

**Center for Urban Policy Research**

**Edward J. Bloustein School of Planning and Public Policy**

**Local Public Finance Data Base**

**Data Base Derived from NJ State Government and US Census Sources for  
Policy and Public Discussion**

**Research Conducted by**

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## SUMMARY

### INTRODUCTION

The Center for Urban Policy Research (CUPR) is a public service, education, and research unit within the Edward J. Bloustein School of Planning and Public Policy at Rutgers, The State University of New Jersey. One of CUPR's charges is to further the knowledge of local public finance in New Jersey. To help realize that goal, CUPR, in collaboration with state government and Bloustein's Center for Government Services, has compiled a New Jersey Local Public Finance Data Base (LPFDB).

The LPFDB currently consists of eight tables<sup>1</sup>:

- Table 1: *Property Tax Base, Value, Levy, Rate, and Rebate* (2005).
- Table 2: *Selected Local Revenue and Expenditure Statistics* (2005).
- Table 3: *Municipal Expenditure Detail* (2004).
- Table 4: *Municipal Revenue Detail* (2004)
- Table 5: *School District Expenditure and Revenue Detail* (2004-2006)
- Table 6: *School Aid Data* (2004-2005)
- Table 7: *Regional School Data* (2005-2006)
- Table 8: *Selected Municipal Profile Data* (1990-2005)

Most of these tables contain New Jersey data for the: state (entire state and north, central, and southern portions<sup>2</sup>), 21 counties, 566 municipalities, over 600 school districts, and the municipalities comprising the New Jersey Meadowlands District (NJMD), Pinelands, Highlands, and Abbott (school district) areas. In the future, additional tables will be added to the LPFDB that will contain such information as a more detailed breakout of the components of municipal and school spending and revenues.

The LPFDB is assembled from the most current data available from New Jersey state government (e.g., information from the New Jersey Departments of Community Affairs and Education), the 2000 federal decennial census for New Jersey, as well as other sources. The LPFDB is envisioned as an ongoing effort by the Edward J. Bloustein School and New Jersey state government to further policy and public discussion concerning local public spending and revenues.

Because of the current heightened interest in New Jersey's property tax, this first release of the LPFDB focuses on this subject. Unless otherwise indicated, all data are as of 2005.

### MAJOR FINDINGS

#### Current New Jersey Statewide Property Tax Profile

- The total "equalized (or "true market value") of all taxable property (land and improvements) in New Jersey as of 2005 approaches one trillion dollars (\$954.7 billion). Of that \$954.7 billion total, residential parcels have a market value of \$740.5 billion (78 percent), nonresidential parcels are worth \$184.6 billion (19 percent), and vacant land and farm parcels are worth \$29.6 billion (3 percent).
- Of the total \$954.7 billion in equalized New Jersey property value, land is estimated to be worth \$410 billion (43 percent) and improvements \$545 billion (57 percent).
- On average, each acre in New Jersey has an equalized value of \$201,118, about six-tenths percent of that amount comprising improvements.

<sup>1</sup> The LPFDB is also available in electronic form from the Center for Urban Policy Research, Edward J. Bloustein School of Planning and Public Policy.

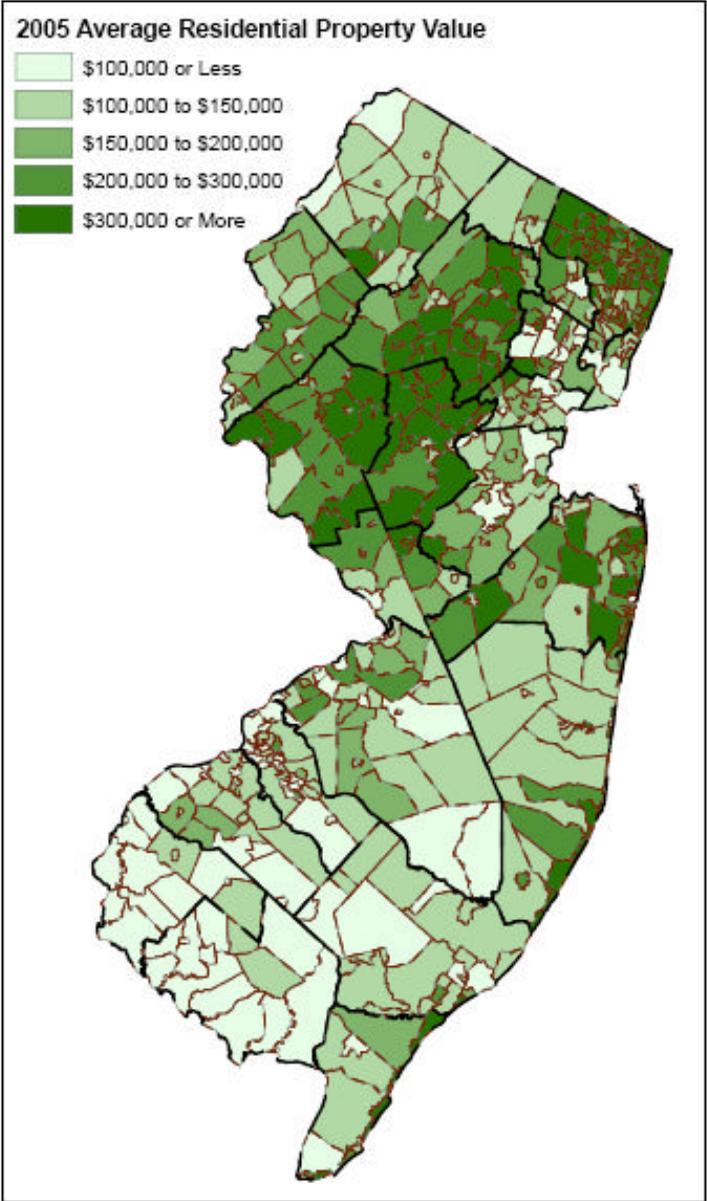
<sup>2</sup> North = Bergen, Essex, Hudson, Morris, Passaic, Union and Warren counties. Central = Hunterdon, Mercer, Middlesex, Monmouth, Ocean and Somerset counties. South = Atlantic, Burlington, Camden, Cumberland, Cape May, Gloucester and Salem counties.

- The amount raised from the property tax (or “property tax levy”) for all local government purposes in New Jersey is \$19.6 billion. Of that \$19.6 billion total property tax levy, more than half (\$10.8 billion or 55 percent) is comprised of school property taxes, about a quarter (\$5.0 billion or 25 percent) consists of municipal property taxes, about one-sixth (\$3.4 billion or 17 percent) is comprised of county property taxes, and about one-fiftieth (\$392 million or 2 percent) are property taxes used for “other purposes,” such as open space preservation.
- The average “equalized” property tax rate (EPTR) in New Jersey for all governmental purposes (school, municipal, county, and other) is \$2.05. In other words, for every \$100 of real property market value, about \$2.05 (or 2.05 percent) is obligated in property taxes. A \$200,000 house would thus pay approximately \$4,010 in annual property taxes.
- Of the total average \$2.05 EPTR, the average equalized school, municipal, county, and other property tax rates in New Jersey are \$1.13, \$0.52, \$0.36, and \$0.04, respectively.
- The average total annual property tax on residences in New Jersey is \$4,644 per household and \$1,718 per capita. The average total residential property tax comprises 5.7 percent of household income.
- New Jersey has various property tax rebate programs that collectively amount to about \$1.2 billion, or on average about \$359 per household and \$133 per capita. These rebates effectively reduce the total average EPTR from \$2.05 (pre-rebate) to \$1.93 (post-rebate).
- New Jersey’s property values and property tax rates vary significantly across the state (Figure 1 and discussion below).

