

**STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY**

Transfer Inheritance Tax:

Statistical Report for Tax Years

2015–2017



Office of Revenue and Economic Analysis

July 28, 2021

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Introduction

This report provides statistical information to the public based on the Transfer Inheritance Tax returns (IT-R) filed during tax years 2015, 2016, and 2017. The data are gathered from New Jersey's IT-R as submitted to the Department of the Treasury.^{(1), (2), (3)}

The Transfer Inheritance Tax is a transfer tax imposed on property that is valued at \$500 or more, and that passes from a decedent to the decedent's beneficiary. The tax rate ranges from 11% to 16%, and is imposed based upon the relationship between the decedent and the heir. The executor, administrator or beneficiary of an estate has eight months following the date of the decedent's death to file an IT-R (if required), and to pay the tax due, if any.

The body of the report is made up of nine (9) tables, providing information recorded on the Transfer Inheritance Tax form aggregated by: gross estate by component: beneficiaries by class and estate amounts: annual tax returns and tax assessed: monthly tax returns and tax assessed; and tax assessed by county, gross estate by size, and filing class. The report also includes two appendices that show Estate Tax historical revenue, table ten (10), and IT-R form.

New Jersey resident decedents are the focus of the report because they account for about 98% of the IT-R returns and 99% of the revenue collected. Key results from resident returns are:

- **Gross Estate** — The gross estate is comprised of all domiciled decedent's assets held in the estate. Taxpayers reported **\$6.1 billion** of gross estate in tax year 2015, **\$5.4 billion** in 2016, and **\$6.3 billion** in 2017.
- **Components of the Gross Estate** — The components of the gross estate refer to all classes of assets, which include real property (New Jersey only), closely-held businesses, all other personal property and transfers. In tax year 2017, real property was **\$1.1 billion** of the residents' gross estate, similar to 2015 and 2016. Closely-held businesses were **\$244.2 million**, lower than in 2015 but higher than in 2016. All other personal property contributed **\$4.4 billion**, much higher than in the previous two years. Transfers generated **\$536.6 million**, similar to 2015 but lower than in 2016.
- **Net Estate** — The net estate is calculated after deductions from the gross estate. Deductions may include funeral expenses, estate administration, and debts. For the tax years 2015 to 2017, the net estate was about **\$5.7 billion**, **\$5 billion**, **\$6.0 billion**.

⁽¹⁾ New Jersey Inheritance and Estate Tax webpage: <https://www.state.nj.us/treasury/taxation/inheritance-estate/inheritance.shtml>. Please note that the report includes tax assessed as opposed to revenue collections.

⁽²⁾ This report does not include Estate Tax statistics. Until January 1, 2018, New Jersey imposed an Estate Tax. The Estate Tax was imposed on an estate above \$675,000 until 2016, then it increased to \$2 million in 2017. New Jersey imposed both Inheritance Tax and Estate Tax, but only the higher of the two was paid.

⁽³⁾ Please note that all the tables in this report reflect the period from January to December.

• **Total Estate** – Total estate is the amount available for distribution to beneficiaries after contingent amounts are excluded from the net estate. The contingent amount is that portion of an estate the eventual disposition of which is dependent upon future events. The tax on this amount therefore can't be definitely determined as of the date of death. The total estate was **\$5.6 billion** in tax year 2015, **\$4.9 billion** in 2016, and **\$5.8 billion** in 2017.

• **Taxable Estate** – This is the amount of the total estate subject to "direct" tax, net of all exemptions. Taxable estate removes all reported property passing to exempt beneficiaries (Class A and Class E) and the first \$25,000 passing to each Class C. The total taxable estate was between **\$2.3 billion** and about **\$2.5 billion** for tax years 2015 to 2017.

• **Tax Assessed** – tax assessed was **\$345 million** in tax year 2015, **\$339 million** in 2016, and **\$360 million** in 2017.

• **Class C and Class D** – The only two taxable classes of beneficiaries, Class C contributes **21%** of the total tax collected, and Class D remits **79%**. Class C includes siblings and step-siblings, and Class D incorporates nephews, nieces, and non-relatives. Other relatives such as spouses and children are exempt from the tax.

Gross Estate by Component (Tables 1-3)

The first four lines of the IT-R form include components of the gross estate (line 5): (1) real property, (2) closely-held businesses, (3) all other personal property, and (4) transfers.

"Real property" means land and/or physical buildings that are permanent structures attached to land. "Closely-held businesses" include LLCs, private corporations, partnerships, joint ventures, and sole proprietorships. "All other property" comprises intangible property such as bank accounts, stocks, and cash, as well as tangible personal property such as automobiles, boats, collections, and furniture. "Transfers" incorporate any assets transferred within three years prior to death, individual retirement accounts, pensions and annuities payable on death (New Jersey State pensions are exempt), and life insurance policies if paid to the estate .

Table 1 shows gross estate by component and how each component contributes to the gross estate from tax years 2015 to 2017. Table 2 shows the year-over-year percentage growth by component.

Tables 1 and 2 also include deductions (line 6), net estate (line 7), and contingent amounts (line 8). Deductions are permitted for funeral expenses, estate administration, and debts.

Table 3 shows percentage shares of gross estate by component, including deductions.

Table 1. N.J. IT-R Estate by Component

Tax Year	2015	2016	2017
Real Property (\$000s) ⁽¹⁾	\$1,060,028	\$1,043,270	\$1,123,070
Closely-Held Businesses (\$000s) ⁽²⁾	\$583,166	\$190,153	\$244,188
All Other Personal Property (\$000s)	\$3,921,181	\$3,565,488	\$4,428,897
Transfers (\$000s) ⁽⁴⁾	\$531,206	\$600,845	\$536,607
Gross Estate (\$000s) ⁽⁵⁾	\$6,095,580	\$5,399,756	\$6,332,762
Deductions (\$000s) ⁽⁶⁾	\$413,293	\$418,423	\$403,304
Net Estate (\$000s) ⁽⁷⁾	\$5,689,383	\$4,991,224	\$5,954,609
Contingent Amount (\$000s) ⁽⁸⁾	\$110,395	\$102,239	\$202,572

⁽¹⁾ From line 1, "Real Property."

⁽²⁾ From line 2, "Closely-Held Businesses."

⁽³⁾ From line 3, "All Other Personal Property."

⁽⁴⁾ From line 4, "Transfers."

⁽⁵⁾ From line 5, "Gross Estate."

⁽⁶⁾ From line 6, "Deductions."

⁽⁷⁾ From line 7, "Net Estate."

⁽⁸⁾ From line 8, "Contingent Amount."

Table 2. N.J. IT-R Estate by Component, Year-Over-Year Percentage Change

Tax Year	2015	2016	2017
Real Property ⁽¹⁾	1%	-2%	8%
Closely-Held Businesses ⁽²⁾	54%	-67%	28%
All Other Personal Property ⁽³⁾	-28%	-9%	24%
Transfers ⁽⁴⁾	-35%	13%	-11%
Gross Estate ⁽⁵⁾	-21%	-11%	17%
Deductions ⁽⁶⁾	-23%	1%	-4%
Net Estate ⁽⁷⁾	-21%	-12%	19%
Contingent Amount ⁽⁸⁾	-41%	-7%	98%

⁽¹⁾ From line 1, "Real Property."

⁽²⁾ From line 2, "Closely-Held Businesses."

⁽³⁾ From line 3, "All Other Personal Property."

⁽⁴⁾ From line 4, "Transfers."

⁽⁵⁾ From line 5, "Gross Estate."

⁽⁶⁾ From line 6, "Deductions."

⁽⁷⁾ From line 7, "Net Estate."

⁽⁸⁾ From line 8, "Contingent Amount."

Table 3. N.J. IT-R Percentage Share of Gross Estate

Tax Year	2015	2016	2017
Real Property ⁽¹⁾	17%	19%	18%
Closely-Held Businesses ⁽²⁾	10%	4%	4%
All Other Personal Property ⁽³⁾	64%	66%	70%
Transfers ⁽⁴⁾	9%	11%	8%
Gross Estate ⁽⁵⁾	100%	100%	100%
Deductions ⁽⁶⁾	-7%	-8%	-6%

⁽¹⁾ From line 1, "Real Property."

⁽²⁾ From line 2, "Closely-Held Businesses."

⁽³⁾ From line 3, "All Other Personal Property."

⁽⁴⁾ From line 4, "Transfers."

⁽⁵⁾ From line 5, "Gross Estate."

⁽⁶⁾ From line 6, "Deductions."

Beneficiaries by Class and Estate Amounts (Table 4)

Table 4 shows the number of beneficiaries by Class (lines 10 to 14) for tax years 2015 to 2017. It also shows total estate (after deductions and contingent amounts, the contingent amounts are specified by the New Jersey's Division of Taxation), the exempt amount, taxable estate (total estate minus exempt amount), and the taxable estate's percentage share of the total estate (lines 10 to 14).

Table 4. N.J. IT-R Beneficiaries and Estate Amounts: Number of Beneficiaries, Total Estate, Exempt Amount, Taxable Estate, Taxable Estate's Percentage Share of Total Estate

Tax Year	2015	2016	2017
Total Number of Beneficiaries ⁽¹⁾	29,248	27,941	28,343
Number of Beneficiaries - Class A ⁽²⁾	6,863	6,328	7,689
Number of Beneficiaries - Class C ⁽³⁾	3,345	3,427	3,496
Number of Beneficiaries - Class D ⁽⁴⁾	16,067	14,512	14,411
Number of Beneficiaries - Class E ⁽⁵⁾	2,973	3,674	2,747
Total Estate (\$000s) ⁽⁶⁾	\$5,585,727	\$4,887,616	\$5,756,553
Exempt (\$000s) ⁽⁷⁾	\$3,221,072	\$2,548,696	\$3,306,558
Taxable Estate (\$000s) ⁽⁸⁾	\$2,364,655	\$2,338,921	\$2,449,995
Taxable Estate's Share of Total Estate (\$000s) ⁽⁹⁾	42%	48%	43%

⁽¹⁾ From lines 10 to 14, "Number of Beneficiaries."

⁽²⁾ From lines 10 and 11, "A (Spouse/Civil Union Partner), and A (Other)."

⁽³⁾ From line 12, "C."

⁽⁴⁾ From line 13, "D."

⁽⁵⁾ From line 14, "E."

⁽⁶⁾ From lines 10 to 14, "Total."

⁽⁷⁾ From lines 10 to 14, "Exempt."

⁽⁸⁾ From lines 10 to 14, "Taxable."

⁽⁹⁾ Dividing taxable estate by total estate gives the percentage share of total estate.

Annual Tax Returns and Tax Assessed (Table 5)

Table 5 shows yearly tax returns and tax assessed (line 19) data for tax years 2015 to 2017. It also contains the year-over-year percentage growth of returns and tax assessed, and the average assessment.

Table 5. N.J. IT-R Yearly Data: Number of Returns, Year-Over-Year Percentage Change of Returns, Tax Assessed, Year-over-Year Percentage Change of Tax Assessed, Average Assessment

Tax Year	Number of Returns	Year-Over-Year	Tax Assessed (\$000s) ⁽¹⁾	Year-Over-Year	Average Assessment (\$000s) ⁽²⁾
	(1)	(2)	(3)	(4)	(5)
2015	5,969	-4%	\$344,931	-1%	\$58
2016	5,758	-4%	\$338,568	-2%	\$59
2017	6,092	6%	\$360,023	6%	\$59

⁽¹⁾ From line 19, "Total Amount Due."

⁽²⁾ Dividing Column 3 by Column 1 gives the average assessment.

Monthly Tax Returns and Tax Assessed (Table 6)

Table 6 shows monthly tax returns and tax assessed for tax years 2015 to 2017, the number of returns, percentage share of the total returns, tax assessed, percentage share of the tax assessed, and the average assessment.

Table 6. IT-R Monthly Data: Number of Returns, Percentage Share of Returns, Tax Assessed, Percentage Share of Total Tax Assessed and Average Assessment

Monthly Data	Number of Returns ⁽¹⁾	Share of Returns ⁽²⁾	Tax Assessed (\$000s) ⁽³⁾	Share of Tax Assessed ⁽⁴⁾	Average Assessment (\$000s) ⁽⁵⁾
2015	(1)	(2)	(3)	(4)	(5)
Total.....	5,969	100%	\$344,931	100%	\$58
January.....	445	7%	\$26,506	8%	\$60
February.....	469	8%	\$23,820	7%	\$51
March.....	476	8%	\$31,387	9%	\$66
April.....	427	7%	\$26,263	8%	\$62
May.....	454	8%	\$21,550	6%	\$47
June.....	523	9%	\$26,991	8%	\$52
July.....	507	8%	\$30,706	9%	\$61
August.....	545	9%	\$34,212	10%	\$63
September.....	498	8%	\$30,948	9%	\$62
October.....	583	10%	\$30,800	9%	\$53
November.....	563	9%	\$32,439	9%	\$58
December.....	479	8%	\$29,308	8%	\$61
2016					
Total.....	5,758	100%	\$338,568	100%	\$59
January.....	432	8%	\$27,304	8%	\$63
February.....	419	7%	\$22,333	7%	\$53
March.....	493	9%	\$23,359	7%	\$47
April.....	385	7%	\$31,547	9%	\$82
May.....	553	10%	\$28,905	9%	\$52
June.....	539	9%	\$31,543	9%	\$59
July.....	488	8%	\$26,654	8%	\$55
August.....	508	9%	\$33,531	10%	\$66
September.....	462	8%	\$24,184	7%	\$52
October.....	502	9%	\$33,258	10%	\$66
November.....	507	9%	\$31,100	9%	\$61
December.....	470	8%	\$24,850	7%	\$53
2017					
Total.....	6,092	100%	\$360,023	100%	\$59
January.....	462	8%	\$23,726	7%	\$51
February.....	474	8%	\$37,574	10%	\$79
March.....	450	7%	\$23,669	7%	\$53
April.....	472	8%	\$24,839	7%	\$53
May.....	487	8%	\$24,253	7%	\$50
June.....	549	9%	\$31,451	9%	\$57
July.....	485	8%	\$33,874	9%	\$70
August.....	550	9%	\$27,274	8%	\$50
September.....	502	8%	\$24,828	7%	\$49
October.....	606	10%	\$35,737	10%	\$59
November.....	533	9%	\$44,606	12%	\$84
December.....	522	9%	\$28,192	8%	\$54

⁽¹⁾ Number of returns filed.

