

P.L. 1997, CHAPTER 30, *approved March 7, 1997*  
Senate, No. 1674

1 AN ACT concerning senior citizens' and disabled and veterans'  
2 property tax deductions and amending various parts of the statutory  
3 law and supplementing P.L.1963, c.171 (C.54:4-8.10 et seq.).  
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. Section 3 of P.L.1963, c.171 (C.54:4-8.12) is amended to read  
9 as follows:

10 3. No veteran's deduction from taxes assessed against real and  
11 personal property, as provided herein, shall be allowed except upon  
12 written application therefor, which application shall be on a form  
13 prescribed by the Director of the Division of Taxation, in the  
14 Department of the Treasury, and provided for the use of claimants  
15 hereunder by the governing body of the municipality constituting the  
16 taxing district in which such claim is to be filed and the application has  
17 been approved as provided in this act. [ The Director of the Division  
18 of Taxation shall annually furnish each municipality with a supply of  
19 application forms for use by the claimants.] An assessor shall not  
20 require the filing of an application for a veteran's deduction under this  
21 act of any person who has filed, or shall file, a claim for an exemption  
22 from taxation under chapter 184 of the laws of 1951, on or before  
23 December 31, 1963, but shall approve a veteran's deduction for such  
24 person, if it appears from such claim for exemption that such person  
25 meets all the other prerequisites required by law for the approval of a  
26 claim for a veteran's deduction. Each assessor may at any time inquire  
27 into the right of a claimant to the continuance of a veteran's deduction  
28 hereunder and for that purpose he may require the filing of a new  
29 application or the submission of such proof as he shall deem necessary  
30 to determine the right of the claimant to continuance of such  
31 deduction. No application for a veteran's deduction based upon  
32 service in the Armed Forces shall be allowed unless there is annexed  
33 thereto a copy, which may be photostatic, of claimant's certificate of  
34 honorable discharge or of his certificate of release under honorable

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

**Matter underlined thus is new matter.**

1 circumstances from active service in time of war in a branch of the  
2 Armed Forces of the United States. In the case of an application by  
3 a surviving spouse said application shall not be allowed unless it  
4 clearly establishes that:

5 (a) Claimant's spouse died while on active duty in a branch of the  
6 Armed Forces of the United States, having had active service in time  
7 of war, as herein defined, in a branch of the Armed Forces of the  
8 United States, or in the case of a surviving spouse of a veteran,  
9 claimant shall establish that the veteran was honorably discharged or  
10 released under honorable circumstances from active service in time of  
11 war in any branch of the Armed Forces of the United States, (b)  
12 claimant's spouse was a citizen and resident of this State at the time of  
13 death, (c) claimant was the spouse of the veteran at the time of the  
14 veteran's death, and (d) claimant is a resident of this State and has not  
15 remarried.

16 (cf: P.L.1995, c.259, s.1)

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18 2. Section 3 of P.L.1963, c.172 (C.54:4-8.42) is amended to read  
19 as follows:

20 3. No deduction, as provided herein, shall be allowed except upon  
21 written application therefor, which application shall be on a form  
22 prescribed by the Director of the Division of Taxation, in the  
23 Department of the Treasury, and provided for the use of claimants  
24 hereunder by the governing body of the municipality constituting the  
25 taxing district in which such claim is to be filed and the application has  
26 been approved as provided in this act. [The Director of the Division  
27 of Taxation shall annually furnish each municipality with a supply of  
28 application forms for use by the claimants.] As to claims for  
29 exemption from taxation filed with an assessor on or before  
30 November 1, 1963 on forms prescribed by the director, the assessor  
31 shall not require of any person who has filed such a claim the filing of  
32 an application for a tax deduction but shall approve such person for a  
33 tax deduction if it appears from the claim for exemption from taxation  
34 that such person meets all the other prerequisites required by this act  
35 for the approval of the tax deduction. Each assessor may at any time  
36 inquire into the right of a claimant to the continuance of a deduction  
37 hereunder and for that purpose he may require the filing of a new  
38 application or the submission of such proof as he shall deem necessary  
39 to determine the right of the claimant to continuance of such  
40 deduction.

41 (cf: P.L.1995, c.259, s.2)

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43 3. Section 5 of P.L.1964, c.255 (C.54:4-8.44a) is amended to read  
44 as follows:

45 5. Every person who is allowed a deduction shall, except as  
46 hereinafter provided, be required to file with the collector of the taxing

1 district on or before March 1 of the post-tax year a statement under  
2 oath of his income for the tax year and his anticipated income for the  
3 ensuing tax year as well as any other information deemed necessary to  
4 establish his right to a tax deduction for such ensuing tax year. The  
5 collector may grant a reasonable extension of time for filing the  
6 statement required by this section, which extension shall terminate no  
7 later than May 1 of the post-tax year, in any event where it shall  
8 appear to the satisfaction of the collector, verified by a physician's  
9 certificate, that the failure to file by March 1 was due to illness or a  
10 medical problem which prevented timely filing of the statement. In any  
11 case where such an extension is granted by the collector, the required  
12 statement shall be filed on or before May 1 of the post-tax year.