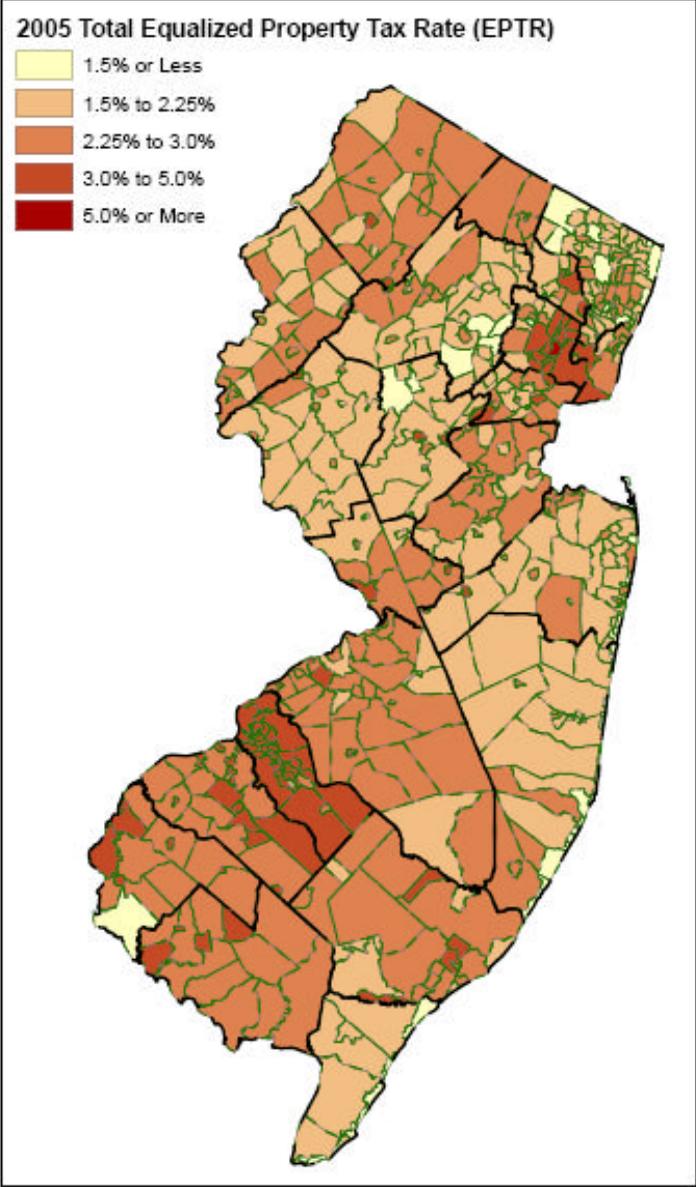
### **The Challenge to the Current New Jersey Property Tax System**

- Taxes are necessary to fund public services and every tax needs to be evaluated across a spectrum of characteristics such as ease of collection, stability of revenue generation, and equity to taxpayers (e.g., progressive or regressive impact). In this regard, the property tax as a public revenue source has both advantages and disadvantages (e.g., relatively stable but more regressive than some other revenue sources). It also bears mentioning that the average equalized property tax *rate* (not the annual property taxes *paid*) has generally declined over time, in part due to the rapid escalation in home values over the past few years. In New Jersey, for instance, the average EPTR has declined from about \$2.38 in 2000 to \$2.05 in 2005.
- While the relative merits of the property tax warrant continued scrutiny, there is no denying the drawbacks of New Jersey’s disproportionate reliance on the property tax and consequent significant property tax burden.
  - Whereas the property tax in the United States funds on average about one-quarter of local general revenues, in New Jersey the property tax finances about one-half of local general revenues.
  - As of the 2000 census, the average equalized property tax rate (EPTR) in the United States was \$1.23 per \$100 of market value. New Jersey’s average EPTR at that time (2000) was almost double (\$2.38) the national rate. While some neighboring states also had higher than national average EPTRs in 2000, such as New York (\$2.09) and Pennsylvania (\$1.76), the 2000 EPTR was much lower in sunbelt states such as Arizona (\$0.88), Florida (\$1.17), and Nevada (\$0.88).
- Of equal concern is the disproportionate burden of property taxes in New Jersey (Summary Exhibit 1), with that burden often falling heaviest on the most disadvantaged households and/or challenging development in just those locations deemed most critical for investment under smart growth, such as infill locations near mass transit.
  - The 2000 census indicated that households in New Jersey’s central cities had the highest average EPTR (\$2.78) per \$100 of market value; the tax burden was noticeably lower for households living in New Jersey’s suburbs (\$2.37). In part because higher-density housing is concentrated in cities as opposed to exurbia, single-family attached housing and multifamily housing in New Jersey as of 2000 had higher EPTRs (\$2.49 and \$2.63, respectively) compared with the average EPTR for New Jersey’s single-family detached homes (\$2.32). Again, because they are more likely to be located in cities, older housing and units servicing the less economically advantaged and having fewer motor vehicles had relatively higher EPTRs (Summary Exhibit 1). According to the 2000 census, the EPTR of housing units in New Jersey built 1939 or earlier was \$2.56, compared with an EPTR of \$2.05 for the most recently constructed homes (1996-2000). Very low-income households in New Jersey as of the 2000 census had an EPTR of \$2.57 versus \$2.25 for high-income households. New Jersey’s Hispanic households endured a \$2.62 EPTR compared with an EPTR of \$2.32 for non-Hispanic whites, according to the 2000 census. New Jersey households with no vehicles had an average EPTR of \$2.65 as of 2000 as compared to an average EPTR of \$2.28 for households with three or more vehicles.

**FIGURE 1**  
**Residential Property Value and Equalized Property Tax Rates (New Jersey 2005)**



State Average Equalized Residential Value Per Household = \$230,152



State Average EPTR= 2.05%

**SUMMARY EXHIBIT 1**  
**Equalized Property Tax Rates (EPTR) in New Jersey**  
**By Housing Unit-Household Characteristics and Illustrative Annual Property Taxes (2000)**