⁽²⁾ Percentage share of total returns calculated by dividing the monthly number of returns by total number of returns.

⁽³⁾ From line 19, "Total Amount Due."

⁽⁴⁾ Percentage share of tax assessed calculated by dividing the monthly tax assessed by total tax assessed.

⁽⁵⁾ Dividing Column 3 by Column 1 gives the average assessment.

Tax Assessed by County (Table 7)

Table 7 shows tax assessed by county for tax years 2015 through 2017, and each county's percentage share of the tax assessed.

Table 7. IT-R Tax Assessed by County: Tax Assessed, Percentage Share of Tax Assessed

County	2015 (\$000s) ⁽¹⁾	Share of Tax Assessed ⁽²⁾	2016 (\$000s) ⁽³⁾	Share of Tax Assessed ⁽⁴⁾	2017 (\$000s) ⁽⁵⁾	Share of Tax Assessed ⁽⁶⁾
	(1)	(2)	(3)	(4)	(5)	(6)
Total	\$344,931	100%	\$338,568	100%	\$360,023	100%
Atlantic County	\$8,460	2%	\$8,171	2%	\$6,325	2%
Bergen County	\$52,342	15%	\$46,435	14%	\$45,313	13%
Burlington County	\$11,707	3%	\$14,653	4%	\$14,843	4%
Camden County	\$12,333	4%	\$14,357	4%	\$13,987	4%
Cape May County	\$7,539	2%	\$6,662	2%	\$6,764	2%
Cumberland County	\$3,741	1%	\$4,508	1%	\$4,350	1%
Essex County	\$21,742	6%	\$30,281	9%	\$36,912	10%
Gloucester County	\$6,847	2%	\$6,577	2%	\$8,241	2%
Hudson County	\$17,758	5%	\$14,538	4%	\$16,963	5%
Hunterdon County	\$6,362	2%	\$7,193	2%	\$12,271	3%
Mercer County	\$13,795	4%	\$10,333	3%	\$12,966	4%
Middlesex County	\$26,472	8%	\$23,726	7%	\$22,792	6%
Monmouth County	\$28,604	8%	\$33,055	10%	\$29,186	8%
Morris County	\$23,050	7%	\$20,376	6%	\$25,916	7%
Ocean County	\$34,345	10%	\$32,215	10%	\$26,835	7%
Passaic County	\$14,901	4%	\$13,496	4%	\$18,485	5%
Salem County	\$5,685	2%	\$3,112	1%	\$3,410	1%
Somerset County	\$17,229	5%	\$17,176	5%	\$24,240	7%
Sussex County	\$5,925	2%	\$5,116	2%	\$5,166	1%
Union County	\$20,793	6%	\$20,664	6%	\$18,918	5%
Warren County	\$5,300	2%	\$5,923	2%	\$6,142	2%

⁽¹⁾ From line 19, "Total Amount Due."

⁽²⁾ Percentage share of tax assessed was calculated by dividing county tax assessed by total tax assessed.

⁽³⁾ From line 19, "Total Amount Due."

⁽⁴⁾ Percentage share of tax assessed was calculated by dividing county tax assessed by total tax assessed.

⁽⁵⁾ From line 19, "Total Amount Due."

⁽⁶⁾ Percentage share of tax assessed was calculated by dividing county tax assessed by total tax assessed.

The Gross Estate by Size (Table 8)

Table 8 shows the gross estate by size,⁽³⁾ the number of returns, percentage share of total returns, tax assessed, percentage share of the tax assessed, and the average assessment for the tax years 2015 through 2017. Note that the total number of returns includes certain non-taxable returns (Class A and Class E) that are required to file returns for verification purposes.

⁽³⁾ The Gross Estate's size represents the Date of Death value for all the estate assets, regardless of when the return is filed. The IT-R and tax are due within eight months of the decedent's death.

Table 8. IT-R Returns Gross Estate by Size: Number of Returns, Percentage Share of Returns, Tax Assessed, Percentage Share of Tax Assessed, Average Assessment

Gross Estate by Size	Number of Returns ⁽¹⁾	Share of Returns ⁽²⁾	Tax Assessed (\$000s) ⁽³⁾	Share of Tax Assessed ⁽⁴⁾	Average Assessment (\$000s) ⁽⁵⁾
2015	(1)	(2)	(3)	(4)	(5)
Total.....	5,969	100%	\$344,931	100%	\$58
at most \$675,000.....	3,952	66%	\$73,090	21%	\$18
\$675,000 below \$1,000,000.....	646	11%	\$38,621	11%	\$60
\$1,000,000 below \$2,500,000....	955	16%	\$114,252	33%	\$120
\$2,500,000 below \$5,000,000....	271	5%	\$63,295	18%	\$234
\$5,000,000 below \$10,000,000.	94	2%	\$31,901	9%	\$339
At Least \$10,000,000.....	51	1%	\$23,771	7%	\$466
2016					
Total.....	5,758	100%	\$338,568	100%	\$59
at most \$675,000.....	3,837	67%	\$70,710	21%	\$18
\$675,000 below \$1,000,000.....	605	11%	\$40,029	12%	\$66
\$1,000,000 below \$2,500,000....	938	16%	\$113,975	34%	\$122
\$2,500,000 below \$5,000,000....	258	4%	\$64,956	19%	\$252
\$5,000,000 below \$10,000,000.	84	1%	\$27,991	8%	\$333
At Least \$10,000,000.....	36	1%	\$20,908	6%	\$581
2017					
Total.....	6,092	100%	\$360,023	100%	\$59
at most \$675,000.....	3,706	61%	\$68,908	19%	\$19
\$675,000 below \$1,000,000.....	770	13%	\$44,553	12%	\$58
\$1,000,000 below \$2,500,000....	1,185	19%	\$110,631	31%	\$93
\$2,500,000 below \$5,000,000....	279	5%	\$62,577	17%	\$224
\$5,000,000 below \$10,000,000.	104	2%	\$34,115	9%	\$328
At Least \$10,000,000.....	48	1%	\$39,239	11%	\$817

⁽¹⁾ Number of returns filed.

⁽²⁾ Percentage share of total returns calculated by dividing the size of a gross estate's number of returns by total number of returns.

⁽³⁾ From line 19, "Total Amount Due."

⁽⁴⁾ Percentage share of total tax assessed calculated by dividing the size of gross estate's tax assessed by total tax assessed.

⁽⁵⁾ Dividing Column 3 by Column 1 gives the average assessment.

Filing Class (Table 9)

New Jersey imposes Transfer Inheritance Tax on certain beneficiaries. The current tax rate ranges from 11% to 16%. The rate depends on the beneficiary's class and the amount inherited. The statute defines five classes of beneficiary based upon their relationship to the decedent.

The five classes are A, B, C, D, and E:

- Class A includes spouses of the decedent, civil union partners, domestic partners, parents, children (and all lineal descendants), stepchildren, and mutually acknowledged children;
- Class B, charitable organizations, was eliminated in 1963 and re-designated as Class E;
- Class C includes siblings of the deceased, half-siblings, and children-in-law;
- Class D consists of those that are not classified as A, C, or E, such as nieces and nephews of the decedent, as well as non-relatives;
- Class E includes the State of New Jersey, and its political subdivisions, educational and medical establishments, religious institutions, qualified charitable organizations, and non-profit benevolent or scientific institutions.

Inheritance Tax revenue is generated from Class C (line 12) and Class D (line 13) beneficiaries. Class C beneficiaries are subject to a graduated rate from 11% to 16%. The first \$25,000 of each Class C's inheritance is exempt from tax, with the next \$1,075,000 subject to 11% tax, the next \$300,000 subject to 13%, the next \$300,000 subject to 14%, and amounts over \$1.7 million are subject to 16% tax. The Class D tax rate is 15% on an inheritance of up to \$700,000, then 16% on any amount over \$700,000.

Table 9 shows the number of returns for Class C and Class D for the tax years 2015 to 2017, the percentage share of total returns, tax assessed, percentage share of tax assessed, and the average assessment.

Table 9 reflects the number of returns that are subject to the Transfer Inheritance Tax. While tables 5, 6 and 7 show the total number of returns, including returns exempt from the tax, table 9 reflects the number of returns that file and pay Transfer Inheritance Tax. Also, note that some returns have both Class C and Class D beneficiaries, so there is an overlap in the number of Class C, and Class D returns.⁽⁴⁾

⁽⁴⁾ Typically, approximately 15% of taxable Transfer Inheritance Tax returns have both class C and Class D. Additionally, Class C has to file a tax return even if the inheritance is less than the exempt amount of \$25,000.

Table 9. N.J. IT-R by Class C and Class D: Number of Returns, Percentage Share of Returns, Tax Assessed, Percentage Share of Tax Assessed, Average Assessment

Tax Assessed by Class	Number of Returns ⁽¹⁾	Share of Returns ⁽²⁾	Tax Assessed (\$000s) ⁽³⁾	Share of Tax Assessed ⁽⁴⁾	Average Assessment (\$000s) ⁽⁵⁾
	(1)	(2)	(3)	(4)	(5)
2015					
Total	5,255	100%	\$337,673	100%	\$64
Class C	1,602	30%	\$74,956	22%	\$47
Class D	3,653	70%	\$262,717	78%	\$72
2016					
Total	5,152	100%	\$332,124	100%	\$64
Class C	1,615	31%	\$70,921	21%	\$44
Class D	3,537	69%	\$261,203	79%	\$74
2017					
Total	5,156	100%	\$350,818	100%	\$68
Class C	1,645	32%	\$75,222	21%	\$46
Class D	3,511	68%	\$275,597	79%	\$78

⁽¹⁾ Number of returns filed. Note that some returns have Class C and Class D, so there is an overlap in the total number of returns.

⁽²⁾ Percentage share of total returns calculated by dividing the Class's number of returns by total number of returns.

⁽³⁾ From line 12, "Class C" and line 13 "Class D."

⁽⁴⁾ Percentage share of total tax assessed calculated by dividing the Class's tax assessed by total tax assessed.

⁽⁵⁾ Dividing Column 3 by Column 1 gives the average assessment.

Appendix 1: Table 10 Historical Revenue Data by Fiscal Year

Table 10. N.J. IT-R Yearly Data: Total Fiscal Year Revenue, Year-over-Year Percentage Change of Total Revenue

Fiscal Year	Revenue (\$000s)	Year-Over-Year
1991	\$217,209	
1992	\$211,086	-3%
1993	\$209,633	-1%
1994	\$220,672	5%
1995	\$198,584	-10%
1996	\$222,971	12%
1997	\$202,509	-9%
1998	\$244,153	21%
1999	\$252,820	4%
2000	\$280,959	11%
2001	\$300,551	7%
2002	\$307,616	2%
2003	\$271,125	-12%
2004	\$313,997	16%
2005	\$313,481	0%
2006	\$318,722	2%
2007	\$320,368	1%
2008	\$324,567	1%
2009	\$337,542	4%
2010	\$283,306	-16%
2011	\$293,304	4%
2012	\$308,657	5%
2013	\$276,494	-10%
2014	\$343,852	24%
2015	\$319,110	-7%
2016	\$334,150	5%
2017	\$352,426	5%

Source: New Jersey Division of Taxation

Appendix 2: IT-R Form

IT-R

Inheritance Tax
Resident Return
(9-11)



Transfer Inheritance And Estate Tax

New Jersey Division of Taxation
PO Box 249
Trenton, New Jersey 08695-0249

(609) 292-5033

INTRODUCTION
NEW JERSEY TRANSFER INHERITANCE TAX - ESTATE TAX

GENERAL

New Jersey has had a Transfer Inheritance Tax since 1892 when a 5% tax was imposed on property transferred from a decedent to a beneficiary. Currently, the law imposes a graduated Transfer Inheritance Tax ranging from 11% to 16% on the transfer of real and personal property with a value of \$500.00 or more to certain beneficiaries.

The Transfer Inheritance Tax recognizes five beneficiary classes, as follows:

Class "A" - Father, mother, grandparents, spouse/civil union partner (after 2/19/07), domestic partner (after 7/10/04), child or children of the decedent, adopted child or children of the decedent, issue of any child or legally adopted child of the decedent, and step-child of the decedent.

Class "B" - Eliminated by statute effective July 1, 1963.

Class "C" - Brother or sister of the decedent, including half brother and half sister, wife/civil union partner (after 2/19/07) or widow/surviving civil union partner (after 2/19/07) of a son of the decedent, or husband/civil union partner (after 2/19/07) or widower/surviving civil union partner (after 2/19/07) of a daughter of the decedent.

Class "D" - Every other transferee, distributee or beneficiary who is not included in Classes "A", "C" or "E".

Class "E" - The State of New Jersey or any political subdivision thereof, or any educational institution, church, hospital, orphan asylum, public library or Bible and tract society or to, for the use of or in trust for religious, charitable, benevolent, scientific, literary or educational purposes, including any institution instructing the blind in the use of dogs as guides, no part of the net earnings of which inures to the benefit of any private stockholder or other individual or corporation; provided, that the exemption does not extend to transfers of property to such educational institutions and organizations of other states, the District of Columbia, territories and foreign countries which do not grant an equal, and like exemption on transfers of property for the benefit of such institutions and organizations of this State.

