

Five-Year Tax Exemption Abatement
Pursuant to Chapter 441, Laws of 1991, as amended (N.J.S.A. 40a:21-1 et seq.)

Category of Exemption & Abatement	Amount of Exemption or Abatement	Application	Form	Municipal Ordinance	Denial	How to Show on Mod IV	Begin	Added
Construction of new single dwelling or conversion of Non-residential building to single dwelling or both	<ul style="list-style-type: none"> Exempts no more than 30% of full true assessed value annually Abates portion of pre-existing assessed value not to exceed 30% of total cost of construction or conversion annually Total amount of abatements to any single property may not exceed total cost of construction or conversion 	Within 30 days of completion - file with ASSESSOR	E/A - 1	expires after 10 years	exp.ordinance, late app filing not 20 yrs.old, taxes not paid not in "area in need..."	Each of these abatements/exemptions are shown on the subject parcel in the assessment section of the MOD IV, Special codes are provided to describe each one.	Immediately	5 years later
Improvement to existing single dwelling more than 20 years old	<ul style="list-style-type: none"> Exempts \$5,000, \$15,000, <u>or</u> \$25,000 of full true value of improvement Property assessment not less than assessment prior to improvement, unless also abated Abates portion of pre-existing assessed value not to exceed 30% of annual exemption 	Within 30 days of completion - file with ASSESSOR	E/A-1	expires after 10 years	exp.ordinance, late app filing not 20 yrs.old, taxes not paid not in "area in need..."	Each of these abatements/exemptions are shown on the subject parcel in the assessment section of the MOD IV, Special codes are provided to describe each one.	Immediately	5 years later
Improvement to multiple dwelling or conversion of non-residential buildings to multiple dwellings or both (not to be used for new construction!)	<ul style="list-style-type: none"> Exempts full true value of the improvements or conversions Property assessment not less than assessment prior to improvements, unless also abated Abates portion of pre-existing assessed value not to exceed 30% of the improvement or conversion annually Total amount of abatements to any single property may not exceed total cost of improvement or conversion 	Within 30 days of completion - file with ASSESSOR	E/A-1	expires after 10 years	exp.ordinance, late app filing not 20 yrs.old, taxes not paid not in "area in need..."	Each of these abatements/exemptions are shown on the subject parcel in the assessment section of the MOD IV, Special codes are provided to describe each one.	Immediately	5 years later
Improvement or expansion of commercial & industrial structures (not to be used for new construction!)	<ul style="list-style-type: none"> Exempts full true value of improvements Property assessment not less than assessment prior to improvements Abatements are not permitted for commercial & industrial structures 	Within 30 days of completion - file with ASSESSOR	E/A-1	expires after 10 years	exp.ordinance, late app filing not 20 yrs.old, taxes not paid not in "area in need..."	Each of these abatements/exemptions are shown on the subject parcel in the assessment section of the MOD IV, Special codes are provided to describe each	Immediately	5 years later

The letter codes are:
G Commercial/Industrial Exempti
I Dwelling Exemption
J Dwelling Abatement
K New Dwelling/Conversion Exem
L New Dwelling/Conversion Abate
N Multiple Dwelling Exemption
O Multiple Dwelling Abatement

mod iv example:
Land - 100,000
Imp-150,000
Exempt-15,000
Total - 235,000
J5

Two fields record and track limited exemptions and abatements.
Field 5 is nine characters and accepts the assessed value of the limited exemption/abatement.
Field 29 is two characters.
The first character accepts one alpha character designating a specific limited exemption or abatement.
The second character is numeric and accepts numbers 1 through 5 for the number of years a limited exemption/abatement is valid.
The number 5 will not count down. Internally, the system calculates five years from the beginning year to produce the "Abatement Exemption Audit Trail."

The system accommodates four limited exemption/abatements per property record.
On an annual basis at the time of consolidation (October 1 pre-tax year), the "Abatement Exemption Audit Trail for the Year Ending NNNN" may be generated.
The Audit Trail is created after consolidation and before production of the Tax List.
This gives the Assessor time to remove any expired abatement/exemptions.
ABATEMENTS and EXEMPTIONS MUST be manually removed. The system will not do it for you!

Example:
The town has authorized an abatement of \$ 15,000 for any renovation to a property over 20 years. The additional value due to the renovations was 35,000. Therefore, 15,000 gets abated and 20,000 gets picked up on the current year added list.
If the project was completed March 30, 2021, the 15,000 abatement starts immediately and a 9 month added for 20,000 is placed on the October 2021 Current Year Added list.
The 15,000 stays on as an abatement for 5 years. Then on October 1, 2026, a 9 month 15,000 pro-rated added assessment is placed on the 2026 added list.