Group	EPTR per \$100 of Market Value			All Units Value <sup>a</sup>	Annual Property Taxes		
	State				Annual Property Tax		
	Group	Average	Difference		Group	Average	Difference
<b>Location</b>							
Central City	\$2.78	\$2.38	\$0.40	\$149,091	\$4,141	\$3,550	\$591
Suburban	\$2.37	\$2.38	-\$0.01	\$210,995	\$5,004	\$5,024	-\$20
<b>Income Level</b>							
Very low income	\$2.57	\$2.38	\$0.19	\$152,535	\$3,917	\$3,632	\$285
Low income	\$2.55	\$2.38	\$0.17	\$148,691	\$3,792	\$3,540	\$252
Moderate 50-80 income	\$2.52	\$2.38	\$0.14	\$156,122	\$3,942	\$3,717	\$224
Middle income 80-120	\$2.46	\$2.38	\$0.08	\$171,856	\$4,236	\$4,092	\$144
High income 120+	\$2.25	\$2.38	-\$0.13	\$259,332	\$5,833	\$6,175	-\$341
<b>Race of head</b>							
Non-Hispanic White	\$2.32	\$2.38	-\$0.06	\$217,193	\$5,049	\$5,171	-\$122
Non-Hispanic Black	\$2.85	\$2.38	\$0.47	\$135,942	\$3,876	\$3,237	\$639
Hispanic	\$2.62	\$2.38	\$0.24	\$172,017	\$4,508	\$4,096	\$412
Other	\$2.36	\$2.38	-\$0.02	\$231,329	\$5,463	\$5,508	-\$45
<b>Year Structure Built</b>							
1996-2000	\$2.05	\$2.38	-\$0.33	\$293,908	\$6,018	\$6,998	-\$980
1980-1995	\$2.22	\$2.38	-\$0.16	\$225,095	\$5,001	\$5,359	-\$358
1970-1979	\$2.34	\$2.38	-\$0.04	\$197,224	\$4,612	\$4,696	-\$84
1940-1969	\$2.44	\$2.38	\$0.05	\$196,707	\$4,790	\$4,683	\$107
1939 or earlier	\$2.56	\$2.38	\$0.18	\$202,311	\$5,180	\$4,817	\$363
<b>Age of Head</b>							
Under 35	\$2.36	\$2.38	-\$0.02	\$181,656	\$4,290	\$4,325	-\$35
35-64	\$2.35	\$2.38	-\$0.03	\$225,274	\$5,298	\$5,364	-\$66
65-74	\$2.44	\$2.38	\$0.06	\$192,621	\$4,706	\$4,586	\$119
75+	\$2.48	\$2.38	\$0.10	\$171,680	\$4,257	\$4,088	\$169
<b>Education of Head</b>							
8th grade or less	\$2.60	\$2.38	\$0.22	\$155,037	\$4,028	\$3,691	\$336
Some high school	\$2.59	\$2.38	\$0.21	\$146,749	\$3,803	\$3,494	\$309
High school grad	\$2.48	\$2.38	\$0.09	\$168,312	\$4,167	\$4,007	\$160
Some college or assoc	\$2.41	\$2.38	\$0.03	\$189,693	\$4,572	\$4,516	\$56
Bachelors or more	\$2.21	\$2.38	-\$0.17	\$276,649	\$6,111	\$6,587	-\$476
<b>Vehicles Available</b>							
None	\$2.65	\$2.38	\$0.27	\$142,423	\$3,776	\$3,391	\$385
One	\$2.51	\$2.38	\$0.13	\$162,255	\$4,071	\$3,863	\$208
Two	\$2.32	\$2.38	-\$0.06	\$227,495	\$5,270	\$5,416	-\$146
Three or more	\$2.28	\$2.38	-\$0.10	\$252,307	\$5,751	\$6,007	-\$256
<b>Structure Type</b>							
SFD	\$2.32	\$2.38	-\$0.06	\$226,620	\$5,261	\$5,396	-\$135
SFA	\$2.49	\$2.38	\$0.11	\$142,290	\$3,545	\$3,388	\$157
Multi-family	\$2.63	\$2.38	\$0.25	\$165,868	\$4,360	\$3,949	\$411
Mobile	\$3.03	\$2.38	\$0.64	\$50,633	\$1,532	\$1,206	\$326
NJ Total	\$2.38	\$2.38	\$0.00	\$209,544	\$4,989	\$4,989	\$0

<sup>a</sup> Average value of all housing units in group monitored by the 2000 Census (Source 5% PUMS)  
Source: 2000 Census Public Use Microdata Sample (PUMS) for New Jersey.

- Data for 2005 confirms lingering tremendous disparities in New Jersey’s property tax burden, with that burden often falling heaviest on communities with the highest shares of less affluent and socioeconomically challenged households as well as locations ripe for infill and other smart growth development.
  - The 25 New Jersey municipalities that had the highest EPTRs in the state as of 2005 (a group average of \$4.53 per \$100 of market value) had a relatively low 2005 household income of \$51,640 (Summary Exhibit 2). For perspective, the entire New Jersey state average EPTR in 2005 is a much lower \$2.05 and the average 2005 New Jersey household income statewide is a much higher \$81,246.
  - The 25 New Jersey municipalities that had the lowest 2005 EPTRs in the state (a group average of \$0.73 per \$100 of market value) had a relatively high average household income of \$135,919.
  - Further detail on property tax disparities in New Jersey as of 2005 are contained in Summary Exhibit 3 (variations by county) and Summary Exhibit 4 (the ranking of all New Jersey’s 566 municipalities with respect to *property tax rate* (total EPTR and municipal and school EPTRs), *residential property taxes* (taxes per household and property taxes as a percentage of income), and *property wealth* (total equalized value per capita, residential equalized value per household, and exempt property). Some of these disparities are displayed in Figure 1.

### **The Future -- Property Tax Reform for New Jersey and the Local Public Finance Database**

- The Local Public Finance Data Base (LPFDB) can serve as an information resource as New Jersey grapples with reforming its property tax system. To illustrate that application, we refer to a number of *hypothetical* changes to New Jersey’s current property tax system.

#### *Regionalize the Property Tax*

Instead of having 566 municipalities, each with its own property tax levy, base, and rate—a system enhancing property tax differences and disparities—New Jersey’s property tax system could be structured, at least in part, on a regional basis. Regionalism involves important questions concerning both spending as well as revenues and needs much additional study. Here we will focus on the revenues and consider just the property tax. If the regional property tax system comported with the existing 21 counties, then the LPFDB indicates that the average equalized property tax rates (EPTR) for all communities in the 21 counties would be as shown in Summary Exhibit 3 (assuming current levels and distributions of local spending).

Evident from Summary Exhibit 3 is that a county-wide property tax system would greatly reduce but surely would not eliminate disparities in the tax burden as measured by the EPTR. Still, a pooling of the tax base on a regional basis, whether county or otherwise, deserves heightened scrutiny. In this regard, the tax base sharing system of the New Jersey Meadowlands District merits review as an important potential precedent.

#### *Tax Motor Vehicles as Personal Property*

Unlike many other states (e.g., Connecticut, Colorado, and Virginia), New Jersey currently does not consider personal vehicles as personal property for the purposes of property taxation. That leaves an untapped source of considerable value. There are about 5.5 million personal vehicles in New Jersey. At an estimated conservative worth of \$15,000 each, 5.5 million vehicles have an aggregate value of about \$85 billion—equal to approximately 9 percent of the \$954 billion total New Jersey real property value as of 2005.

Imposing a property tax on New Jersey’s vehicles would, first, have the benefit of potentially lowering the real property taxes by 9 percent, from an EPTR in 2005 of about \$2.05 to roughly \$1.87. Second, a lowered real property tax burden would further the ability to purchase a home in New Jersey. When mortgage underwriters consider the principal, interest, taxes, and insurance (PITI) costs of a home purchase and relate the PITI to the prospective buyer’s income according to mortgage industry ratios, the underwriters count only the real property tax as the tax (T) obligation—not personal property. Since taxing vehicles would allow for a 9 percent reduction in real property taxes across the state, then the mortgage-related PITI amounts would be lowered in tandem, and, as such, somewhat lower-income households could afford to purchase a home in New Jersey than is currently the case.

SUMMARY EXHIBIT 2

New Jersey Communities with Highest and Lowest Effective Property Tax Rates (EPTRs) (2005)