NOTES: If any beneficiary is claimed to be the mutually acknowledged child of the decedent, said claim should be set forth in the detailed manner prescribed under N.J.A.C. 18:26-2.6.

For the purposes of the New Jersey Transfer Inheritance Tax an adopted child is accorded the same status as a natural child and, therefore, his relations are treated in the same manner as those of a natural child. (i.e. if the decedent's adopted son marries/enters into a civil union, his spouse/civil union partner is "the wife/civil union partner of a son of the decedent" and therefore a class "C" beneficiary).

The offspring of a biological parent conceived by the artificial insemination of that parent who is a partner in a civil union is presumed to be the child of the non-biological partner. In the Matter of the Parentage of the Child of Kimberly Robinson, 383 N.J. Super. 165; 890 A.2d 1036 (Ch. Div. 2005) (Non-biological parent of New York registered domestic partnership recognized in New Jersey, presumed to be the biological parent of child conceived by the other partner through artificial insemination where the non-biological partner has "show[n] indicia of commitment to be a spouse and to be a parent to the child.").

A devise of real property to a husband and wife/civil union partner as "tenants by the entirety" provides each with a vested life estate, the remainder being contingent. See N.J.A.C. 18:26-8.12.

The issue of stepchildren ARE Class "D" (NOT Class "A") beneficiaries.

The following ARE Class "D" (NOT Class "C") beneficiaries: stepbrother or stepsister of the decedent, husband/wife/civil union partner/domestic partner or widow/widower/surviving civil union partner/surviving domestic partner of a stepchild or mutually acknowledged child of the decedent.

The fact that a beneficiary may be considered "nonprofit" by the Internal Revenue Service does not necessarily mean that it qualifies for exemption as a Class "E" beneficiary since the criteria are different.

TAX RATES

Each class of beneficiary has its own separate tax rate. See the Rate Schedule on Page 4.

EXEMPTIONS

1. The transfer of real and personal property in this State held by a husband and wife/civil union couple as "tenants by the entirety" to the surviving spouse/civil union partner is not taxable for New Jersey Inheritance Tax purposes.
2. The transfer of intangible personal property such as stocks, bonds, corporate securities, bank deposits and mortgages owned by a nonresident decedent is not subject to the New Jersey Inheritance Tax.
3. Any sum recovered under the New Jersey Death Act as compensation for wrongful death of a decedent is not subject to the New Jersey Inheritance Tax except as provided below:
 - a. Any sum recovered under the New Jersey Death Act representing damages sustained by a decedent between the date of injury and date of death, such as the expenses of care, nursing, medical attendance, hospital and other charges incident to the injury, including loss of earnings and pain and suffering are to be included in the decedent's estate.
 - b. Where an action is instituted under the New Jersey Death Act and terminates through the settlement by a compromise payment without designating the amount to be paid under each count, the amount which must be included in the inheritance tax return is an amount, to the extent recovered, which is equal to specific expenses related to the injury. These expenses are similar to those mentioned in sections a. above and include funeral expenses, hospitalization and medical expenses, and other expenses incident to the injury. Any amount which is recovered in excess of these expenses is considered to be exempt from the tax.
4. The proceeds of any contract of insurance insuring the life of a resident or nonresident decedent paid or payable, by reason of the death of such decedent, to one or more named beneficiaries other than the estate, executor or administrator of such decedent are exempt for New Jersey Inheritance Tax purposes.

5. The transfer of property to a beneficiary or beneficiaries of a trust created during the lifetime of a resident or nonresident decedent, to the extent such property results from the proceeds of any contract of insurance, insuring the life of such decedent and paid or payable to a trustee or trustees of such decedent by reason of the death of such decedent, is exempt from the New Jersey Inheritance Tax irrespective of whether such beneficiary or beneficiaries have a present, future, vested, contingent or defeasible interest in such trust.
6. The transfer of life insurance proceeds insuring the life of a resident or nonresident decedent, paid or payable by reason of the death of such decedent to a trustee or trustees of a trust created by such decedent during his lifetime for the benefit of one or more beneficiaries irrespective of whether such beneficiaries have a present, future, vested, contingent or defeasible interest in such trust, is exempt from the New Jersey Inheritance Tax.
7. The transfer, relinquishment, surrender or exercise at any time or times by a resident or nonresident of this State, of any right to nominate or change the beneficiary or beneficiaries of any contract of insurance insuring the life of such resident or nonresident, regardless of when such transfer, relinquishment, surrender or exercise of such right occurred, is exempt from the tax.
8. Any amount recovered (under the Federal Liability for Injuries to Employees Act) for injuries to a decedent by the personal representative for the benefit of the classes of beneficiaries designated in that Statute, whether for the pecuniary loss sustained by such beneficiaries as a result of the wrongful death of the decedent or for the loss and suffering by the decedent while he lived, or both is not subject to the Inheritance Tax.

Any amount recovered by the legal representatives of any decedent by reason of any war risk insurance certificate or policy, either term or converted, or any adjusted service certificate issued by the United States, whether received directly from the United States or through any intervening estate or estates, is exempt from the New Jersey Inheritance Tax.

This exemption does not entitle any person to a refund of any tax heretofore paid on the transfer of property of the nature aforementioned; and does not extend to that part of the estate of any decedent composed of property, when such property was received by the decedent before death.

9. The proceeds of any pension, annuity, retirement allowance, return of contributions or benefit payable by the Government of the United States pursuant to the Civil Service Retirement Act, Retired Serviceman's Family Protection Plan and the Survivor Benefit Plan to a beneficiary or beneficiaries other than the estate or the executor or administrator of a decedent are exempt.
10. All payments at death under the Teachers Pension and Annuity Fund, the Public Employees' Retirement System for New Jersey, and the Police and Firemen's Retirement System of New Jersey, and such other State, county and municipal systems as may have a tax exemption clause as broad as that of the three major State systems aforementioned, whether such payments either before or after retirement are made on death to

the employee's estate or to his specifically designated beneficiary, are exempt from the New Jersey Inheritance Tax.

The benefit payable under the supplementary annuity plan of the State of New Jersey is not considered a benefit of the Public Employee's Retirement System and is taxable whether paid to a designated beneficiary or to the estate.

The death benefits paid by the Social Security Administration or railroad Retirement Board to the spouse of a decedent are also exempt. For purposes of filing a return these amounts need not be reported nor are they to be deducted from the amount claimed as a deduction for funeral expenses.

In all other cases the death benefit involved should either be reported as an asset of the estate or deducted from the amount claimed for funeral expenses.

11. Other pensions. An exemption is provided for payments from any pension, annuity, retirement allowance or return of contributions, which is a direct result of the decedent's employment under a qualified plan as defined by section 401(a), (b), and (c) or 2039(c) of the Internal Revenue Code, which is payable to a surviving spouse or domestic partner.
12. No Fault Insurance. The amount payable by reason of medical expenses incurred as a result of personal injury to the decedent should be reflected by reducing the amount claimed for medical expenses as a result of the accident.

The amount payable at the death of an income producer as a result of injuries sustained in an accident, which are paid to the estate of the income producer, is reportable for taxation. In all other instances this amount is exempt.

The amount paid at death to any person under the essential services benefits section is exempt from taxation.

The claim for funeral expense is to be reduced by the amount paid under the funeral expenses benefits section of the law.

SAFE DEPOSIT BOXES

Safe deposit boxes are no longer inventoried by the New Jersey Division of Taxation. On September 30, 1992, the Division issued a blanket release in the form of a letter from the Director, Division of Taxation, to all banking institutions, safe deposit companies, trust companies, and other institutions which serve as custodians of safe deposit boxes. The contents of the boxes may be released without inspection by the Division.

WHERE TO FILE

All returns except the L-8 are to be filed with the New Jersey Division of Taxation, Individual Tax Audit Branch, Transfer Inheritance and Estate Tax, 50 Barrack Street, PO Box 249, Trenton, New Jersey 08695-0249.

WHEN TAX RETURNS ARE DUE

A Transfer Inheritance Tax Return must be filed and the tax paid on the transfer of real and personal property within eight months after the death of either:

A RESIDENT decedent for the transfer of real or tangible personal property located in New Jersey or intangible personal property wherever situated, or

A NONRESIDENT decedent for the transfer of real or tangible personal property located in New Jersey. No tax is imposed on nonresident decedents for real property located outside of New Jersey and intangible personal property wherever situated.

The return must be filed whenever any tax is due or a waiver is needed. The tax is a lien on all property for fifteen years unless paid sooner or secured by an acceptable bond. Interest accrues on unpaid taxes at the rate of 10% per annum.

For EXEMPTIONS see the heading "EXCEPTIONS" below.

AMENDMENTS TO AN ORIGINAL RETURN

In the case of both resident and non-resident estates, any assets and/or liabilities not disclosed in the original return and all supplemental data requested by the Division is to be filed in affidavit form and attested to by the duly authorized statutory representative of the estate, next of kin, or beneficiary certifying in detail a description of the asset, real or personal and/or the liability and the reasons for failure to disclose same in the original return and filed directly with the NJ Transfer Inheritance.

ESTATE TAX

In addition to the inheritance tax, the State of New Jersey imposes an estate tax on the estate of certain resident decedents. Even estates that are partially or fully exempt from the inheritance tax may be subject to the New Jersey Estate Tax.

A New Jersey Estate Tax Return must be filed when the gross estate plus adjusted taxable gifts as determined in accordance with the provisions of the Internal Revenue Code in effect on December 31, 2001, exceeds \$675,000.

The law requires that a copy of the Federal Estate Tax return be filed with the Division within thirty days after the filing of the original with the Federal Government. Also, the Division must be supplied with copies of all communications from the Federal Government making final changes or confirming, increasing or decreasing the tax shown to be due. Instructions are contained in form IT-Estate.

WAIVERS

Bank accounts, certificates of deposit etc., in the name of, or belonging to a RESIDENT decedent, in financial institutions located in this state, cannot be transferred without the written consent of the Division of Taxation. This consent is referred to as a WAIVER.

Stocks and bonds etc., in the name of, or belonging to a RESIDENT decedent, of corporations organized under the laws of this state are subject to the same waiver requirements.

Real property, located in New Jersey, in the name of, or belonging to a RESIDENT or a NON-RESIDENT decedent is subject to the same waiver requirements, however, real property held by a husband and wife/civil union couple as "tenants by the entirety" in the estate of the spouse/civil union partner dying first

need not be reported, regardless of the date of death and waivers are not required.

A membership certificate or stock in a cooperative housing corporation held in the name of the decedent and a surviving spouse/civil union partner or domestic partner as joint tenants with the right of survivorship is exempt, if it entitled them to use it as their principal residence. However a waiver is required for this transfer in the estate of a RESIDENT decedent.

Waivers are not required for automobiles, household goods, personal effects, accrued wages or mortgages, but these items must be reported in the return filed.

EXCEPTIONS

Notwithstanding the waiver provisions above any financial institution may release up to 50% of any bank account, certificate of deposit etc. to the survivor, in the case of a joint account, the executor, administrator or other legal representative of a RESIDENT decedent's estate. This procedure is referred to as a BLANKET WAIVER. This procedure is not available for the transfer of stocks and bonds. For a detailed explanation see N.J.A.C. 18:26-11.16.

A SELF EXECUTING WAIVER, FORM L-8, has been created for Class "A" beneficiaries in the estates of RESIDENT decedents.

Use of this form MAY eliminate the need to file a formal Inheritance Tax return. Your attention is directed to the instructions contained in the body of the L-8, a copy of which is included in this booklet. (Not included in IT-R Schedule Booklet.)

This form is to be filed with the financial institution which will then be authorized to release the subject asset without the necessity of receiving a waiver from the Division. DO NOT file this form with the Division.

A REQUEST FOR A REAL PROPERTY TAX WAIVER, FORM L-9, has been created for Class "A" beneficiaries in the estates of RESIDENT decedents. This form may be used in two instances where property passes to class "A" beneficiaries.

Use of this form MAY eliminate the need to file a formal Inheritance Tax Return. Your attention is directed to the instructions contained in the body of the L-9.

This form is to be filed directly with the Branch. If the form is in order the necessary waiver/waivers will be promptly issued.

NEITHER THE L-8 NOR THE L-9 may be used where it is claimed that a relationship of mutually acknowledged child exists.

IMPORTANT REMINDERS

- If the decedent died TESTATE you must supply a legible copy of the LAST WILL AND TESTAMENT, all CODICILS thereto and any SEPARATE WRITINGS.
- A copy of the decedent's last full year's FEDERAL INCOME TAX RETURN is required.
- All returns, forms and correspondence must contain the decedent's SOCIAL SECURITY NUMBER.
- PAYMENTS ON ACCOUNT may be made to avoid the accrual of interest. (Form IT-EP)
- If PAYMENTS are not made by CERTIFIED CHECK the issuance of waivers may be delayed.
- All CHECKS should be made payable to NJ INHERITANCE AND ESTATE TAX and sent to the New Jersey Division of Taxation, Individual Tax Audit Branch, Transfer Inheritance and Estate Tax, 50 Barrack Street, PO Box 249, Trenton, NJ 08695-0249.

