

§ 26.157.2 RESIDENTIAL & COMMERCIAL TRANS.

Pt. 5

1. 24 C.F.R. § 3500.21.

§ 26.162 Tax Apportionment—Statutory

[Replace text in main volume with the following:]

Municipal taxes are payable as follows:

a. The first installment as hereinafter provided on February first, the second installment on May first, the third installment on August first and the fourth installment on November first, after which dates if unpaid, they shall become delinquent;

b. From and after the respective dates provided for taxes to become delinquent, the taxpayer or property is subject to penalties;

c. In municipalities with a January 1 through December 31 fiscal year, the dates hereinbefore provided for payment of the first and second installments of taxes being before the true amount of the first and second installments shall be one-quarter of the total tax finally levied against the same property or taxpayer for the preceding year, or, if directed to do so for the tax year by resolution of the municipal governing body, one-half of the tax levied for the second half of the preceding tax year, as appropriate; and the amount to be payable for the third and fourth installments shall be the full tax as levied for the current year, less the amount charged as the first and second installments; the amount thus found to be payable as the last two installments shall be divided equally for and as each installment. An appropriate adjustment by way of discount shall be made, if it shall appear that the total of the first and second installments exceeded one-half of the total tax as levied for the year;

d. In municipalities that operate on the State fiscal year, there shall be two annual tax bills delivered and the amounts payable shall be as follows:

1. In the tax year in which the fiscal year is changed, a tax bill shall be delivered on or before June 14 of the tax year for the third and fourth installments. The amount to be payable for the two installments shall be 50% of the full tax levied against the same property or taxpayer for municipal purposes in the preceding tax year, plus the full tax as levied for the current tax year for county, school and other purposes, excepting municipal purposes, less the amount charged as the first and second installments for county, school and other purposes, excepting municipal purposes; the amount found to be payable shall be divided equally for each installment.

2. Thereafter, in each tax year a tax bill shall be delivered on or before October 1 of the pre-tax year for the first and second installments

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of the tax year and on or before June 14 for the third and fourth installments. The amount to be payable for the first two installments shall be the full tax levied for municipal purposes against the property or taxpayer for the current municipal fiscal year less the amount charged for municipal purposes as the third and fourth installments in the preceding tax year, plus—one half of the total tax levied against the property or taxpayer for county, school and other purposes, excepting municipal purposes, in the preceding tax year. The amount so derived shall be divided equally for each installment. The amount payable for the third and fourth installments shall be 50% of the full tax levied for municipal purposes against the property or taxpayer for the preceding municipal fiscal year, plus the full tax as levied for the current tax year for county, school and other purposes, excepting municipal purposes, less the amount charged as the first and second installments for county, school and other purposes, excepting municipal purposes. The amount so derived shall be divided equally for each installment. An appropriate adjustment by way of discount shall be made if it appears that the total of that portion of the first two installments which is taxes for county, school or other purposes, excepting municipal purposes, exceeded one-half of the total tax for those purposes as levied for the tax year.¹

Unless the parties otherwise agree on the transfer of real property by sale or by eminent domain, the seller is liable for the payment of that portion of the taxes accrued from the previous January first to the date of the delivery of the deed. If the final tax bill for the year has not been issued, the amount of the taxes last previously assessed against such real estate is used as the basis for computing the apportionment.² For example if the closing takes place on May 5, the 125th day of the year, the seller will be responsible for taxes up to and including May 5 or 125/365 of the total taxes of the prior calendar year. If the closing takes place on August 11, the 223rd day of the year, the seller will be responsible for 223/365 of the full tax for the current year.

The tax apportionment appears on lines 106 and 406 of the RESPA form if the Seller has paid more than its share. If the Seller owes money to the Purchaser, the adjustment will be on lines 210 and 510.

1. N.J.S.A. 54:4-65.

Time when lien attaches

City's lien for property taxes attached to property on first day of January of each year for when taxes were assessed. N.J.S.A. 54:5-6. Union County Utilities Authority v. Josewitsch, 269 N.J.Super. 218, 634 A.2d 1378 (Law Div.1993).

County tax bill to municipality

County had implied incidental authority to issue municipality estimated, rather than

actual, quarterly tax bill, later corrected, when county was unable to adopt its budget, due to circumstances beyond its control, within period mandated by statute. Township of Montclair v. County of Essex, 288 N.J.Super. 568, 672 A.2d 1222 (App. Div.1996).

2. N.J.S.A. 54:4-56.