

54:4-3.80 to 3.94

LEGISLATIVE HISTORY CHECKLIST

NJSA 54:4-3.80 to 54:4-3.94 (Homestead exemption--all homeowners)

Laws of 1976 Chapter 72

Bill No. A1330

Sponsor(s) Hollenbeck & others

Date Introduced January 26, 1976

Committee: Assembly Taxation

Senate Revenue, Finance, Appropriations

Amended during passage Yes No

Date of passage: Assembly May 15, 1976

Senate June 30, 1976

Date of approval August 30, 1976

Assembly committee substitute enacted - original bill & Assembly Reprint of Third Senate Reprint of ACS enclosed (identical to ACS-2dOCR which became law). Amendments during passage denoted by asterisks.

Following statements are attached if available:

Sponsor statement Yes No

Statement on original & comm. substitute.

Committee Statement: Assembly Yes No

Senate Yes No

Fiscal Note Yes No

Veto message Yes No

Message on signing Yes No

Following were printed:

Reports Yes No

Hearings Yes No

Constitutional amendment mentioned in sponsor's statement:

ACS for ACR 175, 177 & 178 (2nd OCR)

Filed 8/4/75; approved by voters Nov.4, 1975.

For earlier attempts at enactment, see card catalog:

NJ-Taxation, Exemption from

(over)

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10/4/76

See also:

- 974.90 N.J. Legislature. Assembly. Taxation Committee.
T235 Public hearings on various tax proposals before the
1974g legislature. Trenton.
vol. 3- especially pages 50-103
vol. 7- pages 1-4, 114-116
- 974.90 N.J. Legislature. Senate. Revenue, Finance and
T235 Appropriations Committee.
1974h Public hearing on...Assembly Committee Substitute for
ACR 175, 177, 178...Held July 16, 1974. Trenton.
- 974.90 N.J. Legislature. Assembly. Taxation Committee.
T235 Public hearing on Assembly Committee Substitute for
1975e ACR Nos. 175, 177 and 178 (Amendments to tax clause allowing
for homestead exemptions and tax abatements) Held June 4, 1975.
Trenton.

THIS VERSION IS IDENTICAL TO THE
ACS-2D OCR WHICH BECAME LAW --
L. 1976, CHAP. 72, APPROVED AUG. 30
1976

[ASSEMBLY REPRINT]

[THIRD SENATE REPRINT]

ASSEMBLY COMMITTEE SUBSTITUTE FOR

ASSEMBLY, No. 1330

[OFFICIAL COPY REPRINT]

with Senate committee amendments adopted May 13, 1976 and
Senate amendments adopted May 19, 1976 and
Senate committee amendments adopted June 28, 1976 and
Assembly amendments adopted July 7, 1976 to the
Senate amendments adopted June 28, 1976

STATE OF NEW JERSEY

ADOPTED MARCH 10, 1976

AN ACT concerning exemptions from taxation, providing for home-
stead exemptions for citizens and residents of this State, and
supplementing chapter 4 of Title 54 of the Revised Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. a. Every citizen and resident of this State shall be entitled,
2 annually, to a homestead exemption on a dwelling house and the
3 land upon which such dwelling house is situated, which consti-
4 tutes the place of his domicile and which is owned and used by
5 him as his principal residence****[**and if such citizen and resident of
6-7 this State is of the age of 65 or more years, or less than 65 years
8 of age and who is permanently and totally disabled, or the surviving
9 spouse of a deceased citizen and resident of this State who during
10 his lifetime received a real property tax deduction pursuant to this
11 act or P. L. 1963, c. 172 (C. 54:4-8.40 et seq.), upon the same condi-
12 tions, with respect to real property, notwithstanding that said
13 surviving spouse is under the age of 65 and is not permanently and
14 totally disabled, provided that said surviving spouse is 55 years of
15 age or older at the time of the death of said citizen and resident,
16 and so long as he or she shall remain unmarried, annually, upon
17 proper claim being made therefor, to an additional exemption, as
18 set forth in section 2 of this act**]*****. **If such citizen and resident*
19 *of this State is of the age of 65 or more years, or is less than 65*
20 *years of age yet permanently and totally disabled, as "disabled" is*
21 *defined in the "New Jersey Gross Income Tax Act" (54A:1-2f),*

EXPLANATION—Matter enclosed in bold-faced brackets **[thus]** in the above bill
is not enacted and is intended to be omitted in the law.

21A or is the surviving spouse of a deceased citizen and resident of this
 21B State who during his lifetime received a real property tax deduc-
 21C tion pursuant to this act or P. L. 1963, c. 172 (C. 54:4-8.40 et seq.),
 21D upon the same conditions, with respect to real property, notwith-
 21E standing that said surviving spouse is under the age of 65 and is
 21F not permanently and totally disabled, provided that said surviving
 21G spouse was 55 years of age or older at the time of death of said
 21H citizen and resident and remains unmarried, said taxpayer shall
 21I annually, upon proper claim being made therefor, be entitled to an
 21J additional exemption as set forth in section 2 of this act.** The said
 21K requirement of ownership shall be satisfied by the holding of the
 21L beneficial interest where the legal title thereto is held by another
 21M for the benefit of the said citizen and resident.

22 b. As used in this act "dwelling house" includes any residential
 23 property consisting of not more than four units of which not more
 24 than one may be used for business or commercial purposes.