IT-R

Inheritance Tax
SCHEDULES
(9-11)

SCHEDULES

Transfer Inheritance And Estate Tax

**New Jersey Division of Taxation
PO Box 249
Trenton, New Jersey 08695-0249**

(609) 292-5033

**CLASS "A" TRANSFEREES ARE ENTIRELY EXEMPT
IN ESTATES OF DECEDENTS DYING ON OR AFTER JULY 1, 1988**

**Class "C" TRANSFEREES IN ESTATES OF DECEDENTS
DYING ON OR AFTER 7/1/88**

First	\$ 25,000	Exempt
Next	1,075,000	11%
Next	300,000	13%
Next	300,000	14%
Over	1,700,000	16%

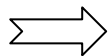
**CLASS "D" TRANSFEREES IN ESTATES OF DECEDENTS
DYING ON OR AFTER 3-29-62**

If less than \$500: no tax If \$500 or more: no exemption		
First	\$700,000	15%
Over	\$700,000	16%

NEW JERSEY INHERITANCE AND ESTATE TAX: RETURN PROCESSING INSTRUCTIONS

Follow these procedures to avoid delays in processing returns, waivers, and refunds:

- DO NOT enclose returns in any kind of BINDER, SEALED FOLDER or NOTEBOOK.
- DO NOT use STAPLES (especially extra-long staples) on the return.
 - It is OK to use rubber bands or clips to keep the file together.
 - Two-hole ATCO fasteners, along the TOP of the return, are also acceptable.
- DO NOT enclose DUPLICATE COPIES of returns or duplicates of other documents.
 - When filing both Inheritance and Estate Tax, include only ONE copy of the will, trusts, income tax return, 706, appraisals, and any other attachments.



A few things to DO:

- STAPLE checks to the completed payment voucher, and put voucher on TOP.
 - *Make sure checks are signed, and made payable to “New Jersey Inheritance and Estate Tax”*
 - *Include the Decedent’s name and SS# on the check.*
- Place the return and schedules on top (if no payment), with the will and other supporting documents beneath.
- Check that returns are SIGNED by the legal representative of the estate and NOTARIZED.
 - *The representative’s name should be printed clearly beneath the signature*
- VERIFY the decedent’s social security number and date of death.
- Make sure the MAILING ADDRESS on the return is correct – and indicates the person who you want to receive ALL correspondence (letters, bills, waivers, etc).
 - The Division cannot correspond with your attorney or CPA unless they are listed on the front page of the return.
- Clearly mark amended returns as “Amended” along the BOTTOM of the return.
- File Inheritance Tax and Estate Tax returns together when possible.
 - Keep the two returns separate within the same envelope or box.
 - Keep in mind the two taxes have separate due dates for payment of the tax.
 - Include separate checks and vouchers for each tax.

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STATE OF NEW JERSEY
Inheritance Tax Return
RESIDENT DECEDENT
 (Instructions on reverse side)

(67) For Division Use Only

Decedent's Name _____ (Last) _____ (First) _____ (Middle) Decedent's S.S. No. _____ / _____ / _____

Date of Death (mm/dd/yy) _____ / _____ / _____ County of Residence _____ Testate Intestate

Authorized Representative Name _____ Daytime Phone () _____
to receive all
correspondence Street _____
 City _____ State _____ Zip Code _____

1. Real Property Total carried forward from - Schedule A	1.	
2. Closely Held "Businesses" Total carried forward from - Schedule B	2.	
3. All Other Personal Property Total carried forward from - Schedule B(1) Recapitulation	3.	
4. Transfers Total carried forward from - Schedule C	4.	
5. Gross Estate Total Lines 1 thru 4	5.	
6. Deductions Total carried forward from - Schedule D	6.	
7. Net Estate Total - Line 5, minus Line 6 (If less than zero enter "0")	7.	
8. Contingent Amount Included in Line 7 (See explanation on reverse side)	8.	

9. Balance of Estate (Line 7, minus Line 8)					9.	
Class	Number of Beneficiaries	Total	Exempt	Taxable		TAX
10. A (Spouse/Civil Union Partner) _____		\$ _____ / _____	\$ _____ / _____	\$ _____ / _____	10.	
11. A (Other) _____		\$ _____ / _____	\$ _____ / _____	\$ _____ / _____	11.	
12. C _____		\$ _____ / _____	\$ _____ / _____	\$ _____ / _____	12.	
13. D _____		\$ _____ / _____	\$ _____ / _____	\$ _____ / _____	13.	
14. E _____		\$ _____ / _____	\$ _____ / _____	\$ _____ / _____	14.	

15. Compromise Tax Due on Line 8 Amount (See explanation on reverse side)	15.	
16. Contingent Tax (See explanation on reverse side)	16.	
17. Total Tax Due (Total - Line 10 thru Line 16)	17.	
18. Interest Due (If applicable) (See explanation on reverse side)	18.	
19. Total Amount Due (Line 17, Plus Line 18)	19.	
20. Payment on Account (If applicable)	20.	
21. If Line 20 (Payments) is LESS THAN Line 19, Enter BALANCE DUE - PAY THIS AMOUNT WITH FORM IT-PMT →	21.	
22. If Line 20 (Payments) is MORE THAN Line 19, Enter REFUND AMOUNT	22.	

23. Are any questions in Schedule "C" answered yes? 23. Yes No
24. Have or will you file or are you required to file a Federal Estate Tax Return? 24. Yes No
25. Has or will any disclaimer been filed? If so, attach copy 25. Yes No
26. If the decedent died after December 31, 2001, did the decedent's taxable estate plus adjusted taxable gifts for Federal estate tax purposes under the provision of the Internal Revenue Code in effect on December 31, 2001 exceed \$675,000? 26. Yes No

If yes, by how much \$ _____.
 Indicate which letters were issued and where issued:
 Letters of Administration Letters Testamentary State of _____ County of _____

SUBMIT A FULL COPY OF THE DECEDENT'S WILL, CODICILS, TRUSTS, AND A COPY OF THE LAST FULL YEAR'S FEDERAL INCOME TAX RETURN.

Affiant says, under penalty of perjury, "I declare that I have examined this return and all accompanying schedules and to the best of my knowledge and belief, it is true, correct and complete." I hereby authorize the party(s) set forth above to act as the estate's representative, to receive confidential information, and to make presentations on behalf of the estate.

Subscribed and sworn before me _____ Signature: _____ (Executor - Administrator - Heir-at-law)
 this _____ day of _____, _____. Print Name: _____
 _____ Address _____
 Official Title (Notarized) _____



INSTRUCTIONS FOR RECITAL PAGE

Lines 8, 15 and 16

In the case of a transfer or transfers made subject to a contingency or condition which renders a definite determination of the Transfer Inheritance Tax due impossible, the Division will suggest a compromise of the tax based upon immediate payment and final disposition of the tax. N.J.A.C. 18:26-2.14, N.J.S.A. 54:36-5 AND 54:36-6.

Therefore, enter on Line 8, the amount of the estate that is "Contingent."

In the event you wish to compute a compromise for the Division's review, you should include a rider setting forth full computations and details and enter the proposed amount on Line 15. Following this procedure may speed the auditing of the decedent's return.

Be advised that where all or any portion of the contingent amount has vested in a beneficiary by reason of the happening of any contingency event, full details should be set forth on a rider, the tax computed on a rider and entered on Line 16.

Line 18

Interest accrues at the rate of 10% per annum on any direct tax or portion thereof not paid within eight months of the decedent's death.

With respect to the payment of the tax due on an executory devise, or a transfer subject to a contingency or power of

appointment, any payment on such a transfer after the expiration of two months from the date the contingency occurs or the property vests, shall bear interest at the rate of 10% per annum from the date the contingency occurs or the property vests, until the date of actual payment.

In any case where a contingent remainder vests in beneficial possession and enjoyment subsequent to the death of the original decedent, but prior to the expiration of the statutory interest period, interest on the contingent tax does not start to accrue until eight months from the date of death of the original decedent.

Line 20

Payments on account may be made at any time to avoid further accrual of interest on the amount paid. In any case where the amount paid on account for New Jersey inheritance taxes exceeds the amount of such tax due after final assessment has been made, the amount so overpaid shall be refunded by the State Treasurer in the due course of business, provided, however, that all applications for a full or partial refund of the payment of the transfer inheritance tax shall be made within three years from the date of such payment. Make checks payable to: NJ Inheritance and Estate Tax, P.O. Box 249, Trenton, New Jersey 08695-0249.

Line 21

When making a payment with the return, complete form IT-PMT and attach check.

Examples of Interest Computations

Date of Death	5-28-90
Interest Date (eight months)	1-28-91

Tax Assessed	\$7,120.48
Interest @ 10% per annum from 1-28-91 to 9-19-91 (\$7,120.48 x 10% x 234/365)	456.49
Total	7,576.97
Payment on Account (9-19-91)	(7,120.48)
Balance Due (plus interest @ 10% per annum from 9-19-91 to date of final payment)	456.49

Date of Death	8-29-90
Interest Date (eight months)	4-29-91

Tax Assessed	\$68,389.70
Payment of Account (4-19-91)	(16,974.56)
Balance	51,415.14
Payment on Account (4-28-91)	(31,927.02)
Balance	19,488.12
Interest @ 10% per annum from 4-29-91 to 5-10-91 (\$19,488.12 x 10% x 11/365)	58.73
Total	19,546.85
Payment on Account (5-10-91)	(27,048.67)
Overpayment (to be refunded)	7,501.82

IT-PMT (10-11)
Transfer Inheritance Tax
PO Box 249
Trenton, NJ 08695-0249

STATE OF NEW JERSEY
DIVISION OF TAXATION
INHERITANCE AND ESTATE TAX
Inheritance Tax Payment

For Division Use Only

FOR USE ONLY WHEN FILING IT-R RETURN. FOR OTHER PAYMENTS, USE FORM IT-EP.

Decedent's Name _____
(Last) (First) (Middle)

Decedent's S.S. No. _____ / _____ / _____

Date of Death (mm/dd/yy) _____ / _____ / _____ County of Residence _____

AMOUNT PAID WITH RETURN (From IT-R Line 21)

(Code 67) 1. Inheritance Tax (total of checks remitted with this form) \$ _____

ATTACH CHECKS HERE

Payments on account may be made at any time to avoid further accrual of interest on the amount so paid. All applications for the refund of an overpayment must be made in writing within the three year statutory period in accordance with and in the manner set forth in N.J.A.C. 18:26-3A.12 (Estate Tax) and N.J.A.C. 18:26-10.12 (Inheritance Tax).

**Make checks payable to "NJ Inheritance and Estate Tax", PO Box 249, Trenton, NJ 08695-0249
(include decedent's name and social security number on check)**

If remitting more than one check, list each check individually below:

\$ _____
\$ _____
\$ _____
\$ _____
\$ _____
\$ _____
\$ _____
\$ _____
\$ _____
\$ _____

TOTAL of all checks (Enter on Line 1 above) \$ _____

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**SCHEDULE "A" REAL PROPERTY
RESIDENT DECEDENT**
(See Instructions on reverse side)

Decedent's Name

_____/_____/_____
Decedent's Social Security Number

Description of New Jersey Real Estate	Full Assessed Value for Year of Death	Full Market Value at Date of Death	Value of Decedent's Interest and (How Determined)	This Column for Division Use
1. Street and Number Municipality: Lot: Block: County: Title/Owner of Record:				
2. Street and Number Municipality: Lot: Block: County: Title/Owner of Record:				
3. Street and Number Municipality: Lot: Block: County: Title/Owner of Record:				
4. Street and Number Municipality: Lot: Block: County: Title/Owner of Record:				

Insert this total on page 1, line 1

INSTRUCTIONS FOR SCHEDULE "A"

Only list real property situated in New Jersey

DESCRIPTION: The real property should, wherever possible, be described by lot and block number, or street and street number, or by a general description, with a reference to a record of the deed by which title was conveyed.

MORTGAGES: List as deduction(s) in Schedule D.

FRACTIONAL INTEREST: If the decedent owned a fractional interest, state the names in which the realty was held, whether as joint tenants with right of survivorship or as tenants in common, and set forth in detail how the interest was acquired. *Submit a copy of the deed.*

TENANTS BY THE ENTIRETY: Real property held by husband and wife/civil union partners, as "tenants by the entirety" in the estate of the spouse/civil union partner dying first need not be reported.

OTHER LIENS: Taxes, assessments, accrued interest on mortgages, etc. must not be claimed in this schedule but are to be listed on Schedule "D" of this return.

WAIVERS: Unpaid inheritance taxes constitute a lien on real property and waivers are therefore required to transfer said real property, with the exception of real property held by husband and wife/civil union partners as "tenants by the entirety" in the estate of the spouse/civil union partner dying first.

CO-OPS: A membership certificate or stock in a New Jersey cooperative housing corporation held in the name of the decedent and a surviving spouse/civil union partner or domestic partner as joint tenants with the right of survivorship is exempt, if it entitled them to use it as their principal residence. However a waiver is required for this transfer in the estate of a resident decedent. (This should be reported on Schedule "B(1)-Stock").

CONDOMINIUMS: An interest in a condominium is an interest in Real Property and therefore reportable on Schedule "A".

APPRAISALS: Submit a copy of any appraisal, contract of sale and/or closing statement. Only recital or valuation page of appraisals are initially required. Additional supporting documentation will be requested if needed.

SCHEDULE "B" CLOSELY HELD "BUSINESSES"
RESIDENT DECEDENT
(See Instructions on reverse side)

Decedent's Name _____ Decedent's Social Security Number _____

Name and Federal Identification Number of Any Sole Proprietorship, Partnership, Joint Venture and/or Closely Held Corporation in Which the Decedent Held Any Interest	Market Value at Date of Death	This Column for Division Use
1.		
2.		
3.		
4.		
Insert this total on page 1, line 2		

(If additional space is required, attach riders of the same size)

INSTRUCTIONS FOR SCHEDULE "B"

If the taxpayer had any interest in a closely held corporation, partnership, joint venture or sole proprietorship, the following information is required (in each instance):

1. A detailed balance sheet and profit and loss statement, revised to reflect the market value of the assets thereof as distinguished from the net book value, as of the decedent's date of death, or as near thereto as the Director may deem acceptable.
2. For the five year period preceding the decedent's date of death;
 - A. Detailed balance sheets.
 - B. Detailed profit and loss statements.
3. The nature of the business.
4. Describe and state the assessed and market value of any real property.
5. Set forth your basis for determining the clear market value as reported.