Highest Rates	Community	County	EPTR (Per \$100 of Market Value)	EPTR Rank (of 566 Municipalities) (1 = highest; 566=lowest)	Average Household Income
	Winfield Township	Union	\$13.11	1	\$52,279
	Audubon Park Borough	Camden	\$6.10	2	\$45,603
	Woodlynne Borough	Camden	\$5.23	3	\$52,798
	East Orange City	Essex	\$4.23	4	\$50,413
	Salem City	Salem	\$4.15	5	\$36,942
	Lindenwold Borough	Camden	\$4.14	6	\$49,389
	Hi-nella Borough	Camden	\$4.12	7	\$49,276
	Woodbury City	Gloucester	\$4.08	8	\$59,292
	Somerdale Borough	Camden	\$4.02	9	\$61,085
	Magnolia Borough	Camden	\$3.94	10	\$55,172
	Trenton City	Mercer	\$3.84	11	\$44,996
	Bridgeton City	Cumberland	\$3.78	12	\$32,965
	Pine Hill Borough	Camden	\$3.77	13	\$50,537
	Clementon Borough	Camden	\$3.75	14	\$54,342
	Stratford Borough	Camden	\$3.74	15	\$65,105
	Orange City	Essex	\$3.74	16	\$53,282
	Penns Grove Borough	Salem	\$3.72	17	\$40,679
	Runnemede Borough	Camden	\$3.70	18	\$55,724
	Beverly City	Burlington	\$3.69	19	\$56,957
	Barrington Borough	Camden	\$3.68	20	\$65,956
	<b>Group Average</b>		<b>\$4.53</b>		<b>\$51,640</b>
	<b>New Jersey Average</b>		<b>\$2.05</b>		<b>\$81,246</b>
Lowest Rates	Community	County	EPTR (Per \$100 of Market Value)	EPTR Rank (of 566 Municipalities) (1 = highest; 566=lowest)	Average Household Income
	Avalon Borough	Cape May	\$0.46	566	\$115,815
	Cape May Point Borough	Cape May	\$0.53	565	\$107,026
	Stone Harbor Borough	Cape May	\$0.54	564	\$98,587
	Mantoloking Borough	Ocean	\$0.56	563	\$225,984
	Sea Isle City	Cape May	\$0.58	562	\$66,700
	Bay Head Borough	Ocean	\$0.71	561	\$125,851
	Deal Borough	Monmouth	\$0.71	560	\$109,511
	Spring Lake Borough	Monmouth	\$0.73	559	\$164,503
	Alpine Borough	Bergen	\$0.75	558	\$261,153
	Saddle River Borough	Bergen	\$0.76	557	\$260,670
	Ocean City City	Cape May	\$0.79	556	\$74,209
	Lavallette Borough	Ocean	\$0.81	555	\$68,338
	Sea Girt Borough	Monmouth	\$0.81	554	\$166,911
	Cape May City	Cape May	\$0.82	553	\$63,702
	Barneгат Light Borough	Ocean	\$0.83	552	\$75,748
	Rockleigh Borough	Bergen	\$0.83	551	\$236,489
	Longport Borough	Atlantic	\$0.84	550	\$112,636
	Harvey Cedars Borough	Ocean	\$0.85	549	\$90,142
	Harding Township	Morris	\$0.87	548	\$220,263
	Long Beach Township	Ocean	\$0.88	547	\$74,148
	<b>Group Average</b>		<b>\$0.73</b>		<b>\$135,919</b>
	<b>New Jersey Average</b>		<b>\$2.05</b>		<b>\$81,246</b>

Source: LPFDB

**SUMMARY EXHIBIT 3**  
**New Jersey Equalized Property Tax Rates (EPTR) on a Regional (County) Basis**

County	Current (2005) County Average EPTR per \$100 of Market Value	Current (2005) Range of EPTRs of Communities in the County
Atlantic	\$2.21	\$0.84--\$3.41
Bergen	\$1.87	\$0.75--\$2.64
Burlington	\$2.48	\$1.48--\$3.69
Camden	\$3.23	\$1.40--\$6.10
Cape May	\$0.92	\$0.46--\$1.90
Cumberland	\$2.79	\$2.44--\$3.78
Essex	\$2.41	\$1.63--\$4.23
Gloucester	\$2.86	\$2.36--\$4.08
Hudson	\$2.21	\$1.42--\$2.90
Hunterdon	\$1.92	\$1.53--\$2.69
Mercer	\$2.44	\$1.88--\$3.84
Middlesex	\$2.17	\$1.79--\$2.62
Monmouth	\$1.80	\$0.71--\$2.70
Morris	\$1.84	\$0.87--\$2.50
Ocean	\$1.52	\$0.56--\$2.31
Passaic	\$2.39	\$1.83--\$2.89
Salem	\$2.79	\$1.01--\$4.15
Somerset	\$1.88	\$1.00--\$3.14
Sussex	\$2.31	\$1.25--\$2.88
Union	\$2.13	\$1.35--\$13.11
Warren	\$2.25	\$1.62--\$2.89
New Jersey Average	\$2.05	\$0.46--\$13.11

*Source: LPFDB*

A third benefit (and drawback) of treating vehicles as property is that such a levy would tax automobile consumption on an annual basis, not just at the initial sale through the sales tax. A \$35,000 SUV would now have an annual personal property tax of about \$650 (at a \$1.87 EPTR). In an era of \$2.00 to \$3.00 per gallon of gasoline, taxing more expensive vehicles (which tend to be less energy efficient) might very well persuade more New Jersey car buyers to buy more fuel efficient vehicles—a “green benefit.” Further, since smart growth reduces the need for automobiles, then taxing automobile ownership, such as that proposed here, would add to the benefit of residing in a smart-growth development (e.g., transit-oriented housing).

The above approach, presented for illustrative purposes, clearly needs much more refinement and legal examination for application in New Jersey. We also note that some states (e.g., Connecticut) that already tax personal vehicles are considering rescinding this approach because of its widespread unpopularity.

*Impose a Property Tax on Land and Not Improvements*

This approach has classically been advocated by such proponents as economist Henry George to reduce speculation in land holding (because the property tax on land would increase) and to reduce the disincentive to making property improvements and rehabilitation (because of the property tax on improvements would decrease or be eliminated entirely).

How could such a system be applied to New Jersey? According to the LPFDB, of the \$954.7 billion in market value of property in the state as of 2005, about 43 percent or \$410 billion, consists of

land (Table 1). Assuming the 2005 property tax levy remains the same at \$19.6 billion, then an average equalized *land* property tax would be \$4.78 per \$100 of land value (\$19.6 billion/\$410 billion)--with no property tax applied to *improvements*.

Assuming no other changes, the above approach does not mean an increase in average property taxes but rather alters how the system operates. For instance, say an illustrative housing unit has a market value of \$100,000, of which \$43,000 is land and \$67,000 comprises improvements. Under the current property tax system and average New Jersey EPTR, this \$100,000 home would remit about \$2,050 in property taxes (\$100,000 x .0205). Under a land-only property tax alternative, only the \$43,000 land portion of the \$100,000 housing value would be taxed but the rate would now be \$4.78 per \$100 in land value. The outcome would be a similar approximate \$2,050 in property taxes (\$43,000 x .0478). As New Jersey grapples with property tax reform it behooves considering a “Henry George approach” of land-only property taxation. The LPFDB can aid such deliberation.

### *Reconsider Property Tax Exemptions*

According to the LPFDB, a total of \$91 billion or an average 14 percent of New Jersey’s total \$666 billion in assessed valuation for tax purposes<sup>3</sup> consists of exempt properties such as public buildings (e.g., town halls and schools) and properties used for charitable and private educational purposes (e.g., hospitals and private universities). The magnitude of exempt properties as a share of the total local existing assessed property tax base is much higher in urban and rural centers where public and eleemosynary activities cluster, such as Camden (115%), Newark (63%), New Brunswick (107%), Newton (31%), and Trenton (112% percent). (See Summary Exhibit 4 and Table 1). The larger the exempt share, the smaller the taxable base which drives up the property tax rate.

Public and eleemosynary activities are important to contributing to the character and economic development of a community. At the same time, tax exemption puts pressure on the tax base. Given the above, greater attention needs to be paid to what uses should qualify for a tax exemption and as important, what is an appropriate payment in lieu of taxes (PILOT) for private eleemosynary institutions. The point is not to tax public buildings such as town halls, but rather to insure that nonpublic properties that currently are granted tax exemption warrant that status and pay a fair share PILOT.

### *Property Tax Rebates*

New Jersey and many other states have attempted to reduce the burden and inequities of the property tax through rebates. According to the LPFDB, New Jersey remitted a total of \$1.15 billion in rebates in 2005. The \$1.15 billion in rebates averaged \$359 per New Jersey household, \$133 per capita, and 5.9 percent of New Jersey’s total \$19.6 billion total property tax levy.

Preliminary evaluation by the authors shows tremendous disparities in the above rebate averages. For instance, whereas Edgewater and New Brunswick received \$100 to \$200 rebate per household, Old Bridge and Loch Arbor received over \$1,000 in rebates per household. (See Summary Exhibit 4 and Table 1.) There are similar differences when the rebate metric is considered on a per capita and percentage of property tax basis (see Table 1 of the LPFDB). The LPFDB allows future study of the effect of rebates.