1 2. a. The exemption to be granted such citizen and resident of this
 2 State shall be calculated at ~~***\$2.00***~~ ~~****\$1.25****~~
 3 ~~****\$1.50****~~ per \$100.00 to \$10,000.00 of equalized value, or
 4 ~~*[50%]*~~ *two-thirds* of equalized value, whichever is less, plus
 5 ~~***[25%]***~~ ~~***12.5%***~~ of the effective tax rate in the munic-
 6 ipality wherein the exemption is claimed, multiplied by \$10,000.00
 7 of equalized value or ~~*[50%]*~~ *two-thirds* of equalized value
 8 whichever is less. ~~**[If the claimant qualifies as a senior citizen,~~
 9 ~~a totally disabled citizen under 65 or a surviving spouse as set~~
 10 ~~forth in section 1, he shall be granted an additional \$2.00 per \$100.00~~
 11 ~~on equalized value up to \$5,000.00 or to an aggregate of \$15,000.00~~
 12 ~~of equalized value or *[50%]* *two-thirds* of equalized value~~
 12A ~~whichever is less; provided, however, in]** *If the claimant*~~
 12B ~~*qualifies as a senior citizen, a totally disabled citizen under 65 or*~~
 12C ~~*a surviving spouse, as set forth in section 1, such claimant shall be*~~
 12D ~~granted an additional ~~***\$100.00***~~ ~~****\$50.00****~~ exemption for~~
 12E ~~the tax year 1977 and thereafter.**~~

13 ~~**b. In**~~ no instance shall the amount of the homestead exemp-
 14 tion be greater than 50% of the property tax otherwise due ~~**for~~
 15 ~~the pretax year**~~. For the purpose of this section, "effective rate"
 16 means the total tax levy for the pretax year on which the tax rate
 17 is computed divided by the apportionment valuation for the ~~**[cur-~~
 18 ~~rent]** *pretax***~~ year, as shown in the Table of Aggregates,
 19 prepared pursuant to R. S. 54:4-52. ~~***[**For the year 1976, the~~
 20 ~~amount allowed each claimant shall be 50% of the amount of the~~
 21 ~~exemption so determined.**]**~~

22 ****[b.]**** *c.* Where the dwelling house as to which a home-
 23 stead exemption is claimed is a residential property consisting of
 24 more than one unit, the claimant shall not be allowed an exemption
 25 in an amount in excess of the proportionate share that the equalized
 26 value of the residential unit occupied by the claimant bears to the
 27 total equalized value of the property, as determined by the assessor.

1 3. No homestead exemption, as provided herein, shall be allowed
 2 except upon written application therefor, which application shall
 3 be on a form prescribed by the Director of the Division of Taxa-
 4 tion, and provided for the use of claimants hereunder by the
 5 tax assessor *of* the municipality constituting the taxing dis-
 6 trict in which such claim is to be filed, and the application has been
 7 approved as provided in this act. Each assessor may at any time
 8 inquire into the right of a claimant to the continuance of a home-
 9 stead exemption hereunder and for that purpose he may require
 10 the filing of a new application or the submission of such proof as
 11 he shall deem necessary to determine the right of the claimant to
 12 continuance of such exemption.

1 4. *a.* An application for a homestead exemption hereunder
 2 ****[may]**** *shall* be filed with the assessor of the taxing dis-
 3 trict on or before ****[December 31 of the pretax year by a senior**
 4 citizen, a permanent and totally disabled person or the surviving
 5 spouse of a deceased person as set forth in section 1 a. of this act,
 6 and by a qualified citizen and resident in occupancy of any resi-
 7 dential property consisting of more than one unit, as set forth in
 8 section 1 b. of this act. No application for a homestead exemption
 9 need be filed by any other person who meets the requirements as
 10 set forth in this act****** ****[September]**** ****November**** 1,
 11 1976 and shall reflect the prerequisites for exemption as of October
 12 1, 1975, and on or before September 1 annually thereafter and shall
 13 reflect the prerequisites for exemption on October 1 of the respec-
 14 tive pretax year; provided, however, that the ****[application filed**
 15 for 1976 shall also be applicable for the tax year 1977.****]********
 16 ****director may, by rule, waive the requirement for filing an annual**
 17 application for any year or years subject to any limitations and
 17A conditions he may deem appropriate.****** If an application is
 17B approved by the assessor, he shall allow a homestead exemption
 17C on the real property assessed to the claimant as described therein
 18 and shall indicate upon the assessment list and duplicates *or as*
 19 the director may otherwise prescribe the approval thereof in
 20 such manner as shall be prescribed by rules of the Director of the
 21 Division of Taxation together with the proportionate share of

22 such property deemed to be owned by the claimant for the purposes
 22A of this act if he is not the sole owner thereof. ****In addition, the*
 22B *director may require such approval to be indicated and further tax*
 22C *duplicate to be filed with him on or before January 10 of the tax*
 23 *year.****

23A ****b. An application for exemption may be filed on or before*
 23B *December 31 of the pretax year setting forth the prerequisites for*
 23C *exemption as of October 1 of said pretax year by any property*
 23D *owner subject to tax for the ensuing tax year who has not previously*
 23E *filed a claim for exemption or has previously filed a claim for*
 23F *exemption and there has taken place subsequent thereto with re-*
 23G *spect to said property an added or omitted assessment or a change*
 24 *in the status of the property owner.***

24A ***[The application may also be filed with the assessor during the*
 25 *tax year and upon approval by him, the collector shall determine*
 26 *the amount of the reduction in tax to which the claimant is entitled*
 27 *and shall allow said amount as an offset against the tax then*
 28 *remaining unpaid. If the amount allowable as an offset shall exceed*
 29 *the amount of the tax then unpaid for that tax year, or if the*
 30 *application for a homestead exemption is not filed with the collector*
 31 *until after all taxes for the tax year have been fully paid, the*
 32 *claimant may make application to the governing body of the*
 33 *municipality constituting the taxing district for the refund of any*
 34 *tax overpaid, but without interest, and the governing body may, in*
 35 *its discretion, direct the return of any tax deemed by it to have been*
 36 *overpaid by reason of claimant's failure to make timely application*
 37 *for a homestead exemption; provided, however, that no application*
 38 *for a homestead exemption for any previous tax year shall be*
 39 *allowed by any assessor, collector or governing body. Where an*
 40 *application for a homestead exemption is filed with and allowed*
 41 *by a collector he shall promptly transmit such application and all*
 42 *exhibits attached thereto, or a photostatic copy thereof to the*
 43 *assessor of the taxing district.]***

