

State of New Jersey Property Tax Assessments Statutes

Basis for Property Tax Assessments – Market Value

Real property is assessed at taxable value that is a percentage of true value as established by the county board of taxation (Sec. 54:4-2.25, R.S.). True value is valuation at current market prices or values (Sec. 54:1-35.3, R.S.). Personal property used in business is assessed at the percentage of true value determined by the Director of the Division of Taxation (Director) to be the average ratio of assessed to true value of real property, which may not exceed the level in effect in the county for real property tax purposes (Sec. 54:4-2.44, R.S.). The true value of business personal property is presumed to be the original cost less depreciation, but not less than 20% of the original cost (Sec. 54:4-2.45, R.S.). True value is determined as of January 1 (Sec. 54:4-2.46, R.S.).

Real Property Defined

Real property is defined as all land and improvements thereon and includes personal property affixed or appurtenant to the real property, unless the personal property (Sec. 54:4-1, R.S.) can be removed or severed without material injury to the real property or the personal property and is not ordinarily intended to be affixed permanently to real property, or— is machinery, apparatus, or equipment used or held for use in business and is neither a structure nor machinery, apparatus or equipment the primary purpose of which is to enable a structure to support, shelter, contain, enclose or house persons or property. Real property includes pipe racks, piping, and electrical wiring up to the point of connection with the machinery, apparatus, or equipment of a production process.

Personal Property Defined

Personal property, in general, is not taxable. However, business tangible personal property, exclusive of inventories, is subject to local property taxes at its value on January 1 of each year if used in the business of local exchange telephone, telegraph, and messenger systems that were subject to the public utilities gross receipts tax as of April 1, 1997 (Sec. 54:4-1, R.S., Sec. 54:4-2.46, R.S.). Also, the personal property of a petroleum refinery that is directly used in a refining process to manufacture petroleum products is taxable (Sec. 54:4-1, R.S.).

Intangible Property Taxes

Intangible personal property is not taxable (Sec. 54:4-1, R.S.).

