Chapter 8 Quiz

1. Both the ad valorem tax and a special assessment tax
   A. are calculated using the same method.
   B. allow a deduction for senior citizens and veterans.
   C. are levied for the general support or operation of the local government.
   D. levied against specific parcels of property.

2. Taxes levied on a property owner to pay to install sidewalks or sewers are called
   A. ad valorem taxes.
   B. general property taxes.
   C. special excise taxes.
   D. special assessments.

3. After real estate has been sold by the state or county to satisfy a delinquent tax lien, the defaulted owner usually has a right to
   A. have the sale canceled by paying the back taxes and penalties.
   B. pay his or her creditors directly and have their liens removed.
   C. redeem the property within the time specified by law.
   D. record a notice of nonresponsibility for the unpaid taxes.

4. The current market value of an empty lot is $35,000. For tax purposes, it is assessed at 40 percent of market value. The tax rate of $4 per $100 of assessed value. What is the amount of the tax due?
   A. $560
   B. $625
   C. $705
   D. $740

5. In New Jersey, a qualified war veteran is entitled to a reduction of real estate taxes in the amount of
   A. $250.
   B. $1,000.
   C. $5,000.
   D. $10,000.

6. Tax assessors in the state of New Jersey attempt to assess property at
   A. 25 percent of value.
   B. 50 percent of value.
   C. 75 percent of value.
   D. full value.

7. Real estate properties that are totally exempt from real property taxes include those used
   A. for speculative purposes.
   B. for religious, charitable, and not for profit purposes.
   C. exclusively for farmland in the previous five years.
   D. rental residential purposes.

8. Taxing authorities can determine a tax rate by
   A. dividing budgetary needs by the assessment roll.
   B. multiplying the assessment roll by the equalization factor.
   C. multiplying the budgetary needs by .001.
   D. subtracting the budget needs from the assessment roll.

9. A single homeowner has a $300,000 profit from the sale of her home where she has lived for the past 18 years. The taxable portion of the gain would be
   A. $0.
   B. 50,000.
   C. $150,000.
   D. $300,000.

10. Married taxpayers who file jointly and have lived in their principal residence for at least two years of the preceding five years are eligible for an exclusion from federal capital gain taxes on a gain up to
   A. $100,000.
   B. $250,000.
   C. $500,000.
   D. $1,000,000.