44 ****[**c. Any reduction in tax for the tax year 1976 shall be*
 45 *allowed as an offset in equal installments against the quarterly*
 46 *taxes due in 1977. For the tax year 1977 and in each year thereafter*
 47 *25% of the amount of the exemption for any tax year shall be*
 48 *allowed as a credit against each of the quarterly taxes due in said*
 49 *year. Where any such credit results in an overpayment of tax with*
 50 *respect to any quarter, the amount of such overpayment shall be*
 51 *credited to the property owner with respect to the next succeeding*
 52 *quarterly taxes due.*

53 *d. On or before November 1, 1976 and on or before November 1*
 54 *in each year thereafter, the assessor shall submit to the collector*
 55 *of the respective municipality a Homestead Security Exemption*
 56 *List which shall be certified by him and shall indicate thereon the*
 57 *properties, the amounts of the exemptions allowed and any other*
 58 *information which the director may prescribe.*

59 *e. Exemptions allowed with respect to applications filed pur-*
 60 *suant to section 4 b. of this act shall be credited to the property*
 61 *during the remaining quarters of the ensuing tax year in equal*
 62 *installments.**】****

1 5. Every fact essential to support a claim for a homestead
 2 exemption hereunder shall exist on October 1 of the pretax
 3 year ***, *except as in this section otherwise provided. Every*
 4 *application by a senior citizen, totally disabled person, or surviving*
 5 *spouse shall establish that he is or will be on or before December*
 6 *31 of the pretax year 65 or more years of age or is permanently*
 7 *and totally disabled or is a surviving spouse and that he was, on*
 8 *October 1 of the pretax year, (a) a citizen and resident of this*
 9 *State, (b) the owner of a dwelling house which is a constituent*
 10 *part of the real property for which the homestead exemption is*
 11 *claimed, (c) residing in said dwelling house as his principal*
 12 *residence*** **【, except as in this section otherwise provided.*
 13 Every application by a senior citizen, totally disabled person, or
 14 surviving spouse shall establish that he is on will be on or before
 15 December 31 of the pretax year 65 or more years of age or is
 16 permanently and totally disabled or is a surviving spouse and
 17 that he was, on October 1 of the pretax year, (a) a citizen and
 18 resident of this State for 1 year, (b) the owner of a dwelling house
 19 which is a constituent part of the real property for which the home-
 20 stead exemption is claimed, (c) residing in said dwelling house
 21 as his principal residence】**. It shall be the duty of every claimant
 22 to inform the assessor of any change in his status or property
 23 which may affect his right to continuance of such exemption.

1 ***【6.】*** **【A claim having been filed with and allowed by the
 2 assessor on and after the effective date of this act shall continue in
 3 force from year to year thereafter without the necessity for further
 4 claim so long as the claimant shall be entitled to a homestead
 5 exemption hereunder.】**

1 ***6. *On or before February 15, 1977 and on or before February*
 2 *15 of each year thereafter, each county board of taxation shall,*
 3 *on a form prescribed by the director certify to the director from*
 4 *the tax lists certified with it for each taxing district for the current*

5 year such information as the director may prescribe including the
 6 following: (a) number of homestead exemptions allowed for the
 7 current year; (b) number of additional exemptions allowed for
 8 surviving spouse; (c) number of additional exemptions allowed
 9 for senior citizens; (d) number of additional exemptions allowed
 10 for totally disabled citizens under 65 years of age; (e) total dollar
 11 amount separately of exemptions in (a), (b), (c) and (d); (f) the
 12 totals for (a), (b), (c), (d) and (e) above by district and for the
 13 county as a whole.***

1 7. Where title to property as to which a homestead exemption is
 2 claimed is held by claimant and another or others, either as tenants
 3 in common or as joint tenants, claimant shall not be allowed a home-
 4 stead exemption in an amount in excess of his proportionate share
 4A of the taxes assessed against said property, which proportionate
 5 share, for the purposes of this act, shall be deemed to be equal to
 6 that of each of the other tenants, unless it is shown that the
 7 interests in question are not equal, in which event claimant's
 8 proportionate share shall be as shown. Nothing herein shall pre-
 9 clude more than one tenant, whether title be held in common or
 10 joint tenancy, from claiming a homestead exemption from the
 11 taxes assessed against the property so held, but no more than the
 12 equivalent of one full homestead exemption in regard to such
 13 property shall be allowed in any year, and in any case in which
 14 the claimants cannot agree as to the apportionment thereof, such
 15 exemption shall be apportioned between or among them in propor-
 16 tion to their interest. Property held by husband and wife, as
 17 tenants by the entirety, shall be deemed wholly owned by each
 18 tenant, but no more than one homestead exemption in regard to
 19 such property shall be allowed in any year. Right to claim a
 20 homestead exemption hereunder shall extend to property the title
 21 to which is held by a partnership, to the extent of the claimant's
 22 interest as a partner therein, and by a guardian, trustee, committee,
 23 conservator or other fiduciary for any person who would otherwise
 24 be entitled to claim such exemption hereunder, but not to property
 25 the title to which is held by a corporation.