CLOSELY HELD CORPORATIONS

If the decedent had any interest in a closely held corporation, submit (in addition to the general information required above):

1. For the five year period preceding the decedent's date of death:
 - A. A listing of salaries paid to officers.
 - B. A listing of dividends paid, together with the name(s) of the payees.
2. Copy/copies of any stock purchase or option agreement to which the decedent was a party as of the date of death.
3. Copy/copies of any insurance policy/policies on the decedent's life payable to the corporation as beneficiary together with a statement of the benefits payable thereunder.
4. The number of shares of stock of all classes issued and outstanding and the par value thereof.
5. List of stockholders setting forth the number of shares held by each.

PARTNERSHIPS OR JOINT VENTURES

If the decedent had any interest in a partnership or joint venture, submit (in addition to the general information required above):

1. Copy of the partnership agreement.
2. Copy/copies of any mutual purchase agreement(s) to which the decedent was a party at the date of death.
3. Copy/copies of any insurance policy/policies on the decedent's life payable to the surviving partners as beneficiary together with a statement of the benefits payable thereunder.

SOLE PROPRIETORSHIPS

If the decedent had any interest in a sole proprietorship, submit (in addition to the general information required above):

1. If any of the sole proprietorship's assets are listed elsewhere on this return, (i.e. Schedule "A"), make full disclosure.

**SCHEDULE "B (1)" RECAPITULATION - ALL OTHER PERSONAL PROPERTY
RESIDENT DECEDENT**
(See Instructions Below)

Decedent's Name _____

_____/_____/_____
Decedent's Social Security Number

• BRING FORWARD TOTALS FROM EACH OF THE FOLLOWING SCHEDULES:

1) SCHEDULE B-1: BANK ACCOUNTS/BROKERAGE ACCOUNTS	
2) SCHEDULE B-1: STOCK	
3) SCHEDULE B-1: INVESTMENT BONDS	
4) SCHEDULE B-1: ALL OTHER PROPERTY	
TOTAL LINES 1-4 Insert this total on Page 1, Line 3 "All Other Personal Property"	

GENERAL INSTRUCTIONS FOR SCHEDULE "B (1)"

List all other personal property (excluding that on Schedule B) including all tangible personal property located permanently in New Jersey.

These schedules must disclose not only all other personal property owned individually by the decedent but also all other personal property standing in joint names (such as United States Savings Bonds, bank accounts, shares of stock, etc.) which may be claimed by another or others as survivors.

Unless the surviving joint tenant is also a Class A beneficiary (see General Instructions), the transfer of ownership to a surviving joint tenant or tenants pursuant to a joint tenancy with the right of survivorship is a transfer subject to tax. The deceased joint tenant is deemed to have been the absolute owner of the property and the survivor/survivors are presumed to have received a devise or bequest of the whole and not a part of the property. This presumption can be rebutted to the extent that the survivor can prove contributions out of funds separate and apart from those that originated in the decedent. All joint assets including those passing to exempt beneficiaries and those claimed not to have belonged to the decedent must be listed, with full market value as of date of death.

These schedules must list all other intangible personal property such as, but not limited to, United States Savings Bonds; treasury certificates; cash on hand; cash in the bank; deposits in Federal or State Credit Unions; mutual funds; bonds and mortgages; promissory notes; claims; accounts receivables; corporate bonds; corporate stocks; accrued interest; dividends; salaries or wages; insurance payable to the estate or its representatives; interest in any undistributed estate or income from any property held in trust under the will or agreement of another, even though physically located outside the state at the time of death.

Waivers are not required for automobiles, household goods, accrued wages or mortgages, but these items must be reported on Schedule B-1 "All Other Property".

A membership certificate or stock in a New Jersey housing corporation held in the name of the decedent and a surviving spouse/civil union partner or domestic partner as joint tenants with the right of survivorship is exempt, if it entitled them to use it as their principal residence; however, a waiver is required for this transfer in the estate of a resident decedent.

**SCHEDULE B (1) - BANK ACCOUNTS/BROKERAGE ACCOUNTS
RESIDENT DECEDENT**

Decedent's Name

Decedent's Social Security Number

This schedule may include checking accounts, savings accounts, money markets, credit unions, CD's, brokerage accounts, mutual funds, and IRA's.

- (A) **Include the name of each bank or institution** on which decedent's name appears.
 - 1) State all names registered on each account, along with account number of each.
 - 2) *Multiple accounts in one bank may be grouped together, but each account must be listed separately.*
- (B) Report the **full date of death balance** of each account in "Date of Death Value" column.
 - 1) **BROKERAGE ACCOUNTS** require account totals only on this schedule.
 - 2) Brokerage statements must be included with the return.
- (C) List decedent's equity in account (If 100% , amount will be the same as (B).)
 - 1) *Claims for partial ownership must be supported in supplemental affidavits.*

(A) Bank Accounts - Individually or Jointly Owned	(B) Date of Death Value	(C) Decedent's Equity	Division Use Only
Insert this total on SCHEDULE B-1 Recapitulation, Line 1			

**SCHEDULE B (1) - MUNICIPAL & CORPORATE BONDS
RESIDENT DECEDENT**

DO NOT INCLUDE BONDS HELD IN A BROKERAGE ACCOUNT ON THIS SCHEDULE

Decedent's Name _____

Decedent's Social Security Number _____/_____/_____

(A) Provide name of company or entity holding bond and all terms of bond.
 1) List all names registered on each bond.

(B) Report full date of death value of bonds.
 1) Include accrued dividends as of date of death.

(C) List decedent's equity in bond (If 100% , amount will be the same as (B)).

Note: U.S. Savings Bonds should be listed on Schedule B-1 "All Other Property".

(A) Bonds - Individually or Jointly Owned	(B) Date of Death Value	(C) Decedent's Equity	Division Use Only
Insert this total on SCHEDULE B-1 Recapitulation, Line 3			

**SCHEDULE B (1) - ALL OTHER PROPERTY
RESIDENT DECEDENT**

Decedent's Name _____

Decedent's Social Security Number _____/_____/_____

List all other property owned by the decedent, including (but not limited to):

- U.S. Obligations (Savings Bonds or Treasury Certificates)
- Automobiles or other vehicles
- Personal property, collections, furniture, etc.
- Mortgages and notes owned by decedent
- Cash and uncashed checks
- Interest in a prior estate
- Accounts receivable

Other Property - Individually or Jointly Owned	Date of Death Value	Division Use Only
Insert this total on SCHEDULE B-1 Recapitulation, Line 4		

(If additional space is required, attach riders of the same size. All forms may be reproduced)

**SCHEDULE "C" TRANSFERS
RESIDENT DECEDENT**

Decedent's Name _____

_____/_____/_____
Decedent's Social Security Number

(ALL QUESTIONS MUST BE ANSWERED)

1. Did decedent, within three years of death, transfer property, valued at \$500.00 or more, without receiving full financial consideration therefor? Yes No
2. Did decedent, at any time, transfer property, reserving (in whole or in part) the use, possession, income, or enjoyment of such property? Yes No
3. Did decedent, at any time, transfer property on terms requiring payment of income to decedent from a source other than such property? Yes No
4. Did decedent, at any time, transfer property, the beneficial enjoyment of which was subject to change because of a reserved power to alter, amend, or revoke, or which could revert to decedent under terms of transfer or by operation of law? Yes No
 If answer to any of the above questions is "Yes", set forth a description of property transferred, the fair market value at date of death, dates of transfers, and to whom transferred. Submit copy of trust deed or, agreement, if any. (If transfers are claimed to be untaxable, also submit detailed statement of facts on which such claim is based, proof as to decedent's physical condition and copy of death certificate.)
5. Was decedent a participant in any pension plan that provided for payment of an annuity or lump sum on or after death to another? Yes No
6. Did decedent purchase or in any manner participate in any contract or plan providing for payment of an annuity or lump sum on or after death to another, *except life insurance contracts* payable to a designated beneficiary? Yes No
 (Matured endowment policies, claim settlement certificates, supplementary contracts, annuity contracts and refunds thereunder and interest income certificates even though issued by an insurance company are not considered life insurance contracts.)
7. Was a single premium life insurance policy issued on decedent's life in conjunction with an annuity contract? Yes No
 If answer to questions 5, 6 or 7 is "Yes" attach photostatic copies of all such contracts, plans, and policies.
8. Were any accumulated dividends due on any contract of insurance? (If yes, list below) Yes No

Date of Transfer; Description of Property, Both Real and Personal: Actual Consideration if Any; Names and Relationship to Decedent of Donees, Assignees, Transferees, etc.	Market Value at Date of Death	This Column for Division Use
1.		
Insert this total on page 1, line 4		

(If additional space is required, attach riders of the same size)

INSTRUCTIONS FOR SCHEDULE "D"

If any notes, brokerage accounts or other claims are secured by collateral, describe the collateral pledged, with its value as of the date of death of the decedent and state whether or not said collateral is included among the assets disclosed in Schedule B or B(1). If collateral is not pledged, state after each loan "No collateral pledged".

NOTE: No debt or claim is to be listed in this schedule unless still owing and unpaid at the time of death and unless such debt or claim is to be paid out of the assets of the estate.

(EXAMPLE: That portion of medical bills paid or reimbursed by Medicare or other medical insurance should not be claimed on this schedule).

Contested claims must be explained in detail. Do not list any taxes, either real, personal or income, chargeable for any period subsequent to date of death; nor any claim against property located outside of New Jersey, unless such property is subject to tax in this state.

The estate agrees to advise the Division if the amount actually paid in settlement of any fee, commission or debt is greater or less than the estimated amount allowed and further agrees to the correction of the assessment, if necessary.

For mortgages list the balance on the decedent's date of death and the property in Schedule A on which the mortgage is an encumbrance. Each mortgage must be listed separately. State whether there was any mortgage insurance and, if so, submit verification as to the amount of same. Note: In the case of realty held by a decedent and a surviving spouse/civil union partner as tenants by the entirety, the amount of any mortgage owing on such realty at the decedent's death is not allowable as a deduction since such property is exempt from the Inheritance Tax.

Examples of Allowable Deductions

FUNERAL EXPENSES:

Cemetery Plot (immediate family)
Funeral Luncheon
Flowers
Minister/Rabbi/Priest/Imam
Monument/Lettering
Funeral Costs
Acknowledgments

ADMINISTRATION EXPENSES:

Appraisal of real estate
Appraisal of personal effects
Surrogate's fees
Probate expenses
Fee to notify creditors
Death certificates
Telephone tolls
Cost of Executor's or Administrator's Bond
Collection costs
Court costs
Cost on recovery and/or discovery of assets
Realty commissions in accordance with
N.J.A.C. 18:26-7.12
Storage of property if delivery to legatee not possible
within reasonable time

DEBTS OF DECEDENT OWING and

UNPAID AT TIME OF DEATH:

Personal accounts
Judgments
Federal income and gift taxes generally
Unpaid mortgage principal and interest on the decedent's
date of death:
Charitable pledges
State, county and local taxes accrued before death
Unpaid Inheritance Tax on interrelated estate

Examples of Non-Allowable Deductions

Contingent liabilities

State, county and local taxes accruing after date of death

Debts paid by insurance

Transfer Inheritance Tax

Medical expenses paid prior to death

Real estate brokers commissions, except if real property sold
during administration of estate

Liabilities of corporation of which decedent was a
shareholder

Debts on property located outside of New Jersey

Real estate and property maintenance costs

Federal Estate Tax

Storage expense

DID YOU REMEMBER TO:

1. Attach a copy of the decedent's will, codicils, trusts, and last full year's Federal Income Tax Return.
2. Fill-in the decedent's social security number.
3. Sign the return and have it notarized.

**FAILURE TO DO ANY OF THE ABOVE
MAY RESULT IN PROCESSING DELAYS**

All checks should be made payable to N.J. Inheritance and Estate Tax and mailed to:

N.J. Division of Taxation
Individual Tax Audit Branch
Transfer Inheritance and Estate Tax
PO Box 249
Trenton, New Jersey 08695-0249

For information regarding the N.J. Transfer Inheritance and Estate Taxes call:
(609) 292-5033

IT-R

Inheritance Tax
Resident Return

(9-11)



Transfer Inheritance And Estate Tax

New Jersey Division of Taxation
3 John Fitch Way, 6th Floor
Trenton, New Jersey 08695-0249

(609) 292-5033

INTRODUCTION
NEW JERSEY TRANSFER INHERITANCE TAX - ESTATE TAX

GENERAL

New Jersey has had a Transfer Inheritance Tax since 1892 when a 5% tax was imposed on property transferred from a decedent to a beneficiary. Currently, the law imposes a graduated Transfer Inheritance Tax ranging from 11% to 16% on the transfer of real and personal property with a value of \$500.00 or more to certain beneficiaries.

The Transfer Inheritance Tax recognizes five beneficiary classes, as follows:

Class "A" - Father, mother, grandparents, spouse/civil union partner (after 2/19/07), domestic partner (after 7/10/04), child or children of the decedent, adopted child or children of the decedent, issue of any child or legally adopted child of the decedent, and step-child of the decedent.

Class "B" - Eliminated by statute effective July 1, 1963.

Class "C" - Brother or sister of the decedent, including half brother and half sister, wife/civil union partner (after 2/19/07) or widow/surviving civil union partner (after 2/19/07) of a son of the decedent, or husband/civil union partner (after 2/19/07) or widow/surviving civil union partner (after 2/19/07) of a daughter of the decedent.

Class "D" - Every other transferee, distributee or beneficiary who is not included in Classes "A", "C" or "E".

