

## FINANCIAL FOCUS



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## You can file for Sandy tax relief

**T**he damage associated with Hurricane Sandy has caused property values in many parts of the state to decline substantially. Despite lower values, many homeowners will still be left paying property taxes that do not accurately reflect the current state of their property. Since property taxes are calculated using the value of the property as of Oct. 1 of the prior year, 2013 tax assessments will not take into account the depressed values due to Hurricane Sandy.

However, affected homeowners who act quickly can ensure that damage caused after Oct. 1 will be reflected in their assessed value for next year. According to New Jersey law, a parcel of real property that has been materially depreciated by the action of a storm or other ca-

sualty after Oct. 1 and before Jan. 1 of the following year can be reassessed taking the damage into consideration. But taxpayers must give written notice of the damage to their municipal assessors prior to Jan. 10, 2013, in order for their assessment to be based on the value as of Jan. 1, 2013 — after the storm occurred.

According to David Wolfe, an attorney at **Skoloff & Wolfe P.C.**, who specialize in real estate valuation, "It is essential for property owners to provide assessors with notice of material depreciation following Sandy. Hopefully, their assessments will be reduced proactively by the assessors. If not, they will be able to appeal their property taxes in 2013 based upon the conditions resulting from Sandy." However, taxpayers who fail to provide the required notice to their town by Jan. 10 will have to appeal their assessments based upon the value as of Oct. 1, which will not take the damage from Hurricane Sandy into consideration.

Keep in mind that all notices to your municipal assessor should be sent registered mail, noting the address, block and lot of the property in question. In addition, be sure to retain copies for your records.

While the assessed values

of homes may be reduced in many areas, towns still must generate enough tax revenue to cover their expenses. Taxpayers who live in towns hardest hit may end up without a reduction in the property taxes even if their assessments are lowered. "If all assessments are lowered as a result of storm, and the towns do not reduce their municipal budgets for 2013, then the tax rates will have to be increased to offset the reduction in the assessments," Skoloff said. Bottom line: There is a great deal of uncertainty in how municipalities will address this issue but filing notice to your assessor should only help your situation.

The fallout from Sandy will affect our area for years to come. While there is no guarantee your property taxes will be reduced, obtaining an accurate assessment may help to ensure that your taxes reflect your current situation. Since everyone's situation is unique, consider speaking to your attorney to determine the best course of action for you.

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