1 8. The director may promulgate such rules and regulations and
 2 prescribe such forms as he shall deem necessary to implement this
 3 act. He may require verification of eligibility or noneligibility for
 4 a homestead exemption where doubt exists. ***The director shall,*
 5 *for good cause shown extend the time of any applicant to file a*
 6 *claim for a homestead exemption for a reasonable period. In such*
 7 *case, the application shall be processed and payments and credits*

8 *made in accordance with the procedures established in the case of*
 9 *applications timely filed.*** He may, in his discretion, eliminate
 10 the necessity for sworn application, in which event all declarations
 11 by the claimant shall be considered as if made under oath and the
 12 claimant, as to false declarations, shall be subject to the penalties
 13 as provided by law for perjury.

1 9. Each assessor and collector and his duly designated assist-
 2 ants are hereby authorized to take and administer the oath, where
 3 required, on any claim for or statement in connection with a home-
 4 stead exemption hereunder and no charge shall be made for the
 5 taking of any affidavit or the preparation of any form required by
 6 this act.

1 10. ********[An aggrieved taxpayer may appeal from the disposition**
 2 **of a claim for a homestead exemption under this act in the same**
 3 **manner as is provided for appeals from assessments generally.]****
 4 ***No appeal or review may be taken by any person or any municipi-*
 5 *pality with respect to the determination or calculation of the ef-*
 6 *fective rate or ratios except in the case of an arithmetical or*
 7 *typographical error. An exemption under this act shall not be*
 8 *affected by any change in the assessment of any property.***

1 11. This act shall apply to property taxes due and payable ****on*
 2 *and**** after *******[July 1, 1976]******* ****January 1, 1977**** and to
 3 property taxes due and payable *******[in the year 1977]******* and
 4 thereafter, and shall not affect the obligation, lien, or duty to pay
 5 any taxes, interest or penalties which have accrued or may accrue
 6 by virtue of any assessment made or which may be made with
 7 respect to taxes for any period prior to *******[July 1, 1976]*******
 8 ****January 1, 1977***.*

1 12. The assessor shall determine the equalized value of a prop-
 2 erty by using the equalization ratio appearing in the tables of
 3 equalized valuation promulgated by the director on October 1 of
 4 the pretax year pursuant to P. L. 1954, c. 86, and applying such
 5 ratio to the assessed valuation of the property claimed for home-
 6 stead exemption. ********[The same ratio shall be applied to the general**
 7 **tax rate of the municipality to determine the rate on which the**
 8 **exemption shall be based. The rate so calculated shall be applied**
 9 **to the applicable equalized valuation to determine the amount of**
 10 **the exemption.]**** ***In the case of a revaluation or complete re-*
 11 *assessment of the real property of a municipality, the ratio shall*
 12 *be determined to be the percentage level of the taxable value of*
 13 *real property established by the county board of taxation for that*
 14 *year pursuant to section 3 of P. L. 1960, c. 51 (C. 54:4-2.27).***

1 ***[13. On or before **[July 15,]**** **December 1,** 1976 and on
 2 or before **[April 15]**** **December 1** of each year thereafter,
 3 the **[collector]**** **assessor** in each municipality shall, on a
 4 form prescribed by the director, certify to the director *and to*
 5 *the collector in each municipality* from the **[tax lists]** **
 6 **Homestead Security Exemption List pursuant to section 4 d.**
 7 for the **[current]**** *ensuing* tax year the following:
 8 a. Number of homestead exemptions allowed for the **[cur-
 9 rent]**** *ensuing* tax year;
 10 b. Total dollar amount of homestead exemptions allowed for the
 11 **[current]**** *ensuing* tax year;
 12 c. Separately, the number and dollar amounts of homestead
 13 exemptions allowed or disallowed from the time of certification
 14 made the previous year and prior to certification for the **[cur-
 15 rent]**** *ensuing* year.]***

1 ***[14.]*** **13. a.** After review, the director shall certify
 2 the amount due each taxing district for homestead exemptions and
 3 shall certify these amounts to the State Treasurer on or before
 4 **[August 15, 1976]**** **[[January 15, 1977]]** **March
 5 15, 1977***, and on or before **[May]**** **[[January** 15]]**
 6 ***March 15***, of each year thereafter. The director may inspect
 7 all records in the office of the collector and the assessor with respect
 8 to claims and allowances for homestead exemptions.

9 ***b. Each tax collector shall, on or before January 1 of each
 10 year furnish the tax assessor of his taxing district with a list of
 11 delinquent property tax owners and the assessor shall indicate by
 12 symbol on the tax list and duplicates prior to submitting the same
 13 to the director the fact of such delinquency. No homestead payment
 14 under this act shall be made to any property owner while such
 15 delinquency remains.***

16 The State Treasurer ***semi-annually on or before April 1 and
 17 on or before October 1 commencing*** **[on or before October 1,
 18 1976]**** *in the year 1977*, upon the certification of the Director
 19 of the Division of Taxation and upon the warrant of the State
 20 Comptroller, shall pay and distribute**, *in equal quarterly install-*
 21 *ments,* **[[to each taxing district the amounts indicated and
 22 certified by the director for the year 1976.]]** **the amount
 23 of the homestead exemption to each qualified property owner as
 24 certified by the director.***

25 ***[Upon receipt of the moneys due herein, the collector shall
 26 credit **[the November 1, property tax payment in the amount
 27 due under the homestead exemption. If the taxpayer has prepaid

28 the tax he shall receive credit upon his property tax for the year
 29 1977, or upon request, receive a refund of the amount due~~]~~^{**} ^{**}*the*
 30 *property in a manner provided by section 4 of this act*~~.*]~~^{**}

1 ^{**}14. *Any person required under the authority of this act to*
 2 *make an application, statement or other document shall include in*
 3 *such application, statement or other document such identifying*
 4 *number as may be prescribed for securing proper identification of*
 5 *such person. For purposes of this section, the director is autho-*
 6 *rized to require such information as may be necessary to assign*
 7 *an identifying number to any person.*^{**}