### *Property Tax as a Percentage of Income*

New Jersey is considering providing tax relief, or capping property tax increases, by considering the percentage that property taxes comprise of local household income. This is an important metric and is contained in the LPFDB (Summary Exhibit 4 and Table 2). For example, in Camden County, the residential property tax as a percentage of household income is 5.8% in Cherry Hill—roughly the state average. Yet this measure can sometimes be misleading, especially in shore communities with summer homes occupied by households who report their income in the communities of their permanent residence—not their shore home. For instance, it is for this reason that the residential property tax as a percentage of household income is a misleadingly high 55 percent in Harvey Cedars Borough. Thus, this metric has to be used with caution.

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<sup>3</sup> The assessed value, or the value assigned for property tax purposes, is often at a fraction of the market or equalized property value. That is the case in New Jersey as the total 2005 statewide assessed valuation is \$666 billion as against a 2005 stateside market or equalized value of \$954 billion. We refer to the assessed value of the tax exempt properties in New Jersey because no market or equalized value is given for the tax exempt category.

### *Funding Education*

The school property tax dominates New Jersey's total property tax so ultimately property tax reform will have to grapple with better ways to finance education. In this discussion, the fiscal health and capacity of New Jersey's Abbott School Districts appropriately warrants important attention. To help inform that discussion, the LPFDB presents fiscal profile data for the Abbott district communities. For instance, because of expanded state school aid, the average equalized school property tax in the Abbott communities (\$0.76) is less than the New Jersey average equalized school property tax (\$1.13). Yet the total average equalized property tax of the Abbott communities (\$2.42) is noticeably higher than the state average total equalized rate (\$2.05). This is largely due to the average municipal EPTR in the Abbott municipalities (\$1.16) far exceeding the state average municipal EPTR (\$0.52).

### *The Sales Tax Increase and Potential Impacts to the Property Tax*

In July 2006, New Jersey raised its sales tax from 6 to 7 percent, an increase estimated to raise state revenue by about \$1.1 billion. About half of this amount, or \$550 million, was planned for property tax relief. To establish an order of magnitude, the \$550 million amounts to 2.8 percent of New Jersey's \$19.6 billion total property tax levy as of 2005. That would permit a commensurate reduction in the state's average equalized property tax rate from \$2.05 per \$100 of market value to about \$1.99 per hundred of market value.

The above assumes an average allocation of \$550 million in property tax relief. However, the sales tax-funded resource may very well not be distributed on a simple average basis. For instance, the \$550 million may be targeted to only high EPTR communities or communities with a lower equalized valuation per capita. The LPFDB can readily be tapped to model the property tax consequences of a variety of strategies for allocating the \$550 million (or similar resource in the future) made available from the sales tax increase.

For the sake of *hypothetical illustration*, we shall consider two approaches to allocating the \$550 million resource: 1) based on population and 2) based on the EPTR.

The population-based distribution could be accomplished as follows: 1) Divide each New Jersey community's population by the state's total population and express the result as a decimal—data readily available from the LPFDB. Multiply the decimal derived in 1 by the \$550 million to be distributed via population (see Summary Exhibit 5). As a result, smaller communities, (e.g., Somerdale in Camden County,) would receive less, while larger communities (e.g., Cherry Hill in Camden County) would receive more.

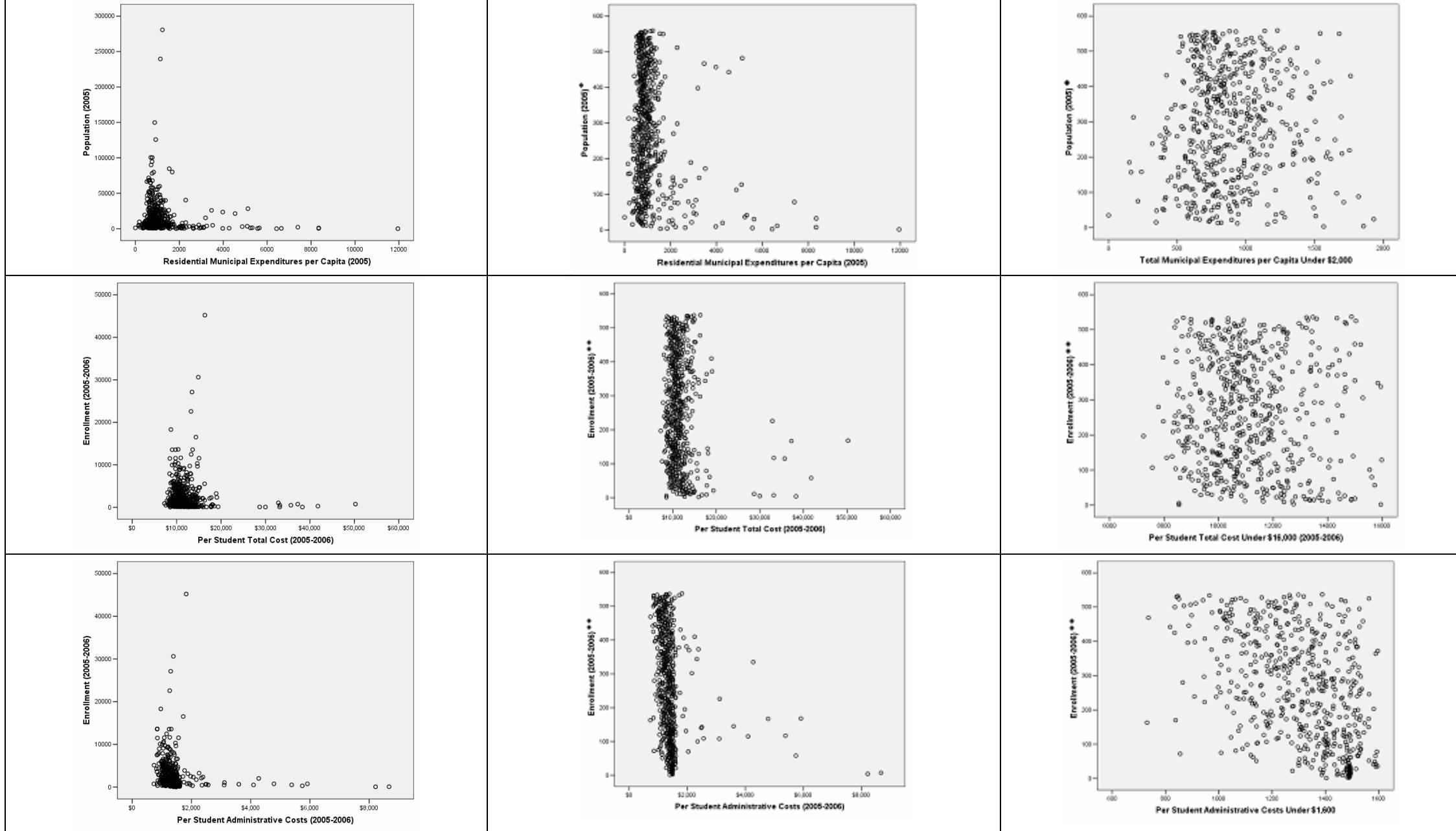
Alternatively, the \$550 million could be distributed on the basis of the current tax burden as measured by the total equalized property tax rate (EPTR). The EPTR could be further weighted by population so that larger communities with higher EPTRs would receive a greater measure of property tax relief than smaller communities with a lower EPTR.

The population-weighted tax rate approach could operate as follows: 1) Using data from the LPFDB, identify each community's unweighted equalized property tax rate (EPTR). 2) Divide each community's unweighted EPTR by the state's sum and express the result in decimal form. 3) Multiply the decimal value in step 2 by the community's population to obtain a population-weighted EPTR. 4) Divide each community's weighted EPTR by the state's sum found in step 3 and express the result in decimal form. 5) Multiply the value in step 4 by the \$550 million to be allocated to derive the total amount to be distributed to each community. The result is that smaller population and lower EPTR communities, like Alpine in Bergen County, receive less, while larger population and higher EPTR communities, such as Hackensack in Bergen County, receive more.

Summary Exhibit 5 shows illustrative results of the two hypothetical tax relief measures described above—one strategy that focuses solely on population and then a second approach that combines population and property tax burden (EPTR) measures. The authors are also considering alternative allocations based on such LPFDB metrics as residential property taxes as a percent of household income and the equalized property valuation per capita.

