

Homestead Benefit EGG Notice
March 24, 2020

Dear Tax Collector:

In light of the fiscal uncertainty due to the unprecedented COVID-19 health emergency, the Acting Director of the Office of Management and Budget (OMB) has placed select available funding into spending freeze reserve in order to ensure sufficient cash and budget authority to meet emergency and statutorily required obligations.

As such, we regret to inform you that the appropriation for Homestead Credits that was initially authorized by the New Jersey Department of the Treasury, Division of Taxation to be sent to the municipalities must now be rescinded because the account has been placed into reserve.

Recommended language for accomplishing this rescission on any tax bills already issued is as follows: "In light of the unprecedented COVID-19 pandemic, the State has placed funding for Homestead Credits in reserve to meet emergency and statutorily required obligations. Your bill has been adjusted accordingly."

Because the State will not be able to reimburse municipalities for the cost of the credits, the Division of Taxation will be issuing new credit files removing the credit amounts. If your municipality has already issued the May 1st quarterly taxpayer billing statement, you are directed to issue corrected statements. Any municipality not issuing corrected statements will not be reimbursed for the cost of the credit. The State is prepared to reimburse municipalities for the administrative costs of issuing revised statements.

While this action is highly regrettable, it is necessary due to the highly fluid and unanticipated fiscal impact of the COVID-19 event on Statewide revenues. Reissuance of the Homestead Benefit Credit will be revisited if conditions warrant it.

We appreciate your anticipated cooperation and look forward to working cooperatively with you during this difficult time.

This Egg Notice will be sent to all Tax Collectors.

egg@dca.nj.gov