1 15. ^{**}~~[~~For the tax year 1977 and annually thereafter the
 2 amounts due municipalities pursuant to the provisions of this act
 3 shall be paid annually in quarterly installments on ^{**}~~[~~March 1,
 4 June 1, September 1 and December 1~~]~~^{**} ^{**} *February 1, May 1,*
 5 *August 1 and November 1*^{**}. Each installment shall consist of 25%
 6 of the total amount due~~]~~^{**} ^{**}~~[~~, except that the March 1 install-
 7 ment shall be equal to the December 1 installment of the previous
 8 year and any amount due the municipality in excess of that amount
 9 shall be added to the June 1 installment of the tax year~~]~~^{**}.
 10 ^{**}*There is hereby appropriated to the Division of Taxation in the*
 11 *Department of the Treasury from the revenues of the New Jersey*
 12 *Gross Income Tax Act such sums as may be necessary to carry out*
 13 *the provisions of this act through the period ending June 30,*
 14 *1977.*^{**}

1 16. This act shall take effect ^{**}~~[~~on July 1, 1976,~~]~~^{**} ^{**}*immedi-*
 2 *ately*^{**} but shall remain inoperative unless and until a New
 3 Jersey ^{**}~~[~~Personal~~]~~^{**} ^{**}*Gross*^{**} Income Tax has been en-
 4 acted. In that event, prior to the effective date of this act, the
 5 director is hereby empowered and directed to promulgate such
 6 regulations and take such other steps as may be necessary for the
 7 full implementation of this act.

ASSEMBLY, No. 1330

STATE OF NEW JERSEY

INTRODUCED JANUARY 26, 1976

By Assemblymen HOLLENBECK, VISOTCKY, CONTILLO,
BURNS and OTLOWSKI

Referred to Committee on Taxation

AN ACT concerning homestead exemptions for citizens and residents of this State of the age of 65 or more years, or less than 65 years of age who are permanently and totally disabled, and their surviving spouses in certain cases, having incomes not in excess of \$8,000.00 per year, and supplementing chapter 4 of Title 54 of the Revised Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. Every citizen and resident of this State of the age of 65 or
2 more years, or less than 65 years of age who is permanently and
3 totally disabled, and the surviving spouse of a deceased citizen and
4 resident of this State who during his or her life received a real
5 property tax deduction pursuant to this act or P. L. 1971, c. 20
6 (C. 54:4-8.41) so long as he or she shall remain unmarried and a
7 resident in the same dwelling house with respect to which said
8 deduction was granted, upon the same conditions, with respect to
9 the real property, notwithstanding that said surviving spouse is
10 under the age of 65 and is not permanently and totally disabled,
11 provided that said surviving spouse is 55 years of age or older at
12 the time of the death of said citizen and resident having incomes
13 not in excess of \$8,000.00 per year within the provisions hereinafter
14 set forth shall be entitled, annually, upon proper claim being made
15 therefor, to a homestead exemption on a dwelling house and the
16 land upon which such dwelling house is situate, which is owned by
17 him and which constitutes the place of his domicile and which is
18 being used by him as his actual residence, to an aggregate true
19 valuation of \$10,000.00 or 50% of its true valuation, whichever is
20 less. The said requirement of ownership shall be satisfied by the
21 holding of the beneficial interest where the legal title thereto is held
22 by another for the benefit of the said citizen and resident.

23 For the purposes of this act "income" shall be measured as
24 defined in P. L. 1972, c. 6 (C. 54:4-8.40), and the income of a
25 married person shall be deemed to include an amount equal to the
26 income of the spouse during the applicable income year, except for
27 such portion of that year as the two were living apart in a state
28 of separation, whether under judicial decree or otherwise.

1 2. No homestead exemption, as provided herein, shall be allowed
2 except upon written application therefor, which application shall
3 be on a form prescribed by the Director of the Division of Taxa-
4 tion, and provided for the use of claimants hereunder by the
5 governing body of the municipality constituting the taxing district
6 in which such claim is to be filed, and the application has been
7 approved as provided in this act. Each assessor may at any time
8 inquire into the right of a claimant to the continuance of a home-
9 stead exemption hereunder and for that purpose he may require
10 the filing of a new application or the submission of such proof as
11 he shall deem necessary to determine the right of the claimant to
12 continuance of such deduction.

1 3. An application for a homestead exemption hereunder may be
2 filed with the assessor of the taxing district on or before December
3 31 of the pretax year. Such application shall provide an option for
4 the applicant who is entitled to an exemption pursuant to P. L.
5 1971, c. 20 (C. 54:4-8.41) to choose an exemption under that section
6 or to opt for a homestead exemption hereunder. An applicant
7 opting for either an exemption or a homestead exemption may
8 change his option in any succeeding tax year.

1 4. An application for a homestead exemption hereunder may be
2 filed with the assessor of the taxing district on or before December
3 31 of the pretax year. If an application is approved by the assessor,
4 he shall allow a homestead exemption on the real property
5 assessed to the claimant as described therein and shall indicate
6 upon the assessment list and duplicates the approval thereof in
7 such manner as shall be prescribed by rules of the Director of the
8 Division of Taxation together with the proportionate share of such
9 property deemed to be owned by the claimant for the purposes of
10 this act if he is not the sole owner thereof.

11 Upon approval of the application for a homestead exemption the
12 tax collector shall note in his records the existence of a contingent
13 liability for taxes in the amount of the exemption in the event the
14 exemption is subsequently disallowed on the basis of the tax-
15 payer's income, the transfer of title to the property to a person not
16 entitled to such exemption, or on the basis of the failure to meet
17 any other prerequisites required by this act for a homestead

18 exemption, which contingent liability shall be reported on any tax
19 search made on the property for which the exemption was
20 approved.