13 Such statement shall be on a form prescribed by the Director of the  
14 Division of Taxation, in the Department of the Treasury[. The  
15 statement shall be mailed by the Director of the Division of Taxation  
16 with a return envelope addressed to the governing body of the  
17 municipality constituting the taxing district] and provided for the use  
18 of persons required to make such statement by the governing body of  
19 the municipality constituting the taxing district in which such  
20 statement is required to be filed and shall be mailed by the collector on  
21 or before February 1 of the post-tax year to each person within the  
22 taxing district who was allowed a deduction in the preceding year.  
23 [In addition, the Director of the Division of Taxation shall at the same  
24 time furnish a supply of post-tax year statements to the tax collector  
25 in each municipality.] Each collector may require the submission of  
26 such proof as he shall deem necessary to verify any such statement.  
27 Upon the failure of any such person to file the statement within time  
28 herein provided or to submit such proof as the collector deems  
29 necessary to verify a statement that has been filed, or if it is  
30 determined that the income of any such person exceeded the applicable  
31 income limitation for said tax year, his tax deduction for said tax year  
32 shall be disallowed. A notice of disallowance, on a form prescribed by  
33 the director, shall be mailed to that person by the collector on or  
34 before April 1 of the post-tax year or, where an extension of time for  
35 filing has been granted, no later than June 1, and his taxes to the extent  
36 represented by the amount of said deduction shall be payable on or  
37 before June 1 of the post-tax year or, where an extension of time for  
38 filing has been granted no later than 30 calendar days after the notice  
39 of disallowance was mailed, after which date if unpaid, said taxes shall  
40 be delinquent, constitute a lien on the property, and, in addition, the  
41 amount of said taxes shall be a personal debt of said person.

42 The amount of any lien and tax liability shall be prorated by the tax  
43 collector upon the transfer of title based on the number of days during  
44 the tax year that entitlement to the tax deduction is established. The  
45 lien shall be considered satisfied by the tax collector upon payment of  
46 the prorated amount for that portion of the tax year for which

1 entitlement to the tax deduction is not established.  
2 (cf: P.L.1995, c.259, s.3)

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4 4. Section 5 of P.L.1981, c.85 (C.54:4-8.53a) is amended to read  
5 as follows:

6 5. The State shall annually reimburse each taxing district [for the  
7 full] in an amount equal to 102 percent of the amount of any  
8 deductions permitted by that taxing district in the current tax year  
9 pursuant to the act of which this act is amendatory and supplementary.  
10 (cf: P.L.1981, c.85, s.5)

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12 5. (New section) The State shall annually reimburse each taxing  
13 district in an amount equal to 102 percent of the amount of any  
14 veterans' property tax deductions granted in that taxing district.

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16 6. This act shall take effect immediately and shall be applicable in  
17 tax year 1997 and thereafter.

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#### STATEMENT

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22 The purpose of P.L.1995, c.259 was to ease various State imposed  
23 mandates. That law changed the administration of the veterans' and  
24 the senior citizens' and disabled property tax deduction programs so  
25 that the State took over part of the cost of administering the programs.

26 Since enactment of P.L.1995, c.259, it has become evident that the  
27 changes made by that law to the administration of the veterans' and  
28 senior citizens' and disabled property tax deduction programs will  
29 cause problems at the local level in processing the claims for the  
30 deductions. The purpose of this bill is to correct these problems  
31 before the changes take effect in the 1997 tax year.

32 In order to correct the local processing problems created by  
33 P.L.1995, c.259, maintain that law's intention of easing the State  
34 mandate imposed on local units by the veterans' and senior citizens'  
35 and disabled property tax deduction programs, and comply with the  
36 provisions of Article VIII, section II, paragraph 5 of the State  
37 Constitution concerning State mandate - State pay, the bill will also  
38 require taxing districts to be reimbursed by the State for 102% of the  
39 amount of the deductions they grant, instead of 100%, which is the  
40 amount they are now reimbursed. The additional two percent will  
41 compensate taxing districts for the costs of administering the  
42 programs.

43 This bill will make full State funding of both the deductions granted  
44 under the two programs and the administrative costs of the two  
45 programs a permanent State obligation. Currently, full State funding  
46 of the deductions granted under the two programs, is dependent upon

1 the inclusion of funding provisions in the annual appropriations act.  
2 Neither the Constitution nor the statutes make any provision for  
3 reimbursement of deductions granted under the veterans' property tax  
4 deduction program. Regarding the senior citizens' and disabled  
5 deductions, the Constitution and the statutes differ over the amount of  
6 reimbursement, with the Constitution requiring taxing districts to be  
7 reimbursed for one-half of the tax loss resulting from the deduction,  
8 and section 5 of P.L.1981, c.85 (C.54:4-8.53a) requiring  
9 reimbursement for the full amount. Enactment of this bill will  
10 permanently obligate the State to fully fund the deductions and  
11 administrative costs associated with these programs.

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17 Increases reimbursement to taxing districts for veterans' and senior  
and disabled property tax deduction programs.