In sum, the LPFDB can serve as a reference for analyzing strategies for reforming New Jersey's property tax system. To that end, the LPFDB will continue to be updated in the future and additional fields of information will be added, such as a more detailed breakout of municipal expenditures and revenues (both local expenditures and local revenues need to be better understood). As a preview of these forthcoming analyses, Figure 2 displays the tremendous disparity in public spending by New Jersey local governments. The Edward J. Bloustein School of Planning and Public Policy will continue to work with New Jersey's state and local governments to examine current expenditure and revenue patterns and to consider better alternatives for the future.

**FIGURE 2**  
**New Jersey Municipal and School Expenditures by Community-School District Size**



\* Each municipal population value was assigned its own numerical identifier, from 1 to 566, where 1 is the smallest.

\*\* Each school district enrollment value was assigned its own numerical identifier, from 1 to 580, where 1 is the smallest.

## DATA SOURCES

The main data sources are included as worksheet tabs in the electronic database, referred to as 1) Tax Abstract, 2) LIRATS 2005, and 3) Rebates, are annually-updated worksheets made available by the Department of Community Affairs' Division of Local Government Services (LGS).

1) **Tax Abstract** is the abstract of ratables. LGS numbers columns in the same format (e.g., columns 1-15b) as municipal and county abstracts of ratables. The file can be downloaded from <http://www.state.nj.us/dca/lgs/taxes/taxmenu.shtml>

2) **LIRATS 2005** is property value classification, and details classes of property by number of parcels and value per class of property. It runs 17 columns of numerical data but does not include column numbers. Therefore, columns are referred to by their nominal header, e.g., "Vacant Land Value." It can be downloaded from <http://www.state.nj.us/dca/lgs/taxes/taxmenu.shtml>

3) **Rebates** is a breakdown of the various property tax rebate programs. This spreadsheet is not available online and must be requested from LGS.

4) **Tables 3 and 4** are slightly modified municipal expenditures and revenue tables derived from a comprehensive LGS municipal expenditure and revenue spreadsheet called Mun Fin. Info 04 that must be requested from LGS.

5) **Table 5** is from the NJ Department of Education's Comparative Spending Guide. It is available at <http://www.state.nj.us/njded/guide/2006/> and the file is called "sumry0506."

6) **Tables 6 and 7** are slightly modified tables available from the Center for Government Services at the Edward J. Bloustein School of Planning and Public Policy.

Additional data on population, households, household income, and demographics (e.g., in Table 8) were derived from the 1990 and 2000 US census with 2005 state updates.

Unless otherwise referred to, column headers in quotes, (e.g., "Total Taxable") refer to values that can be found *within* the table presently described.

NOTE: Due to slight discrepancies between the Tax Abstract and the LIRATS 2005 worksheets, particularly when comparing total assessed values on an aggregate (e.g. countywide or statewide) level, the researchers found county and statewide equalization ratios by dividing the subgroups' total of assessed values by the total of equalized values. Then, total Equalized Land & Improvement values were imputed based on the percentage split of Assessed Land & Improvement values in the Tax Abstract file and Table 1.

## USER GUIDE and TECHNICAL NOTE

### SUMMARY EXHIBIT 4

#### Equalized Property Tax Rate (EPTR)

##### Total EPTR Before Rebate

- 1) Calculate nominal tax rate. Divide “Total Levy on Which Tax Rate is Computed” (Tax Abstract column 12D) by “Net Valuation Taxable” (Tax Abstract column 6).
- 2) Equalize nominal EPTR. Multiply the nominal EPTR found in 1 by the decimal form of the “County Equalization Ratio” (Tax Abstract column 8).

For County, State, and other subgroups, first impute the Equalization Ratio.

- 1) For each municipality, divide “Net Valuation Taxable” (Tax Abstract column 6) by the decimal form of the “County Equalization Ratio” (Tax Abstract column 8). Sum the totals for the subgroup.
- 2) For each subgroup, divide “Net Valuation Taxable” (Tax Abstract column 6) by the new equalized total value found in A.
- 3) Equalize the nominal EPTR as shown in steps 1 and 2 above.

##### Total EPTR After Rebate

- 1) Calculate levy after rebates are deducted. Sum total rebates (“Tax Rebate Information” columns 1-6) and subtract from “Total Levy on Which Tax Rate is Computed” (Tax Abstract column 12D) to find levy after rebates.
- 2) Find the equalized assessed value for each municipality/subgroup by dividing “Net Valuation Taxable” (Tax Abstract column 6) by the decimal form of the “County Equalization Ratio” (Tax Abstract column 8).
- 3) Divide amount found in 1 by amount in 2.

##### Municipal EPTR

- 1) Divide “Local Municipal Budget (with BPP adjustment)” (Tax Abstract column 12CIIa) by “Net Valuation Taxable” (Tax Abstract column 6).
- 2) Multiply the result in 1 by the decimal form of the “County Equalization Ratio” (Tax Abstract column 8).

##### School EPTR

- 1) Sum total school taxes by adding “District School,” “Regional Consolidated & Joint School,” and “Local School” (Tax Abstract columns 12CIa through 12CIIa).
- 2) Divide the value found in 1 by “Net Valuation Taxable” (Tax Abstract column 6).
- 3) Multiply the result in 1 by the decimal form of the “County Equalization Ratio” (Tax Abstract column 8).

#### Residential Property Taxes

##### Total Residential Property Tax Levy Per Household (See also Table 2)

- 1) Calculate “Total Residential Property Tax” (See also Table 2).
  - a) Calculate the municipality’s residential and apartment fraction of the total property tax levy. Sum “Residential value” (LIRATS 2005 column 7) and “Apartment Value” (LIRATS 2005 column 19) and divide by “Total Value” (LIRATS 2005 column 20).
  - b) Multiply the value found in a above by “Total Levy on Which Tax Rate is Computed” (Tax Abstract column 12D).
- 2) Divide the value found in 1 by the total number of households (Table 8, “Households 2005.” column 12).

##### Total Residential Property Tax Levy as a % of Household Income

Divide value found in 2 above (Summary Table 4, “Total Residential Property Tax Levy Per Household”) by “Income Per Household 2005” (Table 8). Express result in percentage form.

##### Total Residential Property Tax Levy Per Household-- Post Rebate

- 1) Find total Residential Property Tax Levy per Household as described above.
- 2) Find the total rebates per household by dividing the sum of total rebates (add “Tax Rebate Information” columns 1-6) by the total number of households (Table 8, “Households 2005.” column 12).
- 3) Subtract the value in 1 from the value in 2.

### **Property Tax Wealth**

Total Equalized Property Value Per Capita (See also Table 2).

Divide “Total Equalized Value” in Table 2 by “Population (2005)” in Table 8.

Total Equalized Property Value Per Acre (See also Table 2).

Divide “Total Equalized Value” in Table 2 by “Acreage” in Table 8.

Residential Equalized Property Value Per Household (See also Table 2).

1) Find the total assessed value of residential and apartments by adding column 7 “Residential Value” and column 19 “Apartment Value” in LIRATS 2005.

2) Equalize the value in 1 by dividing by the decimal form of “County Equalization Ratio” (Tax Abstract column 8).

3) Divide the value in 2 by number of households (Table 8, “Households 2005.”)

Exempt Property as % of Total Assessed Property Value

Divide “Total Exempt Property” (Tax Abstract column 13g) by “Total Levy on Which Tax Rate is Computed” (Tax Abstract column 12D). Express the result in percentage form.

### **SUMMARY EXHIBIT 5**

#### **Existing Profile**

Population (2005). See also Table 8.

Households (2005). See also Table 8.

Existing Total Property Tax Levy (2005).

“Total Levy on Which Tax Rate is Computed” (Tax Abstract column 12D).

Existing Equalized Property Tax Rate (ETPR) (2005).