21 The application, if not filed with the assessor within the time
22 aforementioned, may be filed with the collector during the tax year
23 and upon approval by the collector of such application he shall
24 determine the amount of the reduction in tax to which the claimant
25 is entitled and shall allow said amount as an offset against the tax
26 then remaining unpaid. If the amount allowable as an offset shall
27 exceed the amount of the tax then unpaid for that tax year, or if the
28 application for a homestead exemption is not filed with the collector
29 until after all taxes for the tax year have been fully paid, the claim-
30 ant may make application to the governing body of the municipality
31 constituting the taxing district for the refund of any tax overpaid,
32 but without interest, and the governing body may, in its discretion,
33 direct the return of any tax deemed by it to to have been overpaid
34 by reason of claimant's failure to make timely application for a
35 homestead exemption; provided, however, that no application for a
36 homestead exemption for any previous tax year shall be allowed by
37 any assessor, collector or governing body. Where an application
38 for a homestead exemption is filed with and allowed by a collector
39 he shall promptly transmit such application and all exhibits
40 attached thereto, or a photostatic copy thereof, to the assessor of
41 the taxing district. Upon receipt thereof the assessor shall review
42 the application and if approved by him it shall have the same force
43 as if originally filed with him.

1 5. Every fact essential to support a claim for a homestead
2 exemption hereunder shall exist on October 1 of the pretax year,
3 except as in this section otherwise provided. Every application by
4 a claimant therefor shall establish that he is or will be on or before
5 December 31 of the pretax year 65 or more years of age or is
6 permanently and totally disabled and that he was, on October 1 of
7 the pretax year, (a) a citizen and resident of this State for the
8 period required, (b) the owner of a dwelling house which is a con-
9 stituent part of the real property for which the homestead exemp-
10 tion is claimed, (c) residing in said dwelling house. Said
11 application shall also establish that his anticipated income, includ-
12 ing the income of his or her spouse, for the tax year will not exceed
13 \$8,000.00.

1 6. Every person who is allowed a homestead exemption shall,
2 except as hereinafter provided, be required to file with the collector
3 of the taxing district on or before February 1 of the post-tax year

4 a statement under oath of his income for the tax year and his
5 anticipated income for the ensuing tax year as well as any other
6 information deemed necessary to establish the right of the claim-
7 ant to a homestead exemption for such ensuing tax year. The
8 collector may grant a reasonable extension of time for filing the
9 statement required by this section, which extension shall terminate
10 no later than March 1 of the post-tax year, in any event where it
11 shall appear to the satisfaction of the collector that the failure to
12 file by February 1 was due to the illness of the claimant and the
13 claimant has filed with the collector a physician's certificate stating
14 that the claimant was physically incapacitated and unable to file on
15 or before February 1. In any case where such an extension is
16 granted by the collector, the required statement shall be filed on or
17 before March 1 of the post-tax year.

18 Such statement shall be on a form prescribed by the Director,
19 Division of Taxation, in the Department of the Treasury and pro-
20 vided for the use of persons required to make such statement by
21 the governing body of the municipality constituting the taxing
22 district in which such statement is required to be filed. Each
23 collector may require the submission of such proof as he shall deem
24 necessary to verify any such statement. Upon the failure of any
25 such person to file the statement within time herein provided or to
26 submit such proof as the collector deems necessary to verify a
27 statement that has been filed, or if it is determined that the income
28 of any such person exceeded \$8,000.00 for said tax year, his home-
29 stead exemption for said tax year shall be disallowed and his taxes
30 to the extent represented by the amount of said exemption shall be
31 payable on or before March 1 of the post-tax year or, where an
32 extension of time for filing has been granted no later than 30
33 calendar days after the expiration of said extension, after which
34 date if unpaid, said taxes shall be delinquent, constitute a lien on
35 the property, and, in addition, the amount of said taxes shall be a
36 personal debt of said person.

37 The amount of any lien and tax liability shall be prorated by the
38 tax collector upon the transfer of title based on the number of days
39 during the tax year that entitlement to the homestead exemption is
40 established. The lien shall be considered satisfied by the tax
41 collector upon payment of the prorated amount for that portion of
42 the tax year for which entitlement to the homestead exemption is
43 not established.

1 7. A claim having been filed with and allowed by the assessor
2 on and after the effective date of this act shall continue in force

3 from year to year thereafter without the necessity for further claim
4 so long as the claimant shall be entitled to a homestead exemption
5 hereunder, but the claimant shall be required yearly to establish
6 by post-tax year statement, as provided for in this act, his income
7 for the tax year, his anticipated income for the ensuing tax year
8 and his compliance with all other prerequisites for eligibility for
9 the exemption for such ensuing tax year and the assessor may at
10 any time require the filing of a new application or such proof as he
11 may deem necessary to establish the right of the claimant to con-
12 tinuance of such exemption. It shall be the duty of every claimant
13 to inform the assessor of any change in his status or property
14 which may affect his right to continuance of such exemption.

1 8. Where title to property as to which a homestead exemption is
2 claimed is held by claimant and another or others, either as tenants
3 in common or as joint tenants, claimant shall not be allowed a
4 homestead exemption in an amount in excess of his proportionate
5 share of the taxes assessed against said property, which propor-
6 tionate share, for the purposes of this act, shall be deemed to be
7 equal to that of each of the other tenants, unless it is shown that
8 the interests in question are not equal, in which event claimant's
9 proportionate share shall be as shown. Nothing herein shall pre-
10 clude more than one tenant, whether title be held in common or
11 joint tenancy, from claiming a homestead exemption from the taxes
12 assessed against the property so held, but no more than the equiv-
13 alent of one full homestead exemption in regard to such property
14 shall be allowed in any year, and in any case in which the claimants
15 cannot agree as to the apportionment thereof, such exemption shall
16 be apportioned between or among them in proportion to their
17 interest. Property held by husband and wife, as tenants by the
18 entirety, shall be deemed wholly owned by each tenant, but no more
19 than one homestead exemption in regard to such property shall be
20 allowed in any year. Right to claim a homestead exemption here-
21 under shall extend to property the title to which is held by a part-
22 nership, to the extent of the claimant's interest as a partner therein,
23 and by a guardian, trustee, committee, conservator or other
24 fiduciary for any person who would otherwise be entitled to claim
25 such exemption hereunder, but not to property the title to which
26 is held by a corporation.

