

LFN 2017-13

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Local Finance Notice

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Distribution

Tax Collectors
Chief Financial Officers
County Boards of Taxation

CY 2017 State Aid Offset of Property Taxes

CY 2017 state aid offsets for calendar year municipalities that did not apply for transitional aid are now available from the State Aid Property Tax Offset Calculator on the Division's [Property Tax Information](#) and [Municipal State Aid](#) webpages. Once the taxpayer selects their municipality from a dropdown menu and inputs the assessed value of their parcel (land and improvements), the amount of the offset is automatically calculated and appear on the screen.

In addition, a statewide summary worksheet can be downloaded from the Division of Local Government Services' [Municipal State Aid](#) website under "State aid multipurpose table". Select "Statement of State Aid Excel format Calendar Year" for CY 2017 to access the data. Data for SFY 2018 municipalities and municipalities applying for transitional aid after State Aid Certifications were released in March will be posted later this year.

[Amendments to N.J.S.A. 54:4-65](#) adopted in 2015 require a notice on property tax bills explaining where taxpayers can access state aid offset information. The required text is as follows:

State Aid Used to Offset Local Property Taxes: The budgets of the government agencies funded by this tax bill include State aid used to reduce property taxes. State aid offset information for current year municipal tax bills will become available at the end of July. Access the Division of Local Government Services' website at http://www.nj.gov/dca/divisions/dlgs/resources/property_tax.html to find (based on the assessed value of this parcel) the amount of State aid used to offset property taxes on this parcel.

"Per Parcel" Aid Calculation

The formula for calculating the per-parcel State Aid offset amount includes the following programs:

The municipal government portion of the total formula includes:

- Consolidated Municipal Property Tax Relief Aid (entire amount of cash award and the 1994 pension savings reduction). This amount is larger than the CMPTRA award according to state aid certifications.
- All payments of Energy Tax Receipts.
- Watershed Moratorium Offset Aid.
- Garden State Trust Payment in Lieu of Taxes.
- CY 2017 Transitional Aid to Localities when the offsets for these municipalities are posted.

The local and regional school district portion of the total formula includes:

- Department of Education allocation of State aid funds.
- Regional District Aid (apportioned on the same basis as property taxes for the district).
- Estimates of the State's payment for social security costs and Type 1 and Type 2 debt service aid (even though actually paid to the municipality).
- An estimate of State funds used as State aid or to pay for debt service of districts receiving grants from, or having school facilities paid for by, the State's School Development Authority.

The county portion of the total formula includes:

- CY 2017 estimated cost savings from the State program assuming certain human service and family service costs, which took effect in 1991.
- An estimate of County Constitutional Officers based upon the prior year.
- County Prosecutor Pilot Project
- CY 2017 State resources utilized in the assumption of county court costs.
- Apportionment of State education aid provided to County Special Services and Vocational Education Districts including social security costs and debt service aid.

Approved: Timothy J. Cunningham, Director

Table of Web Links

Page	Shortcut text	Internet Address
1	Amendments to N.J.S.A. 54:4-65	http://www.njleg.state.nj.us/2014/Bills/PL15/95_.PDF
1	Property Tax Information	http://www.nj.gov/dca/divisions/dlgs/resources/property_tax.html
1	Municipal State Aid webpage	http://www.nj.gov/dca/divisions/dlgs/resources/muni_stateaid.html