See Summary Exhibit 4 above.

#### **Population-Based Property Tax Relief**

% State Population

Divide a municipality/subgroup’s population value “Population (2005)” by the state total population (found in “NEW JERSEY TOTAL” value for “Population (2005).” Express the result in percentage form.

\$ Tax Relief

Multiply the value in “% State Population” by \$550,000,000-- the assumed amount of property tax relief to be allocated from a one percentage point increase in sales tax.

\$ Tax Relief per Household

Divide the value in “\$Tax Relief” above by “Households (2005).”

Revised Property Tax Levy

Subtract “Total Levy on Which Tax Rate is Computed” (Tax Abstract column 12D) from “\$ Tax Relief” above.

Revised Equalized Property Tax Rate (ETPR)

Divide “Revised Property Tax Levy” above by “Total Equalized Value” in Table 2.

% Change from Existing EPTR

Subtract “Revised Equalized Property Tax Rate (EPTR) above from “Existing Equalized Property Tax Rate (EPTR) (2005)” and divide by “Existing Equalized Property Tax Rate (EPTR) (2005).” Express the result in percentage form.

**SUMMARY EXHIBIT 5 (Cont'd)**

**Population Weighted Tax Rate-Based Property Tax Relief**

Population Weighted EPTR

- 1) Sum all EPTRs in subgroup. For example, all EPTRs for the state of New Jersey sum to 1,264.19. Divide a municipality's EPTR by the sum of all EPTRs.
- 2) Multiply the result found in 1 by a municipality's population.

% State Population Weighted EPTR

- 1) Divide the value found in 2 above by the sum of all values found in 2 above. Express the result in percentage form.

\$ Tax Relief

Multiply the result found in 1 by \$550,000,000—the assumed amount of property tax relief to be allocated from sales tax increase.

Revised Property Tax Levy

Subtract “Total Levy on Which Tax Rate is Computed” (Tax Abstract column 12D) from “\$ Tax Relief” above.

Revised Equalized Property Tax Rate (ETPR)

Divide “Revised Property Tax Levy” above by “Total Equalized Value” in Table 2.

% Change from Existing EPTR

Subtract “Revised Equalized Property Tax Rate (EPTR) above from “Existing Equalized Property Tax Rate (EPTR) (2005)” and divide by “Existing Equalized Property Tax Rate (EPTR) (2005).” Express the result in percentage form.

**TABLE 1**

New Jersey Total		Property Tax Base Composition by Category (2005)				
Taxable Class	Parcels	%	Assessed Value	%	Equalized Value	Equalized Value per Parcel
Vacant	LIRATS 2005 "Vacant Land"	Divide value to left by total number of parcels	LIRATS 2005 "Vacant Land Value"	Divide value to left by "Total Taxable Land & Improvements"	Value in "Assessed Value" divided by "County Equalization Ratio" (Tax Abstract column 8).	"Equalized Value" divided by "Parcels"
Farm & Homestead	LIRATS 2005 "Farm Land Parcels" plus "Farm Homestead"	Divide value to left by total number of parcels	LIRATS 2005 "Farmland Value" plus "Farm Homestead Value"	Divide value to left by "Total Taxable Land & Improvements"	Value in "Assessed Value" divided by "County Equalization Ratio" (Tax Abstract column 8).	"Equalized Value" divided by "Parcels"
<i>Vacant &amp; Farm Subtotal</i>	Add Vacant and Farm & Homestead above	Divide value to left by total number of parcels	Add Vacant and Farm & Homestead above	Divide value to left by "Total Taxable Land & Improvements"	Add Vacant and Farm & Homestead above	Add Vacant and Farm & Homestead above
Residential	LIRATS 2005 "Residential Parcels"	Divide value to left by total number of parcels	LIRATS 2005 "Residential Value"	Divide value to left by "Total Taxable Land & Improvements"	Value in "Assessed Value" divided by "County Equalization Ratio" (Tax Abstract column 8).	"Equalized Value" divided by "Parcels"
Apartments	LIRATS 2005 "Apartment Parcels"	Divide value to left by total number of parcels	ATS 2005 "Apartment Value"	Divide value to left by "Total Taxable Land & Improvements"	Value in "Assessed Value" divided by "County Equalization Ratio" (Tax Abstract column 8).	"Equalized Value" divided by "Parcels"
<i>Residential &amp; Apartment Subtotal</i>	Add Residential and Apartments above	Divide value to left by total number of parcels	Add Residential and Apartments above	Divide value to left by "Total Taxable Land & Improvements"	Add Residential and Apartments above	Add Residential and Apartments above
Commercial	LIRATS 2005 "Commercial Parcels"	Divide value to left by total number of parcels	LIRATS 2005 "Commercial Value"	Divide value to left by "Total Taxable Land & Improvements"	Value in "Assessed Value" divided by "County Equalization Ratio" (Tax Abstract column 8).	"Equalized Value" divided by "Parcels"
Industrial	LIRATS 2005 "Industrial Parcels"	Divide value to left by total number of parcels	LIRATS 2005 "Industrial Value"	Divide value to left by "Total Taxable Land & Improvements"	Value in "Assessed Value" divided by "County Equalization Ratio" (Tax Abstract column 8).	"Equalized Value" divided by "Parcels"
<i>Nonresidential Subtotal</i>	Add Commercial and Industrial above	Divide value to left by total number of parcels	Add Commercial and Industrial above	Divide value to left by "Total Taxable Land & Improvements"	Add Commercial and Industrial above	Add Commercial and Industrial above
Total Taxable Land & Improvements	LIRATS 2005 "Total Parcels"	-----	Sum three subtotals above.	Divide value to left by "Total Taxable Land & Improvements"	Value in "Assessed Value" divided by "County Equalization Ratio" (Tax Abstract column 8).	"Equalized Value" divided by "Parcels"
Total Land	-----	-----	Tax Abstract column 1a "Taxable Land Value"	Divide value to left by "Total Taxable Land & Improvements"	Value in "Assessed Value" divided by "County Equalization Ratio" (Tax Abstract column 8).	"Equalized Value" divided by "Parcels"
Total Improvements	-----	-----	Tax Abstract column 1b "Improvements"	Divide value to left by "Total Taxable Land & Improvements"	Value in "Assessed Value" divided by "County Equalization Ratio" (Tax Abstract column 8).	"Equalized Value" divided by "Parcels"
County Measure of Equalized Value	-----	-----	-----	-----	Tax Abstract column 11 "Net Valuation for County Tax Apportionment"	-----