1 9. The director may promulgate such rules and regulations and
2 prescribe such forms as he shall deem necessary to implement this
3 act. He may, in his discretion, eliminate the necessity for sworn
4 application, in which event all declarations by the claimant shall be

5 considered as if made under oath and the claimant, as to false
6 declarations, shall be subject to the penalties as provided by law
7 for perjury.

1 10. Each assessor and collector and his duly designated assist-
2 ants are hereby authorized to take and administer the oath, where
3 required, on any claim for or statement in connection with a home-
4 stead exemption hereunder and no charge shall be made for the
5 taking of any affidavit or the preparation of any form required by
6 this act.

1 11. An aggrieved taxpayer may appeal from the disposition of a
2 claim for a homestead exemption under this act in the same manner
3 as is provided for appeals from assessments generally.

1 12. This act shall apply to real property taxes due and payable
2 in the year 1977 and thereafter, and shall not affect the obligation,
3 lien, or duty to pay any taxes, interest or penalties which have
4 accrued or may accrue by virtue of any assessment made or which
5 may be made with respect to taxes levied for any year prior to the
6 year 1977.

1 13. On or before June 15, 1977, and on or before June 15 of each
2 year thereafter, each county board of taxation shall, on a form
3 prescribed by the director, certify to the director from the tax lists
4 certified with it for each taxing district for the current tax year the
5 following:

6 a. number of homestead exemptions allowed for the current tax
7 year;

8 b. total dollar amount of homestead exemptions allowed for the
9 current tax year;

10 c. separately, the number and dollar amount of homestead
11 exemptions allowed or disallowed, as certified by the collector, from
12 the time of certification made the previous year and prior to
13 certification for the current year;

14 d. the totals for a., b., and c. above, by district and for the county
15 as a whole.

1 14. After review the director shall determine an amount equal to
2 $\frac{1}{2}$ of the amount allowed by each taxing district for homestead
3 exemptions and shall certify these amounts to the State Treasurer
4 on or before September 15, 1977, and on or before September 15
5 annually thereafter. The director may inspect all records in the
6 office of the collector and the assessor with respect to claims and
7 allowances for homestead exemptions.

8 The State Treasurer annually on or before November 1, 1977, and
9 on or before November 1 annually thereafter, upon the certification

10 of the Director of the Division of Taxation and upon the warrant
11 of the State Comptroller, shall pay and distribute to each taxing
12 district the amounts indicated and certified by the director.

1 15. For the tax year 1977 and each year thereafter, each county
2 board of taxation shall include in the abstract of ratables prepared
3 pursuant to R. S. 54:4-52 the full estimated amount of the home-
4 stead exemptions as provided for in this act, but only $\frac{1}{2}$ of said
5 amount shall be included in the total on which the tax rate is to be
6 computed.

1 16. This act shall take effect immediately.

STATEMENT

This bill proposes to implement the provision of the Constitutional amendment adopted November 4, 1975, having to do with homestead exemptions. It is limited to those 65 years of age or older, the disabled and surviving spouses. Under the provisions of this bill, the applicant could opt for the homestead exemption herein provided, or for the present senior citizen exemption. The income limit has been raised to \$8,000.00 which will make more people eligible. In most instances, the provisions of this bill will be more beneficial to the senior citizen than the present exemption. However, by allowing the option it prevents anyone from losing any deduction.

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12 Upon receipt of the moneys due herein, the collector shall credit
13 the November 1, property tax payment in the amount due under the
14 homestead exemption. If the taxpayer has prepaid the tax he shall
15 receive credit upon his property tax for the year 1977, or upon
16 request, receive a refund of the amount due.

1 15. For the tax year 1977 and annually thereafter the amounts
2 due municipalities pursuant to the provisions of this act shall be
3 paid annually in quarterly installments on March 1, June 1,
4 September 1 and December 1. Each installment shall consist of
5 25% of the total amount due, except that the March 1 installment
6 shall be equal to the December 1 installment of the previous year
7 and any amount due the municipality in excess of that amount
8 shall be added to the June 1 installment of the tax year.

1 16. This act shall take effect on July 1, 1976, but shall remain
2 inoperative unless and until a New Jersey Personal Income Tax has
3 been enacted. In that event, prior to the effective date of this act,
4 the director is hereby empowered and directed to promulgate
5 such regulations and take such other steps as may be necessary for
6 the full implementation of this act.

STATEMENT

The Taxation Committee has released its substitute for Assembly No. 1330 contingent upon the enactment of a personal income tax.

It provides a homestead exemption to every homeowner in the State up to \$10,000.00 of equalized value or 50% of equalized value whichever is less and an additional exemption of \$5,000.00 to an aggregate of \$15,000.00 of equalized value or 50% of equalized value, whichever is less, for the senior citizens. The low income senior citizen will still receive his \$160.00 exemption (senior citizen implies the disabled and surviving spouse as approved in November 1975).

The average exemption will amount to approximately \$275.00 per homestead and \$375.00 for senior citizens.

However, there is a restriction that no exemption shall be greater than 50% of equalized value. This will preclude a windfall in municipalities where taxes are very low.

