

UNDERSTANDING YOUR TAX INCREASE IN ROSELLE

In order to understand why your tax bill has increased you must first understand how that tax bill is calculated. There are two figures on the tax bill that are important; the total tax assessment for your property and the Tax Rate that is applied to that assessment. The tax assessment varies for each property but the Tax Rate, or multiplier, does not.

The tax assessment is the figure that reflects the value of your property. This value is assigned by the Tax Assessor and typically will not change from year to year unless there is either a municipal revaluation, an appeal, a sudden change in the Real Estate Market effecting overall value, a zoning change, a change in use or the property owner improves the property. Each year, the Tax Assessor mails a "Notice of Assessment" to each property in early February. That notice informs the owner of the current assessment and contains instructions for appealing the assessment.

The Tax Rate is the multiplier applied to the assessment that is used to calculate your tax bill. The Union County Board of Taxation promulgates the rate in June every year upon receiving budget submissions from each of the local school districts and the twenty-one (21) municipalities located within Union County. A new tax bill is generated and mailed to all of the property owners in July of each year by the Municipal Tax Collector.

Typically, the average taxpayer is unaware of the new Tax Rate until the tax bill is received in July and an increase in the amount of the tax due is reflected upon the bill. (The law does not require the Tax Collector to mail a formal notice announcing the new Tax Rate to the property owner prior to the issuance of the tax bill.)

The General Tax Rate consists of three major components; Municipal, County and School. These three components are budget-driven*, meaning that each component increases or decreases as a result of the (specific) budgetary needs for that particular category. If one or all of these budgets were to increase, then the overall rate would also increase accordingly. If the General Tax Rate (or aggregate rate) were to increase, then your individual tax bill would also increase commensurately.

The following page illustrates the calculations for the (Roselle) Tax Rate for the past years. The rate for each individual component is reflected in order for the reader to better understand the tax increases that have occurred.

* As of 2001, the county portion of the Tax Rate includes a new category entitled "County Open Space, Recreation and Historic Preservation". That figure has been listed separately following the category for "county".

ROSELLE TAX RATES

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
County	.495	.534	.620	.676	.716	.749	.790	.851
County Open Space	.018	.021	.026	.03	.032	.034	.035	.034
School	2.143	2.472	2.702	2.748	2.841	2.935	3.001	2.999
Municipal	2.518	2.525	2.701	2.968	2.857*	3.323	3.321	3.428
Total Tax Rate	\$5.174	\$5.552	\$6.049	\$6.423	\$6.448	\$7.041	\$7.147	\$7.312

The Total Tax Rate is applied to every \$100 of the assessed value. The following example illustrates the calculation of tax dollars for the tax year 2003, as it would have been billed for the average residential property with an assessment of \$119,100.

$$\$119,100 \times \$5.174/\$100 = \$6,162.23$$

The same property assessed at \$119,100 for years 2003 through 2010.

Tax Due	2003	2004	2005	2006	2007	2008	2009	2010
Amt. Pd.	\$6,162.23	\$6,612.43	\$7,204.35	\$7,649.79	\$7,679.57	\$8,385.83	\$8,512.07	\$8,708.59
Increase		\$450.20	\$591.12	\$445.44	\$29.78*	\$706.26	\$126.25	\$196.52

The total tax increase for the average residential property utilized in the example above from January 2004 through December 2010 was \$2,545.57.

(The tax assessment remained unchanged throughout the same period.)

* Budget rejected