

ISSUE BRIEF | AFPI- New Jersey

DELIVERING PROPERTY TAX RELIEF TO NEW JERSEY HOMEOWNERS

Richard J. Maher

New Jersey homeowners faced another round of sticker shock in March 2025 as residents began receiving their property tax statements. For the first time, the average property tax bill exceeded \$10,000 for a statewide average of \$10,095¹. In certain counties, residents are paying significantly steeper bills, such as Essex County, where the average property tax bill is nearly \$14,000. In all, homeowners in 8 of the state’s 21 counties are facing an average property tax bill exceeding \$10,000 ([Reitmeyer, 2025](#)). In another 2 counties, average property taxes are above \$9,000 ([Yushkov, 2025](#)).

Of course, excessive property taxes are nothing new in the Garden State, as its effective property tax rates² of 2.23% and 2.08% were the highest in the country in 2021 and 2022, respectively, according to the Tax Foundation’s report, “Property Taxes by State and County, 2025, New Jersey ranked second highest in the nation for property taxes in 2023 with an effective property tax rate of 1.773%, behind only another high-tax state, Illinois ([Yushkov, 2025](#)). In fact, New Jersey’s effective property tax rate is 95% higher than the national average of 0.909% ([Jones, 2025](#)). In many respects, the fact that the state average property tax bill now exceeds the \$10,000 threshold only understates the burden on many of the residents in its most populous counties, where the average has exceeded

¹ According to the New Jersey Society of Certified Public Accountants, in New Jersey, each municipality sets its own nominal property tax “rate,” which is applied to an “assessment” determined by the local tax assessor based on the total value of real property, including any improvements. The rate is calculated in increments of one-tenth of a cent per \$100 of assessed property value. In addition to the municipal rate, counties, library systems, school districts, and other local government entities may impose their own levies, which are added to the overall rate. These combined levies form the effective property tax rate, which is ultimately used to calculate the final property tax bill ([New Jersey Society of Certified Public Accountants, 2018](#)).

² “Effective Property Tax Rates” refer to the actual property taxes paid by the homeowner as a percentage of their property’s assessed value after special factors beyond the nominal tax rate are considered. These factors may include special fees imposed by park districts and municipal bond repayments, among other charges that appear on property tax statements and are factored into what the homeowners actually paid.

\$10,000 for years. For historical reference, the table below shows the top eight counties with the highest average property tax bills by county in New Jersey in 2024. Note that counties in New Jersey are not solely responsible for the entire assessed property tax burden, as a significant portion is determined by the state. However, parts of the amounts due include taxes levied by county governments to fund schools, local government operations, and county library systems. These taxes may also cover initiatives such as “Open Space” and other local programs.

Table 1

Top Eight Counties by Average Property Tax Amount Due (2024)

County	Average 2024 Property Tax Bill
Bergen	\$13,329
Essex	\$11,528
Hunterdon	\$11,346
Monmouth	\$11,087
Morris	\$11,813
Passaic	\$11,278
Somerset	\$11,428
Union	\$11,528

Note: The above table shows the eight New Jersey counties with the highest average property tax bills in 2024. ([Reitmeyer, 2025](#)).

The counties with the highest property tax bills averaged \$11,000 even before the statewide average reached \$10,000.

Passing the \$10,000 threshold for property taxes is especially painful for taxpayers, given that the current federal tax deduction available for State and Local Taxes (SALT) is \$10,000. Of course, New Jersey also imposes other state taxes, including an income tax as high as 10.75% for high earners, a gas tax of \$0.449 per gallon, and a sales tax of 6.625% ([Schubel, 2025](#)). Thus, every dollar beyond this \$10,000 SALT cap is currently unrecoverable.

Predictably, the state has responded to residents’ outrage by calling for greater government intervention and additional spending. In November 2024, Governor Murphy approved [P.L.2024, c.88](#), the “Stay New Jersey Property Tax Credit Program,” which



provides a credit of no more than \$6,500 for property tax relief to residents under certain income thresholds for the tax year 2025 ([New Jersey League of Municipalities, 2024](#)). This credit is a band-aid at best, and it ignores the problem of ever-increasing state and local spending, which drives these shocking tax hikes. If anything, it makes the problem of increasing property taxes even worse, placing an ever-growing burden on a shrinking number of taxpayers while ignoring opportunities to reduce state and local spending.

New Jersey homeowners deserve immediate and tangible relief from these exorbitant property taxes. In the immediate future, the state should imitate the federal government's efforts by establishing its own Department of Government Efficiency (DOGE). Already, states like Florida and Texas have established state-level DOGEs, either by legislation or executive order. Florida, for example, captures the essence of these initiatives as doing away with "unnecessary spending, programs, or contracts...and recommend[ing] administrative or legislative reforms to...eliminate waste in state and local government" ([Exec. Order No. 25-44, 2025](#)). In light of this year's gubernatorial election in the Garden State, it would make sense for the next governor to begin his term with a like-minded executive order.