SENATE REVENUE, FINANCE AND
APPROPRIATIONS COMMITTEE

STATEMENT TO

[ASSEMBLY COMMITTEE SUBSTITUTE FOR]

ASSEMBLY, No. 1330

[OFFICIAL COPY REPRINT]
with Senate committee amendment

STATE OF NEW JERSEY

DATED: MAY 13, 1976

SYNOPSIS AND PURPOSE

Assembly Bill No. 1330 would exempt part of the assessed value of a homeowner's house from taxation. It is intended to guarantee property tax reduction for all owner-occupied residential property in the State.

As passed by the Assembly, one's exemption would be calculated in three steps. If the residence had an equalized value of less than \$15,000.00, the savings from the credit would equal: 1) the product of 2% times two-thirds the equalized value (2% is the below-average property tax rate expressed in the bill as "\$2.00 per \$100.00"); plus 2) the product of 25% the local effective tax rate times two-thirds the equalized value. (The third step, applicable only to elderly and disabled homeowners, would not be available to such persons if their houses had an equalized valuation under \$15,000.00.)

If the residence had an equalized value of \$15,000.00 or more, the exempt value would be set at ten thousand dollars, and the tax savings would equal: 1) \$200 (the product of a 2% rate multiplied by \$10,000.00 in exempt value); plus 2) the product of 25% of the local effective tax rate times \$10,000.00; plus, if the owner were aged or disabled, or the surviving spouse of such a person, 3) an additional exemption worth up to \$100.00.

Taxpayers would be entitled to the homestead credit starting in the fall of 1976.

THE SENIOR CITIZEN AND DISABLED CREDIT

The committee addressed itself to the equity issue in the additional credit for the elderly and disabled. Because the extra benefit would go only to those with house values over \$15,000.00, and could only be fully enjoyed by those with homes valued at \$22,500.00 or more, the committee was concerned that the proposed tax benefit might not go to those most in need of it. The committee reviewed an income-related credit ("circuit-breaker") for the elderly and disabled, but settled tentatively on a flat \$100.00 credit to all such homeowners regardless of income or house value.

The committee also gave consideration to the question of whether such an additional benefit might violate the constitutional requirement that "property shall be assessed for taxation under general laws and by uniform rules" (Art. VIII, s. 1, par. 1). The committee was ultimately guided by the Attorney General's Formal Opinion No. 15, issued on May 13, 1976, which concluded:

"The homestead exemption authorized in paragraph 5 may be enjoyed by all 'homeowners, residential tenants and net lease residential tenants'. Absent specific enabling language relating to senior citizens only, it cannot be used as the basis for permitting an additional homestead exemption for senior citizens in derogation of the uniformity mandate of the New Jersey Constitution. Therefore, it is our conclusion that insofar as Assembly Bill No. 1330 provides such additional tax benefits for senior citizen homeowners, these provisions are unconstitutional."

As a result of this finding of unconstitutionality, the committee voted to delete the additional exemption for the aged and disabled.

PAYMENTS FOR 1976

The committee found that the relatively late date when income tax collections might begin would not soon enough provide the cash flow needed to return to taxpayers their 1976 entitlements this fall. It therefore amended the bill to provide that the entitlements for 1976 should be added as an additional credit to the 1977 quarterly payments.

COST

The Assembly version of Assembly Bill No. 1330 was estimated to cost between \$350 million and \$380 million, all figures calculated on the assumption that all eligible taxpayers would apply for their exemption. The committee accepted an estimate of \$360 million as the best mid-point estimate.

The deletion of the additional senior-citizen benefit was estimated by the Office of Fiscal Affairs to reduce program costs by \$20 million. With the Senate committee amendments, therefore, enactment of this bill is expected to cost about \$340 million. It is not anticipated that this figure will grow significantly over time.

FROM THE OFFICE OF THE GOVERNOR

AUGUST 30, 1976

FOR FURTHER INFORMATION

FOR IMMEDIATE RELEASE

KATHY FORSYTH

Governor Brendan Byrne signed into law today A-1330, the Homestead Rebate bill sponsored by Assemblyman Robert P. Hollenbeck, and A-1663, the Revenue Sharing Act sponsored by Assemblyman William Hamilton.

Byrne signed the Homestead Rebate Bill at the home of Mr. and Mrs. Frank Aneo of Belleville, who will receive a rebate of \$204 in 1977.

The Governor noted that millions of other homeowners and condominium residents will get similar rebates. The statewide average will be about \$190, he said.

Homeowners who are 65 or older, disabled, or a surviving spouse of a homeowner who was 65 or older at death will receive an additional \$50 rebate for an average of \$240 in 1977.

The Governor emphasized that homeowners must file applications in order to get their rebate. He urged them to get the forms from their local tax assessor and file it before November 1, 1976.

Byrne also pointed out that senior citizens who already qualify for the \$160 Senior Citizen property tax deduction will continue to benefit from that saving.

At Newark City Hall, where he signed the Revenue Sharing Act, Byrne noted that every one of New Jersey's 567 municipalities will share in this new program, receiving additional state revenue which must by law be used to reduce local property taxes.

Some \$50 million will be distributed on a per capita basis, Byrne said, and another \$44 million will enable the state to pay the full cost of the senior citizen and veteran tax deductions, a cost which had heretofore been shared with the municipalities.

Newark's share of revenue sharing funds the first year will be \$3.1 million, Byrne said, noting that the first payment is to be made in December, 1976.

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"These two programs of property tax relief for every homeowner in New Jersey are financed out of the new income tax and represent a significant step in reforming our inequitable tax structure," said the Governor.

"It's important to remember that every dollar collected from that income tax goes to local governments in one form or another to ease the property tax burden, except for one per cent needed to administer the tax itself. Not a penny is going to finance state programs."