Class "E" - The State of New Jersey or any political subdivision thereof, or any educational institution, church, hospital, orphan asylum, public library or Bible and tract society or to, for the use of or in trust for religious, charitable, benevolent, scientific, literary or educational purposes, including any institution instructing the blind in the use of dogs as guides, no part of the net earnings of which inures to the benefit of any private stockholder or other individual or corporation; provided, that the exemption does not extend to transfers of property to such educational institutions and organizations of other states, the District of Columbia, territories and foreign countries which do not grant an equal, and like exemption on transfers of property for the benefit of such institutions and organizations of this State.

NOTES: If any beneficiary is claimed to be the mutually acknowledged child of the decedent, said claim should be set forth in the detailed manner prescribed under N.J.A.C. 18:26-2.6.

For the purposes of the New Jersey Transfer Inheritance Tax an adopted child is accorded the same status as a natural child and, therefore, his relations are treated in the same manner as those of a natural child. (i.e. if the decedent's adopted son marries/enters into a civil union, his spouse/civil union partner is "the wife/civil union partner of a son of the decedent" and therefore a class "C" beneficiary).

The offspring of a biological parent conceived by the artificial insemination of that parent who is a partner in a civil union is presumed to be the child of the non-biological partner. In the Matter of the Parentage of the Child of Kimberly Robinson, 383 N.J. Super. 165; 890 A.2d 1036 (Ch. Div. 2005) (Non-biological parent of New York registered domestic partnership recognized in New Jersey, presumed to be the biological parent of child conceived by the other partner through artificial insemination where the non-biological partner has "show[n] indicia of commitment to be a spouse and to be a parent to the child.").

A devise of real property to a husband and wife/civil union partner as "tenants by the entirety" provides each with a vested life estate, the remainder being contingent. See N.J.A.C. 18:26-8.12.

The issue of stepchildren ARE Class "D" (NOT Class "A") beneficiaries.

The following ARE Class "D" (NOT Class "C") beneficiaries: stepbrother or stepsister of the decedent, husband/wife/civil union partner/domestic partner or widow/widower/surviving civil union partner/surviving domestic partner of a stepchild or mutually acknowledged child of the decedent.

The fact that a beneficiary may be considered "nonprofit" by the Internal Revenue Service does not necessarily mean that it qualifies for exemption as a Class "E" beneficiary since the criteria are different.

TAX RATES

Each class of beneficiary has its own separate tax rate. See the Rate Schedule on Page 4.

EXEMPTIONS

1. The transfer of real and personal property in this State held by a husband and wife/civil union couple as "tenants by the entirety" to the surviving spouse/civil union partner is not taxable for New Jersey Inheritance Tax purposes.
2. The transfer of intangible personal property such as stocks, bonds, corporate securities, bank deposits and mortgages owned by a nonresident decedent is not subject to the New Jersey Inheritance Tax.
3. Any sum recovered under the New Jersey Death Act as compensation for wrongful death of a decedent is not subject to the New Jersey Inheritance Tax except as provided below:
 - a. Any sum recovered under the New Jersey Death Act representing damages sustained by a decedent between the date of injury and date of death, such as the expenses of care, nursing, medical attendance, hospital and other charges incident to the injury, including loss of earnings and pain and suffering are to be included in the decedent's estate.
 - b. Where an action is instituted under the New Jersey Death Act and terminates through the settlement by a compromise payment without designating the amount to be paid under each count, the amount which must be included in the inheritance tax return is an amount, to the extent recovered, which is equal to specific expenses related to the injury. These expenses are similar to those mentioned in sections a. above and include funeral expenses, hospitalization and medical expenses, and other expenses incident to the injury. Any amount which is recovered in excess of these expenses is considered to be exempt from the tax.
4. The proceeds of any contract of insurance insuring the life of a resident or nonresident decedent paid or payable, by reason of the death of such decedent, to one or more named beneficiaries other than the estate, executor or administrator of such decedent are exempt for New Jersey Inheritance Tax purposes.

5. The transfer of property to a beneficiary or beneficiaries of a trust created during the lifetime of a resident or nonresident decedent, to the extent such property results from the proceeds of any contract of insurance, insuring the life of such decedent and paid or payable to a trustee or trustees of such decedent by reason of the death of such decedent, is exempt from the New Jersey Inheritance Tax irrespective of whether such beneficiary or beneficiaries have a present, future, vested, contingent or defeasible interest in such trust.
6. The transfer of life insurance proceeds insuring the life of a resident or nonresident decedent, paid or payable by reason of the death of such decedent to a trustee or trustees of a trust created by such decedent during his lifetime for the benefit of one or more beneficiaries irrespective of whether such beneficiaries have a present, future, vested, contingent or defeasible interest in such trust, is exempt from the New Jersey Inheritance Tax.
7. The transfer, relinquishment, surrender or exercise at any time or times by a resident or nonresident of this State, of any right to nominate or change the beneficiary or beneficiaries of any contract of insurance insuring the life of such resident or nonresident, regardless of when such transfer, relinquishment, surrender or exercise of such right occurred, is exempt from the tax.
8. Any amount recovered (under the Federal Liability for Injuries to Employees Act) for injuries to a decedent by the personal representative for the benefit of the classes of beneficiaries designated in that Statute, whether for the pecuniary loss sustained by such beneficiaries as a result of the wrongful death of the decedent or for the loss and suffering by the decedent while he lived, or both is not subject to the Inheritance Tax.

Any amount recovered by the legal representatives of any decedent by reason of any war risk insurance certificate or policy, either term or converted, or any adjusted service certificate issued by the United States, whether received directly from the United States or through any intervening estate or estates, is exempt from the New Jersey Inheritance Tax.

This exemption does not entitle any person to a refund of any tax heretofore paid on the transfer of property of the nature aforementioned; and does not extend to that part of the estate of any decedent composed of property, when such property was received by the decedent before death.

9. The proceeds of any pension, annuity, retirement allowance, return of contributions or benefit payable by the Government of the United States pursuant to the Civil Service Retirement Act, Retired Serviceman's Family Protection Plan and the Survivor Benefit Plan to a beneficiary or beneficiaries other than the estate or the executor or administrator of a decedent are exempt.
10. All payments at death under the Teachers Pension and Annuity Fund, the Public Employees' Retirement System for New Jersey, and the Police and Firemen's Retirement System of New Jersey, and such other State, county and municipal systems as may have a tax exemption clause as broad as that of the three major State systems aforementioned, whether such payments either before or after retirement are made on death to

the employee's estate or to his specifically designated beneficiary, are exempt from the New Jersey Inheritance Tax.

The benefit payable under the supplementary annuity plan of the State of New Jersey is not considered a benefit of the Public Employee's Retirement System and is taxable whether paid to a designated beneficiary or to the estate.

The death benefits paid by the Social Security Administration or railroad Retirement Board to the spouse of a decedent are also exempt. For purposes of filing a return these amounts need not be reported nor are they to be deducted from the amount claimed as a deduction for funeral expenses.

In all other cases the death benefit involved should either be reported as an asset of the estate or deducted from the amount claimed for funeral expenses.

11. Other pensions. An exemption is provided for payments from any pension, annuity, retirement allowance or return of contributions, which is a direct result of the decedent's employment under a qualified plan as defined by section 401(a), (b), and (c) or 2039(c) of the Internal Revenue Code, which is payable to a surviving spouse or domestic partner.
12. No Fault Insurance. The amount payable by reason of medical expenses incurred as a result of personal injury to the decedent should be reflected by reducing the amount claimed for medical expenses as a result of the accident.

The amount payable at the death of an income producer as a result of injuries sustained in an accident, which are paid to the estate of the income producer, is reportable for taxation. In all other instances this amount is exempt.

The amount paid at death to any person under the essential services benefits section is exempt from taxation.

The claim for funeral expense is to be reduced by the amount paid under the funeral expenses benefits section of the law.

SAFE DEPOSIT BOXES

Safe deposit boxes are no longer inventoried by the New Jersey Division of Taxation. On September 30, 1992, the Division issued a blanket release in the form of a letter from the Director, Division of Taxation, to all banking institutions, safe deposit companies, trust companies, and other institutions which serve as custodians of safe deposit boxes. The contents of the boxes may be released without inspection by the Division.

WHERE TO FILE

All returns except the L-8 are to be filed with the New Jersey Division of Taxation, Individual Tax Audit Branch, Transfer Inheritance and Estate Tax, 3 John Fitch Way, 6th Floor, Trenton, New Jersey 08695-0249.

WHEN TAX RETURNS ARE DUE

A Transfer Inheritance Tax Return must be filed and the tax paid on the transfer of real and personal property within eight months after the death of either:

A RESIDENT decedent for the transfer of real or tangible personal property located in New Jersey or intangible personal property wherever situated, or

A NONRESIDENT decedent for the transfer of real or tangible personal property located in New Jersey. No tax is imposed on nonresident decedents for real property located outside of New Jersey and intangible personal property wherever situated.

The return must be filed whenever any tax is due or a waiver is needed. The tax is a lien on all property for fifteen years unless paid sooner or secured by an acceptable bond. Interest accrues on unpaid taxes at the rate of 10% per annum.

For EXEMPTIONS see the heading "EXCEPTIONS" below.

AMENDMENTS TO AN ORIGINAL RETURN

In the case of both resident and non-resident estates, any assets and/or liabilities not disclosed in the original return and all supplemental data requested by the Division is to be filed in affidavit form and attested to by the duly authorized statutory representative of the estate, next of kin, or beneficiary certifying in detail a description of the asset, real or personal and/or the liability and the reasons for failure to disclose same in the original return and filed directly with the NJ Transfer Inheritance.

ESTATE TAX

In addition to the inheritance tax, the State of New Jersey imposes an estate tax on the estate of certain resident decedents. Even estates that are partially or fully exempt from the inheritance tax may be subject to the New Jersey Estate Tax.

A New Jersey Estate Tax Return must be filed when the gross estate plus adjusted taxable gifts as determined in accordance with the provisions of the Internal Revenue Code in effect on December 31, 2001, exceeds \$675,000.

The law requires that a copy of the Federal Estate Tax return be filed with the Division within thirty days after the filing of the original with the Federal Government. Also, the Division must be supplied with copies of all communications from the Federal Government making final changes or confirming, increasing or decreasing the tax shown to be due. Instructions are contained in form IT-Estate.

WAIVERS

Bank accounts, certificates of deposit etc., in the name of, or belonging to a RESIDENT decedent, in financial institutions located in this state, cannot be transferred without the written consent of the Division of Taxation. This consent is referred to as a WAIVER.

Stocks and bonds etc., in the name of, or belonging to a RESIDENT decedent, of corporations organized under the laws of this state are subject to the same waiver requirements.

Real property, located in New Jersey, in the name of, or belonging to a RESIDENT or a NON-RESIDENT decedent is subject to the same waiver requirements, however, real property held by a husband and wife/civil union couple as "tenants by the entirety" in the estate of the spouse/civil union partner dying first

need not be reported, regardless of the date of death and waivers are not required.

A membership certificate or stock in a cooperative housing corporation held in the name of the decedent and a surviving spouse/civil union partner or domestic partner as joint tenants with the right of survivorship is exempt, if it entitled them to use it as their principal residence. However a waiver is required for this transfer in the estate of a RESIDENT decedent.

Waivers are not required for automobiles, household goods, personal effects, accrued wages or mortgages, but these items must be reported in the return filed.

EXCEPTIONS

Notwithstanding the waiver provisions above any financial institution may release up to 50% of any bank account, certificate of deposit etc. to the survivor, in the case of a joint account, the executor, administrator or other legal representative of a RESIDENT decedent's estate. This procedure is referred to as a BLANKET WAIVER. This procedure is not available for the transfer of stocks and bonds. For a detailed explanation see N.J.A.C. 18:26-11.16.

A SELF EXECUTING WAIVER, FORM L-8, has been created for Class "A" beneficiaries in the estates of RESIDENT decedents.

Use of this form MAY eliminate the need to file a formal Inheritance Tax return. Your attention is directed to the instructions contained in the body of the L-8, a copy of which is included in this booklet. (Not included in IT-R Schedule Booklet.)

This form is to be filed with the financial institution which will then be authorized to release the subject asset without the necessity of receiving a waiver from the Division. DO NOT file this form with the Division.

A REQUEST FOR A REAL PROPERTY TAX WAIVER, FORM L-9, has been created for Class "A" beneficiaries in the estates of RESIDENT decedents. This form may be used in two instances where property passes to class "A" beneficiaries.

Use of this form MAY eliminate the need to file a formal Inheritance Tax Return. Your attention is directed to the instructions contained in the body of the L-9.

This form is to be filed directly with the Branch. If the form is in order the necessary waiver/waivers will be promptly issued.

NEITHER THE L-8 NOR THE L-9 may be used where it is claimed that a relationship of mutually acknowledged child exists.

IMPORTANT REMINDERS

- If the decedent died TESTATE you must supply a legible copy of the LAST WILL AND TESTAMENT, all CODICILS thereto and any SEPARATE WRITINGS.
- A copy of the decedent's last full year's FEDERAL INCOME TAX RETURN is required.
- All returns, forms and correspondence must contain the decedent's SOCIAL SECURITY NUMBER.
- PAYMENTS ON ACCOUNT may be made to avoid the accrual of interest. (Form IT-EP)
- If PAYMENTS are not made by CERTIFIED CHECK the issuance of waivers may be delayed.
- All CHECKS should be made payable to NJ INHERITANCE AND ESTATE TAX and sent to the New Jersey Division of Taxation, Individual Tax Audit Branch, Transfer Inheritance and Estate Tax, 50 Barrack Street, PO Box 249, Trenton, NJ 08695-0249.