Correcting current spending trends must be accompanied by reform-minded changes to the state's tax scheme. In the short term, the state should freeze any future property tax increases to measure the fiscal impact of savings from potential spending cuts noted above. As a long-term aspiration, New Jersey should adopt stricter Tax and Expenditure Limits (TEs) that would enshrine in the state's constitution a requirement for a supermajority of the legislature to approve any future tax increases and to limit revenue growth to strict metrics like inflation and population changes. America First Policy Institute has already established [a framework and principles](#) for state-level TELs, which New Jersey policymakers would do well to incorporate into their proposals to improve the state's tax and spending priorities ([Maher, 2025](#)).

Ultimately, New Jersey's lawmakers must make affirmative policy decisions that reject the presumption that state and local governments must inevitably grow. New Jersey residents have become accustomed to a model where taxes are routinely raised to fund special interests; policymakers will need courage and determination to advance the bold policy ideas necessary to protect homeowners and home ownership into the future. Courage and determination are imperative, as are bold policy ideas that challenge and propose viable alternatives to the status quo.

THE FACTS

- In 2025, New Jersey's average property tax bill exceeded \$10,000 for the first time, reaching a statewide average of \$10,095.



- Eight of the state's twenty-one counties have an average property tax amount due exceeding \$10,000, while another two counties have an average effective property tax amount due above \$9,000.
- New Jersey's effective property tax rate of 2.23% was the highest in the country in 2022, while the national average was only 0.898%.
- The top New Jersey counties with the highest average property tax bills in 2024 ranged between \$11,087 and \$13,329.
- New Jersey's effective property tax rate on owner-occupied property was 2.23% in 2023, the highest nationwide, and its effective property tax rate is some 95% higher than the national average of 0.909%.

([Jones, 2025](#); [Reitmeyer, 2025](#); [Yushkov, 2025](#))

WE SUPPORT AMERICA FIRST POLICY SOLUTIONS THAT WILL:

- Reduce excessive property taxes by freezing future rate increases.
- Amend the state constitution to adopt robust TELs that require a two-thirds vote of the legislature to raise property taxes and cap any future property tax increase to population growth plus inflation.
- Implement state-level DOGE efforts to cut spending by eliminating waste and reducing bureaucracy dramatically.
- Change the state's civic culture from one that tacitly accepts a constantly growing government and high taxes to one that acknowledges that tax revenue belongs first to the taxpayers who earned it.



WORKS CITED

An Act concerning the Stay NJ Property Tax Benefit Program, P.L. 2024, c. 88. 221st Legislature. General Assembly of the State of New Jersey.

https://www.nj.gov/treasury/staynj/documents/4706_R1.pdf

Exec. Order No. 25-44. Governor Ron DeSantis. (2024, February 24).

<https://www.flgov.com/eog/sites/default/files/shared/2025/02/EO%2025-44%20DOGE.pdf>

Maher, R. (2025, May 2). *Taxpayer's Bill of Rights: A State-Level Solution that Slams the Brakes on Government Growth*. America First Policy Institute.

<https://www.americafirstpolicy.com/issues/taxpayers-bill-of-rights-a-state-level-solution-that-slams-the-brakes-on-government-growth>

New Jersey Society of Certified Public Accountants. (2018, September). *New Jersey Homeowner's Guide to Property Taxes*.

<https://www.princetonnj.gov/DocumentCenter/View/958/Homeowners-Guide-to-Property-Taxes-PDF>

New Jersey State League of Municipalities. (2024, November 8). *Governor signs bill codifying Stay NJ Task Force recommendations*. <https://www.njlm.org/CivicAlerts.aspx?AID=3183>

Reitmeyer, J. (2025, March 4). *Average NJ property-tax bill exceeds \$10,000 for first time*. NJ Spotlight News. <https://www.njspotlightnews.org/2025/03/average-2024-new-jersey-property-tax-exceeded-record-high-10000-first-time/>

Schubel, K. (2025, March 12). *New Jersey state tax: Overview*. Kiplinger.

<https://www.kiplinger.com/state-by-state-guide-taxes/new-jersey>

Yushkov, A. (2025, March 4). *Property taxes by state and county, 2025*. Tax Foundation.

<https://taxfoundation.org/data/all/state/property-taxes-by-state-county/>

BIOGRAPHY

Richard J. Maher is Director of Research for State Action at the America First Policy Institute.

