assessor _____

TO THE TAXPAYER--SEE REVERSE SIDE FOR INSTRUCTIONS.

INSTRUCTIONS

- A. All requisites for exemption must be in existence on October 1 of the year preceding the tax year for which exemption is claimed. That is, in order to be entitled to the exemption for the tax year 1963 the "blast or radiation fallout shelter" must be erected, installed and completed in accordance with standards established by the State Department of Defense on or before October 1, 1962. The property must be occupied for residential purposes by not more than two families.
- B. A tax exemption granted pursuant to Chapter 87, Laws of 1962, shall be continued in favor of the applicant from year to year without further application as long as the "blast or radiation fallout shelter," as defined in the law, is maintained.
- C. The construction or erection and installation cost of the "blast or radiation fallout shelter" shall be evidence to be used by the assessor to calculate the enhanced value of the premises attributable to said addition. The allowed exemption shall in no case exceed \$1,000 of the true value of such property.
- D. Under Section 3 of the Law and as stated in paragraph 3 of the application, the applicant, by his application, authorizes the assessor or his representative to enter upon the premises to make periodic inspection of the "blast or radiation fallout shelter."

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