IT-R

Inheritance Tax
SCHEDULES
(9-11)

SCHEDULES

Transfer Inheritance And Estate Tax

**New Jersey Division of Taxation
PO Box 249
Trenton, New Jersey 08695-0249**

(609) 292-5033

**CLASS "A" TRANSFEREES ARE ENTIRELY EXEMPT
IN ESTATES OF DECEDENTS DYING ON OR AFTER JULY 1, 1988**

**Class "C" TRANSFEREES IN ESTATES OF DECEDENTS
DYING ON OR AFTER 7/1/88**

First	\$ 25,000	Exempt
Next	1,075,000	11%
Next	300,000	13%
Next	300,000	14%
Over	1,700,000	16%

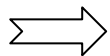
**CLASS "D" TRANSFEREES IN ESTATES OF DECEDENTS
DYING ON OR AFTER 3-29-62**

If less than \$500: no tax If \$500 or more: no exemption		
First	\$700,000	15%
Over	\$700,000	16%

NEW JERSEY INHERITANCE AND ESTATE TAX: RETURN PROCESSING INSTRUCTIONS

Follow these procedures to avoid delays in processing returns, waivers, and refunds:

- DO NOT enclose returns in any kind of BINDER, SEALED FOLDER or NOTEBOOK.
- DO NOT use STAPLES (especially extra-long staples) on the return.
 - It is OK to use rubber bands or clips to keep the file together.
 - Two-hole ATCO fasteners, along the TOP of the return, are also acceptable.
- DO NOT enclose DUPLICATE COPIES of returns or duplicates of other documents.
 - When filing both Inheritance and Estate Tax, include only ONE copy of the will, trusts, income tax return, 706, appraisals, and any other attachments.



A few things to DO:

- STAPLE checks to the completed payment voucher, and put voucher on TOP.
 - *Make sure checks are signed, and made payable to “New Jersey Inheritance and Estate Tax”*
 - *Include the Decedent’s name and SS# on the check.*
- Place the return and schedules on top (if no payment), with the will and other supporting documents beneath.
- Check that returns are SIGNED by the legal representative of the estate and NOTARIZED.
 - *The representative’s name should be printed clearly beneath the signature*
- VERIFY the decedent’s social security number and date of death.
- Make sure the MAILING ADDRESS on the return is correct – and indicates the person who you want to receive ALL correspondence (letters, bills, waivers, etc).
 - The Division cannot correspond with your attorney or CPA unless they are listed on the front page of the return.
- Clearly mark amended returns as “Amended” along the BOTTOM of the return.
- File Inheritance Tax and Estate Tax returns together when possible.
 - Keep the two returns separate within the same envelope or box.
 - Keep in mind the two taxes have separate due dates for payment of the tax.
 - Include separate checks and vouchers for each tax.

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STATE OF NEW JERSEY
Inheritance Tax Return
RESIDENT DECEDENT
 (Instructions on reverse side)

(67) For Division Use Only

Decedent's Name _____ (Last) _____ (First) _____ (Middle) Decedent's S.S. No. _____ / _____ / _____

Date of Death (mm/dd/yy) _____ / _____ / _____ County of Residence _____ Testate Intestate

Authorized Representative Name _____ Daytime Phone () _____
to receive all
correspondence Street _____
 City _____ State _____ Zip Code _____

1. Real Property Total carried forward from - Schedule A	1.	
2. Closely Held "Businesses" Total carried forward from - Schedule B	2.	
3. All Other Personal Property Total carried forward from - Schedule B(1) Recapitulation	3.	
4. Transfers Total carried forward from - Schedule C	4.	
5. Gross Estate Total Lines 1 thru 4	5.	
6. Deductions Total carried forward from - Schedule D	6.	
7. Net Estate Total - Line 5, minus Line 6 (If less than zero enter "0")	7.	
8. Contingent Amount Included in Line 7 (See explanation on reverse side)	8.	

9. Balance of Estate (Line 7, minus Line 8)					9.	
Class	Number of Beneficiaries	Total	Exempt	Taxable		TAX
10. A (Spouse/Civil Union Partner)	_____	\$ _____ / _____	\$ _____ / _____	\$ _____ / _____	10.	
11. A (Other)	_____	\$ _____ / _____	\$ _____ / _____	\$ _____ / _____	11.	
12. C	_____	\$ _____ / _____	\$ _____ / _____	\$ _____ / _____	12.	
13. D	_____	\$ _____ / _____	\$ _____ / _____	\$ _____ / _____	13.	
14. E	_____	\$ _____ / _____	\$ _____ / _____	\$ _____ / _____	14.	

15. Compromise Tax Due on Line 8 Amount (See explanation on reverse side)	15.	
16. Contingent Tax (See explanation on reverse side)	16.	
17. Total Tax Due (Total - Line 10 thru Line 16)	17.	
18. Interest Due (If applicable) (See explanation on reverse side)	18.	
19. Total Amount Due (Line 17, Plus Line 18)	19.	
20. Payment on Account (If applicable)	20.	
21. If Line 20 (Payments) is LESS THAN Line 19, Enter BALANCE DUE - PAY THIS AMOUNT WITH FORM IT-PMT →	21.	
22. If Line 20 (Payments) is MORE THAN Line 19, Enter REFUND AMOUNT	22.	

23. Are any questions in Schedule "C" answered yes? 23. Yes No
24. Have or will you file or are you required to file a Federal Estate Tax Return? 24. Yes No
25. Has or will any disclaimer been filed? If so, attach copy 25. Yes No
26. If the decedent died after December 31, 2001, did the decedent's taxable estate plus adjusted taxable gifts for Federal estate tax purposes under the provision of the Internal Revenue Code in effect on December 31, 2001 exceed \$675,000? 26. Yes No

If yes, by how much \$ _____.
 Indicate which letters were issued and where issued:
 Letters of Administration Letters Testamentary State of _____ County of _____

SUBMIT A FULL COPY OF THE DECEDENT'S WILL, CODICILS, TRUSTS, AND A COPY OF THE LAST FULL YEAR'S FEDERAL INCOME TAX RETURN.

Affiant says, under penalty of perjury, "I declare that I have examined this return and all accompanying schedules and to the best of my knowledge and belief, it is true, correct and complete." I hereby authorize the party(s) set forth above to act as the estate's representative, to receive confidential information, and to make presentations on behalf of the estate.

Subscribed and sworn before me _____ Signature: _____ (Executor - Administrator - Heir-at-law)
 this _____ day of _____, _____. Print Name: _____
 _____ Address _____
 Official Title (Notarized) _____



INSTRUCTIONS FOR RECITAL PAGE

Lines 8, 15 and 16

In the case of a transfer or transfers made subject to a contingency or condition which renders a definite determination of the Transfer Inheritance Tax due impossible, the Division will suggest a compromise of the tax based upon immediate payment and final disposition of the tax. N.J.A.C. 18:26-2.14, N.J.S.A. 54:36-5 AND 54:36-6.

Therefore, enter on Line 8, the amount of the estate that is "Contingent."

In the event you wish to compute a compromise for the Division's review, you should include a rider setting forth full computations and details and enter the proposed amount on Line 15. Following this procedure may speed the auditing of the decedent's return.

Be advised that where all or any portion of the contingent amount has vested in a beneficiary by reason of the happening of any contingency event, full details should be set forth on a rider, the tax computed on a rider and entered on Line 16.

Line 18

Interest accrues at the rate of 10% per annum on any direct tax or portion thereof not paid within eight months of the decedent's death.

With respect to the payment of the tax due on an executory devise, or a transfer subject to a contingency or power of

appointment, any payment on such a transfer after the expiration of two months from the date the contingency occurs or the property vests, shall bear interest at the rate of 10% per annum from the date the contingency occurs or the property vests, until the date of actual payment.

In any case where a contingent remainder vests in beneficial possession and enjoyment subsequent to the death of the original decedent, but prior to the expiration of the statutory interest period, interest on the contingent tax does not start to accrue until eight months from the date of death of the original decedent.

Line 20

Payments on account may be made at any time to avoid further accrual of interest on the amount paid. In any case where the amount paid on account for New Jersey inheritance taxes exceeds the amount of such tax due after final assessment has been made, the amount so overpaid shall be refunded by the State Treasurer in the due course of business, provided, however, that all applications for a full or partial refund of the payment of the transfer inheritance tax shall be made within three years from the date of such payment. Make checks payable to: NJ Inheritance and Estate Tax, P.O. Box 249, Trenton, New Jersey 08695-0249.

Line 21

When making a payment with the return, complete form IT-PMT and attach check.

Examples of Interest Computations

Date of Death	5-28-90
Interest Date (eight months)	1-28-91

Tax Assessed	\$7,120.48
Interest @ 10% per annum from 1-28-91 to 9-19-91 (\$7,120.48 x 10% x 234/365)	456.49
Total	7,576.97
Payment on Account (9-19-91)	(7,120.48)
Balance Due (plus interest @ 10% per annum from 9-19-91 to date of final payment)	456.49

Date of Death	8-29-90
Interest Date (eight months)	4-29-91

Tax Assessed	\$68,389.70
Payment of Account (4-19-91)	(16,974.56)
Balance	51,415.14
Payment on Account (4-28-91)	(31,927.02)
Balance	19,488.12
Interest @ 10% per annum from 4-29-91 to 5-10-91 (\$19,488.12 x 10% x 11/365)	58.73
Total	19,546.85
Payment on Account (5-10-91)	(27,048.67)
Overpayment (to be refunded)	7,501.82

IT-PMT (10-11)
Transfer Inheritance Tax
PO Box 249
Trenton, NJ 08695-0249

STATE OF NEW JERSEY
DIVISION OF TAXATION
INHERITANCE AND ESTATE TAX
Inheritance Tax Payment

For Division Use Only

FOR USE ONLY WHEN FILING IT-R RETURN. FOR OTHER PAYMENTS, USE FORM IT-EP.

Decedent's Name _____
(Last) (First) (Middle)

Decedent's S.S. No. _____ / _____ / _____

Date of Death (mm/dd/yy) _____ / _____ / _____ County of Residence _____

AMOUNT PAID WITH RETURN (From IT-R Line 21)

(Code 67) 1. Inheritance Tax (total of checks remitted with this form) \$ _____

ATTACH CHECKS HERE

Payments on account may be made at any time to avoid further accrual of interest on the amount so paid. All applications for the refund of an overpayment must be made in writing within the three year statutory period in accordance with and in the manner set forth in N.J.A.C. 18:26-3A.12 (Estate Tax) and N.J.A.C. 18:26-10.12 (Inheritance Tax).

**Make checks payable to "NJ Inheritance and Estate Tax", PO Box 249, Trenton, NJ 08695-0249
(include decedent's name and social security number on check)**

If remitting more than one check, list each check individually below:

\$ _____
\$ _____
\$ _____
\$ _____
\$ _____
\$ _____
\$ _____
\$ _____
\$ _____
\$ _____

TOTAL of all checks (Enter on Line 1 above) \$ _____

This page intentionally left blank.

**SCHEDULE "A" REAL PROPERTY
RESIDENT DECEDENT**
(See Instructions on reverse side)

_____/_____/_____
 Decedent's Name Decedent's Social Security Number

Description of New Jersey Real Estate	Full Assessed Value for Year of Death	Full Market Value at Date of Death	Value of Decedent's Interest and (How Determined)	This Column for Division Use
1. Street and Number Municipality: Lot: Block: County: Title/Owner of Record:				
2. Street and Number Municipality: Lot: Block: County: Title/Owner of Record:				
3. Street and Number Municipality: Lot: Block: County: Title/Owner of Record:				
4. Street and Number Municipality: Lot: Block: County: Title/Owner of Record:				

Insert this total on page 1, line 1

INSTRUCTIONS FOR SCHEDULE "A"

Only list real property situated in New Jersey

DESCRIPTION: The real property should, wherever possible, be described by lot and block number, or street and street number, or by a general description, with a reference to a record of the deed by which title was conveyed.

MORTGAGES: List as deduction(s) in Schedule D.

FRACTIONAL INTEREST: If the decedent owned a fractional interest, state the names in which the realty was held, whether as joint tenants with right of survivorship or as tenants in common, and set forth in detail how the interest was acquired. *Submit a copy of the deed.*

TENANTS BY THE ENTIRETY: Real property held by husband and wife/civil union partners, as "tenants by the entirety" in the estate of the spouse/civil union partner dying first need not be reported.

OTHER LIENS: Taxes, assessments, accrued interest on mortgages, etc. must not be claimed in this schedule but are to be listed on Schedule "D" of this return.

WAIVERS: Unpaid inheritance taxes constitute a lien on real property and waivers are therefore required to transfer said real property, with the exception of real property held by husband and wife/civil union partners as "tenants by the entirety" in the estate of the spouse/civil union partner dying first.

CO-OPS: A membership certificate or stock in a New Jersey cooperative housing corporation held in the name of the decedent and a surviving spouse/civil union partner or domestic partner as joint tenants with the right of survivorship is exempt, if it entitled them to use it as their principal residence. However a waiver is required for this transfer in the estate of a resident decedent. (This should be reported on Schedule "B(1)-Stock").

CONDOMINIUMS: An interest in a condominium is an interest in Real Property and therefore reportable on Schedule "A".

APPRAISALS: Submit a copy of any appraisal, contract of sale and/or closing statement. Only recital or valuation page of appraisals are initially required. Additional supporting documentation will be requested if needed.

SCHEDULE "B" CLOSELY HELD "BUSINESSES"
RESIDENT DECEDENT
(See Instructions on reverse side)

Decedent's Name _____ Decedent's Social Security Number _____

Name and Federal Identification Number of Any Sole Proprietorship, Partnership, Joint Venture and/or Closely Held Corporation in Which the Decedent Held Any Interest	Market Value at Date of Death	This Column for Division Use
1.		
2.		
3.		
4.		
Insert this total on page 1, line 2		

(If additional space is required, attach riders of the same size)

INSTRUCTIONS FOR SCHEDULE "B"

If the taxpayer had any interest in a closely held corporation, partnership, joint venture or sole proprietorship, the following information is required (in each instance):

1. A detailed balance sheet and profit and loss statement, revised to reflect the market value of the assets thereof as distinguished from the net book value, as of the decedent's date of death, or as near thereto as the Director may deem acceptable.
2. For the five year period preceding the decedent's date of death;
 - A. Detailed balance sheets.
 - B. Detailed profit and loss statements.
3. The nature of the business.
4. Describe and state the assessed and market value of any real property.
5. Set forth your basis for determining the clear market value as reported.