**TABLE 1** (Cont'd)

Property Tax Levy by Governmental Category and Property Class (2005)						
Taxable Class	Property Tax Levy					
	Municipal	School	County	Other	Total	%
Vacant	Tax Abstract "Municipal Budget (with BPP adjustment)" * % Vacant land Assessed Value (Table 1)	Sum total school taxes as in Summary Exhibit 4 "School EPTR" step 1, * % Vacant land Assessed Value (Table 1)	Tax Abstract "Total County Taxes Apportioned" * % Vacant land Assessed Value (Table 1)	Subtract "Total Levy on Which Tax Rate is Computed" (Tax Abstract column 12D) from sum of three columns to left, * % Vacant land Assessed Value (Table 1)	"Total Levy on Which Tax Rate is Computed" (Tax Abstract column 12D) * % Vacant land Assessed Value (Table 1)	Divide value to left by "Total Taxable"
Farm & Homestead	Tax Abstract "Municipal Budget (with BPP adjustment)" * % Farm and Homestead Assessed Value (Table 1)	Sum total school taxes as in Summary Exhibit 4 "School EPTR" step 1, * % Farm and Homestead Assessed Value (Table 1)	Tax Abstract "Total County Taxes Apportioned" * % Farm and Homestead Assessed Value (Table 1)	Subtract "Total Levy on Which Tax Rate is Computed" (Tax Abstract column 12D) from sum of three columns to left, * % Farm and Homestead Assessed Value (Table 1)	"Total Levy on Which Tax Rate is Computed" (Tax Abstract column 12D) * % Farm and Homestead Assessed Value (Table 1)	Divide value to left by "Total Taxable"
<i>Vacant &amp; Farm Subtotal</i>	Add above two values	Add above two values	Add above two values	Add above two values	Add above two values	Divide value to left by "Total Taxable"
Residential	Tax Abstract "Municipal Budget (with BPP adjustment)" * % Residential Assessed Value (Table 1)	Sum total school taxes as in Summary Exhibit 4 "School EPTR" step 1, * % Residential Assessed Value (Table 1)	Tax Abstract "Total County Taxes Apportioned" * % Residential Assessed Value (Table 1)	Subtract "Total Levy on Which Tax Rate is Computed" (Tax Abstract column 12D) from sum of three columns to left, * % Residential Assessed Value (Table 1)	"Total Levy on Which Tax Rate is Computed" (Tax Abstract column 12D) * % Residential Assessed Value (Table 1)	Divide value to left by "Total Taxable"
Apartments	Tax Abstract "Municipal Budget (with BPP adjustment)" * % Apartment Assessed Value (Table 1)	Sum total school taxes as in Summary Exhibit 4 "School EPTR" step 1, * % Apartment Assessed Value (Table 1)	Tax Abstract "Total County Taxes Apportioned" * % Apartment Assessed Value (Table 1)	Subtract "Total Levy on Which Tax Rate is Computed" (Tax Abstract column 12D) from sum of three columns to left, * % Apartment Assessed Value (Table 1)	"Total Levy on Which Tax Rate is Computed" (Tax Abstract column 12D) * % Apartment Assessed Value (Table 1)	Divide value to left by "Total Taxable"
<i>Residential &amp; Apartment Subtotal</i>	Add above two values	Add above two values	Add above two values	Add above two values	Add above two values	Divide value to left by "Total Taxable"
Commercial	Tax Abstract "Municipal Budget (with BPP adjustment)" * % Commercial Assessed Value (Table 1)	Sum total school taxes as in Summary Exhibit 4 "School EPTR" step 1, * % Commercial Assessed Value (Table 1)	Tax Abstract "Total County Taxes Apportioned" * % Commercial Assessed Value (Table 1)	Subtract "Total Levy on Which Tax Rate is Computed" (Tax Abstract column 12D) from sum of three columns to left, * % Commercial Assessed Value (Table 1)	"Total Levy on Which Tax Rate is Computed" (Tax Abstract column 12D) * % Commercial Assessed Value (Table 1)	Divide value to left by "Total Taxable"
Industrial	Tax Abstract "Municipal Budget (with BPP adjustment)" * % Industrial Assessed Value (Table 1)	Sum total school taxes as in Summary Exhibit 4 "School EPTR" step 1, * % Industrial Assessed Value (Table 1)	Tax Abstract "Total County Taxes Apportioned" * % Industrial Assessed Value (Table 1)	Subtract "Total Levy on Which Tax Rate is Computed" (Tax Abstract column 12D) from sum of three columns to left, * % Industrial Assessed Value (Table 1)	"Total Levy on Which Tax Rate is Computed" (Tax Abstract column 12D) * % Industrial Assessed Value (Table 1)	Divide value to left by "Total Taxable"
<i>Nonresidential Subtotal</i>	Add above two values	Add above two values	Add above two values	Add above two values	Add above two values	Divide value to left by "Total Taxable"
Total Taxable	Sum three subtotals above	Sum three subtotals above	Sum three subtotals above	Sum three subtotals above	Sum three subtotals above	Divide value to left by "Total Taxable"
% of Total Property Tax	Divide value above by "Total Taxable"	Divide value above by "Total Taxable"	Divide value above by "Total Taxable"	Divide value above by "Total Taxable"	Divide value above by "Total Taxable"	-----
Nominal Property Tax Rate	See "Total EPTR Before Rebate" Summary Exhibit 4 above	See "Total EPTR Before Rebate" Summary Exhibit 4 above	See "Total EPTR Before Rebate" Summary Exhibit 4 above	See "Total EPTR Before Rebate" Summary Exhibit 4 above	See "Total EPTR Before Rebate" Summary Exhibit 4 above	-----
With Rebate						
Equalized Property Tax Rate	See "Total EPTR Before Rebate" Summary Exhibit 4 above	See "Total EPTR Before Rebate" Summary Exhibit 4 above	See "Total EPTR Before Rebate" Summary Exhibit 4 above	See "Total EPTR Before Rebate" Summary Exhibit 4 above	See "Total EPTR Before Rebate" Summary Exhibit 4 above	-----
With Rebate	See "Total EPTR After Rebate" Summary Exhibit 4 above	See "Total EPTR After Rebate" Summary Exhibit 4 above	See "Total EPTR After Rebate" Summary Exhibit 4 above	See "Total EPTR After Rebate" Summary Exhibit 4 above	See "Total EPTR After Rebate" Summary Exhibit 4 above	-----

**TABLE 1 (Cont'd)**

Tax Exempt Class	Exempt Property Valuation (2005)			Property Tax Rebates (2005)	
	Assessed Value	%	% of Taxable	Amount	
Public School Property	Tax Abstract "Public School Property" column 13a	Divide value to left by "Total of Exempts"	Divide "Assessed Value" to left by "Total Assessed"	FAIR	Rebates "Fair Homeowner Rebate Total"
Other School Property	Tax Abstract "Other School Property" column 13b	Divide value to left by "Total of Exempts"	Divide "Assessed Value" to left by "Total Assessed"	Sr. Citizen	Rebates "Sr. Citizen"
Public Property	Tax Abstract "Public Property" column 13c	Divide value to left by "Total of Exempts"	Divide "Assessed Value" to left by "Total Assessed"	Veterans	Rebates "Vet Deduction"
Church and Charitable Property	Tax Abstract "Church and Charitable Property" column 13d	Divide value to left by "Total of Exempts"	Divide "Assessed Value" to left by "Total Assessed"	SC & VA Reimburse	Rebates "SC & Vet Reimburse"
Cemeteries And Graveyards	Tax Abstract "Cemeteries and Graveyards" column 13e	Divide value to left by "Total of Exempts"	Divide "Assessed Value" to left by "Total Assessed"	FAIR Tenant	Rebates "FAIR Tenant Rebate Total"
Other Exemptions	Tax Abstract "Other Exemptions Not Included In Foregoing Classification" column 13f	Divide value to left by "Total of Exempts"	Divide "Assessed Value" to left by Tax Abstract "Total Assessed"	Total	Sum rows above
Total of Exempts	Tax Abstract "Total Exempt Property" column 13g	Divide value to left by "Total of Exempts"	Divide "Assessed Value" to left by "Total Assessed"	Rebate Per Household	Divide "Total" above by Table 8 "Households 2005."
Total of Exempts Plus Total Tax Assessed	Add Total of Exempts to Tax Abstract "Total Assessed"	-----	-----	Rebate Per Capita	Divide "Total" above by Table 8 "Population (2005)"
Exempts Per Household	Divide "Total of Exempts" by Table 8 "Households (2005)"	-----	-----	Total Rebates as % of Total Property Tax Levy	Divide "Total" above by "Total Taxable" (aka "Total Levy on Which Tax Rate is Computed" (Tax Abstract column 12D
Exempts Per Capita	Divide "Total of Exempts" by Table 8 "Population (2005)"	-----	-----	Total Rebates as % of Total Household Income	Divide "Total" above by "Income Per Household 2005" (Table 8)
Equalized Property Tax Rate		-----	-----	-----	-----
Existing	See "Total EPTR Before Rebate" Summary Exhibit 4 above	-----	-----	-----	-----
With Tax Exempt Property	Divide "Total Taxable" (aka "Total Levy on Which Tax Rate is Computed" (Tax Abstract column 12D).by sum of "Total of Exempts" and " Total Assessed"	-----	-----	-----	-----