CLOSELY HELD CORPORATIONS

If the decedent had any interest in a closely held corporation, submit (in addition to the general information required above):

1. For the five year period preceding the decedent's date of death:
 - A. A listing of salaries paid to officers.
 - B. A listing of dividends paid, together with the name(s) of the payees.
2. Copy/copies of any stock purchase or option agreement to which the decedent was a party as of the date of death.
3. Copy/copies of any insurance policy/policies on the decedent's life payable to the corporation as beneficiary together with a statement of the benefits payable thereunder.
4. The number of shares of stock of all classes issued and outstanding and the par value thereof.
5. List of stockholders setting forth the number of shares held by each.

PARTNERSHIPS OR JOINT VENTURES

If the decedent had any interest in a partnership or joint venture, submit (in addition to the general information required above):

1. Copy of the partnership agreement.
2. Copy/copies of any mutual purchase agreement(s) to which the decedent was a party at the date of death.
3. Copy/copies of any insurance policy/policies on the decedent's life payable to the surviving partners as beneficiary together with a statement of the benefits payable thereunder.

SOLE PROPRIETORSHIPS

If the decedent had any interest in a sole proprietorship, submit (in addition to the general information required above):

1. If any of the sole proprietorship's assets are listed elsewhere on this return, (i.e. Schedule "A"), make full disclosure.

**SCHEDULE "B (1)" RECAPITULATION - ALL OTHER PERSONAL PROPERTY
RESIDENT DECEDENT**
(See Instructions Below)

Decedent's Name _____

Decedent's Social Security Number _____/_____/_____

• BRING FORWARD TOTALS FROM EACH OF THE FOLLOWING SCHEDULES:

1) SCHEDULE B-1: BANK ACCOUNTS/BROKERAGE ACCOUNTS	
2) SCHEDULE B-1: STOCK	
3) SCHEDULE B-1: INVESTMENT BONDS	
4) SCHEDULE B-1: ALL OTHER PROPERTY	
TOTAL LINES 1-4 Insert this total on Page 1, Line 3 "All Other Personal Property"	

GENERAL INSTRUCTIONS FOR SCHEDULE "B (1)"

List all other personal property (excluding that on Schedule B) including all tangible personal property located permanently in New Jersey.

These schedules must disclose not only all other personal property owned individually by the decedent but also all other personal property standing in joint names (such as United States Savings Bonds, bank accounts, shares of stock, etc.) which may be claimed by another or others as survivors.

Unless the surviving joint tenant is also a Class A beneficiary (see General Instructions), the transfer of ownership to a surviving joint tenant or tenants pursuant to a joint tenancy with the right of survivorship is a transfer subject to tax. The deceased joint tenant is deemed to have been the absolute owner of the property and the survivor/survivors are presumed to have received a devise or bequest of the whole and not a part of the property. This presumption can be rebutted to the extent that the survivor can prove contributions out of funds separate and apart from those that originated in the decedent. All joint assets including those passing to exempt beneficiaries and those claimed not to have belonged to the decedent must be listed, with full market value as of date of death.

These schedules must list all other intangible personal property such as, but not limited to, United States Savings Bonds; treasury certificates; cash on hand; cash in the bank; deposits in Federal or State Credit Unions; mutual funds; bonds and mortgages; promissory notes; claims; accounts receivables; corporate bonds; corporate stocks; accrued interest; dividends; salaries or wages; insurance payable to the estate or its representatives; interest in any undistributed estate or income from any property held in trust under the will or agreement of another, even though physically located outside the state at the time of death.

Waivers are not required for automobiles, household goods, accrued wages or mortgages, but these items must be reported on Schedule B-1 "All Other Property".

A membership certificate or stock in a New Jersey housing corporation held in the name of the decedent and a surviving spouse/civil union partner or domestic partner as joint tenants with the right of survivorship is exempt, if it entitled them to use it as their principal residence; however, a waiver is required for this transfer in the estate of a resident decedent.

**SCHEDULE B (1) - BANK ACCOUNTS/BROKERAGE ACCOUNTS
RESIDENT DECEDENT**

Decedent's Name

Decedent's Social Security Number

This schedule may include checking accounts, savings accounts, money markets, credit unions, CD's, brokerage accounts, mutual funds, and IRA's.

- (A) **Include the name of each bank or institution** on which decedent's name appears.
 - 1) State all names registered on each account, along with account number of each.
 - 2) *Multiple accounts in one bank may be grouped together, but each account must be listed separately.*
- (B) Report the **full date of death balance** of each account in "Date of Death Value" column.
 - 1) **BROKERAGE ACCOUNTS** require account totals only on this schedule.
 - 2) Brokerage statements must be included with the return.
- (C) List decedent's equity in account (If 100% , amount will be the same as (B).)
 - 1) *Claims for partial ownership must be supported in supplemental affidavits.*

(A) Bank Accounts - Individually or Jointly Owned	(B) Date of Death Value	(C) Decedent's Equity	Division Use Only
Insert this total on SCHEDULE B-1 Recapitulation, Line 1			

**SCHEDULE B (1) - STOCK
RESIDENT DECEDENT**

DO NOT INCLUDE STOCK HELD IN A BROKERAGE ACCOUNT ON THIS SCHEDULE

Decedent's Name _____

Decedent's Social Security Number _____/_____/_____

- (A) Report the number of shares owned of each stock.
 - (B) List the name of the company and all names registered on each stock.
 - (C) List the state of registration for each corporation (ie., NJ, DE, MD, etc.), if known.
 - (D) Report the per-share market value of each stock as of the date of death.
 - (E) Full market value of all shares (number of shares x per share value).
 - (F) Total value of decedent's equity (*Claims for partial ownership must be supported in supplemental affidavits*).
- (List accrued dividends as of date of death along with each item.)

(A) Number of Shares	(B) Name of Stock - Registered Owner(s)	(C) State of Inc.	(D) Date of Death Per Share Value	(E) Total Market Value	(F) Decedent's Equity	Division Use Only
Insert this total on SCHEDULE B-1 Recapitulation, Line 2						

(If additional space is required, attach riders of the same size. All forms may be reproduced)

**SCHEDULE B (1) - MUNICIPAL & CORPORATE BONDS
RESIDENT DECEDENT**

DO NOT INCLUDE BONDS HELD IN A BROKERAGE ACCOUNT ON THIS SCHEDULE

Decedent's Name _____

Decedent's Social Security Number _____/_____/_____

(A) Provide name of company or entity holding bond and all terms of bond.
 1) List all names registered on each bond.

(B) Report full date of death value of bonds.
 1) Include accrued dividends as of date of death.

(C) List decedent's equity in bond (If 100% , amount will be the same as (B)).

Note: U.S. Savings Bonds should be listed on Schedule B-1 "All Other Property".

(A) Bonds - Individually or Jointly Owned	(B) Date of Death Value	(C) Decedent's Equity	Division Use Only
Insert this total on SCHEDULE B-1 Recapitulation, Line 3			

**SCHEDULE B (1) - ALL OTHER PROPERTY
RESIDENT DECEDENT**

Decedent's Name _____

Decedent's Social Security Number _____/_____/_____

List all other property owned by the decedent, including (but not limited to):

- U.S. Obligations (Savings Bonds or Treasury Certificates)
- Automobiles or other vehicles
- Personal property, collections, furniture, etc.
- Mortgages and notes owned by decedent
- Cash and uncashed checks
- Interest in a prior estate
- Accounts receivable

Other Property - Individually or Jointly Owned	Date of Death Value	Division Use Only
Insert this total on SCHEDULE B-1 Recapitulation, Line 4		

(If additional space is required, attach riders of the same size. All forms may be reproduced)

**SCHEDULE "C" TRANSFERS
RESIDENT DECEDENT**

Decedent's Name _____

_____/_____/_____
Decedent's Social Security Number

(ALL QUESTIONS MUST BE ANSWERED)

1. Did decedent, within three years of death, transfer property, valued at \$500.00 or more, without receiving full financial consideration therefor? Yes No
2. Did decedent, at any time, transfer property, reserving (in whole or in part) the use, possession, income, or enjoyment of such property? Yes No
3. Did decedent, at any time, transfer property on terms requiring payment of income to decedent from a source other than such property? Yes No
4. Did decedent, at any time, transfer property, the beneficial enjoyment of which was subject to change because of a reserved power to alter, amend, or revoke, or which could revert to decedent under terms of transfer or by operation of law? Yes No

If answer to any of the above questions is "Yes", set forth a description of property transferred, the fair market value at date of death, dates of transfers, and to whom transferred. Submit copy of trust deed or, agreement, if any. (If transfers are claimed to be untaxable, also submit detailed statement of facts on which such claim is based, proof as to decedent's physical condition and copy of death certificate.)
5. Was decedent a participant in any pension plan that provided for payment of an annuity or lump sum on or after death to another? Yes No
6. Did decedent purchase or in any manner participate in any contract or plan providing for payment of an annuity or lump sum on or after death to another, *except life insurance contracts* payable to a designated beneficiary? Yes No

(Matured endowment policies, claim settlement certificates, supplementary contracts, annuity contracts and refunds thereunder and interest income certificates even though issued by an insurance company are not considered life insurance contracts.)
7. Was a single premium life insurance policy issued on decedent's life in conjunction with an annuity contract? Yes No

If answer to questions 5, 6 or 7 is "Yes" attach photostatic copies of all such contracts, plans, and policies.
8. Were any accumulated dividends due on any contract of insurance? (If yes, list below) Yes No

Date of Transfer; Description of Property, Both Real and Personal: Actual Consideration if Any; Names and Relationship to Decedent of Donees, Assignees, Transferees, etc.	Market Value at Date of Death	This Column for Division Use
1.		
Insert this total on page 1, line 4		

(If additional space is required, attach riders of the same size)

INSTRUCTIONS FOR SCHEDULE "D"

If any notes, brokerage accounts or other claims are secured by collateral, describe the collateral pledged, with its value as of the date of death of the decedent and state whether or not said collateral is included among the assets disclosed in Schedule B or B(1). If collateral is not pledged, state after each loan "No collateral pledged".

NOTE: No debt or claim is to be listed in this schedule unless still owing and unpaid at the time of death and unless such debt or claim is to be paid out of the assets of the estate.

(EXAMPLE: That portion of medical bills paid or reimbursed by Medicare or other medical insurance should not be claimed on this schedule).

Contested claims must be explained in detail. Do not list any taxes, either real, personal or income, chargeable for any period subsequent to date of death; nor any claim against property located outside of New Jersey, unless such property is subject to tax in this state.

The estate agrees to advise the Division if the amount actually paid in settlement of any fee, commission or debt is greater or less than the estimated amount allowed and further agrees to the correction of the assessment, if necessary.

For mortgages list the balance on the decedent's date of death and the property in Schedule A on which the mortgage is an encumbrance. Each mortgage must be listed separately. State whether there was any mortgage insurance and, if so, submit verification as to the amount of same. Note: In the case of realty held by a decedent and a surviving spouse/civil union partner as tenants by the entirety, the amount of any mortgage owing on such realty at the decedent's death is not allowable as a deduction since such property is exempt from the Inheritance Tax.

Examples of Allowable Deductions

FUNERAL EXPENSES:

- Cemetery Plot (immediate family)
- Funeral Luncheon
- Flowers
- Minister/Rabbi/Priest/Imam
- Monument/Lettering
- Funeral Costs
- Acknowledgments

ADMINISTRATION EXPENSES:

- Appraisal of real estate
- Appraisal of personal effects
- Surrogate's fees
- Probate expenses
- Fee to notify creditors
- Death certificates
- Telephone tolls
- Cost of Executor's or Administrator's Bond
- Collection costs
- Court costs
- Cost on recovery and/or discovery of assets
- Realty commissions in accordance with N.J.A.C. 18:26-7.12
- Storage of property if delivery to legatee not possible within reasonable time

DEBTS OF DECEDENT OWING and

UNPAID AT TIME OF DEATH:

- Personal accounts
- Judgments
- Federal income and gift taxes generally
- Unpaid mortgage principal and interest on the decedent's date of death:
- Charitable pledges
- State, county and local taxes accrued before death
- Unpaid Inheritance Tax on interrelated estate

Examples of Non-Allowable Deductions

Contingent liabilities

State, county and local taxes accruing after date of death

Debts paid by insurance

Transfer Inheritance Tax

Medical expenses paid prior to death

Real estate brokers commissions, except if real property sold during administration of estate

Liabilities of corporation of which decedent was a shareholder

Debts on property located outside of New Jersey

Real estate and property maintenance costs

Federal Estate Tax

Storage expense

DID YOU REMEMBER TO:

1. Attach a copy of the decedent's will, codicils, trusts, and last full year's Federal Income Tax Return.
2. Fill-in the decedent's social security number.
3. Sign the return and have it notarized.

**FAILURE TO DO ANY OF THE ABOVE
MAY RESULT IN PROCESSING DELAYS**

All checks should be made payable to N.J. Inheritance and Estate Tax and mailed to:

N.J. Division of Taxation
Individual Tax Audit Branch
Transfer Inheritance and Estate Tax
PO Box 249
Trenton, New Jersey 08695-0249

For information regarding the N.J. Transfer Inheritance and Estate Taxes call:
(609) 292-5033
