

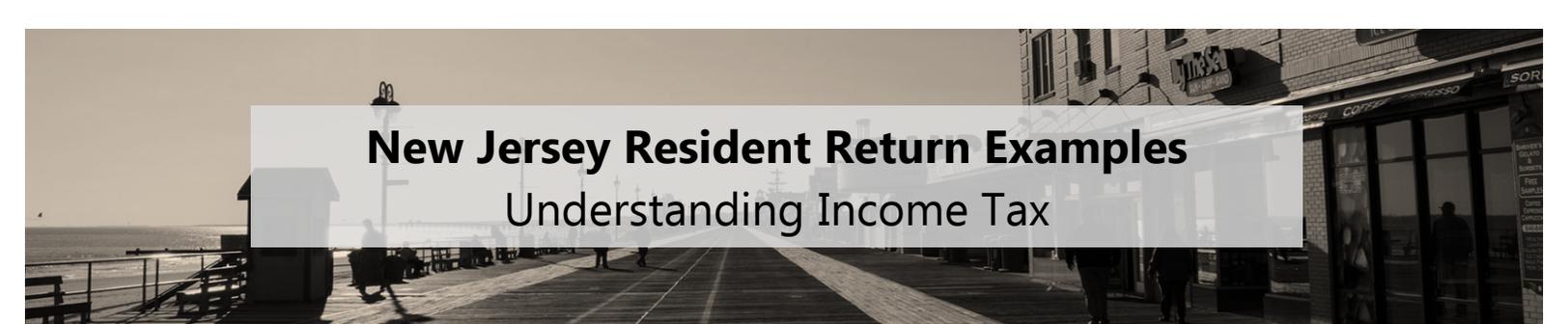
New Jersey Resident Return Examples

Understanding Income Tax



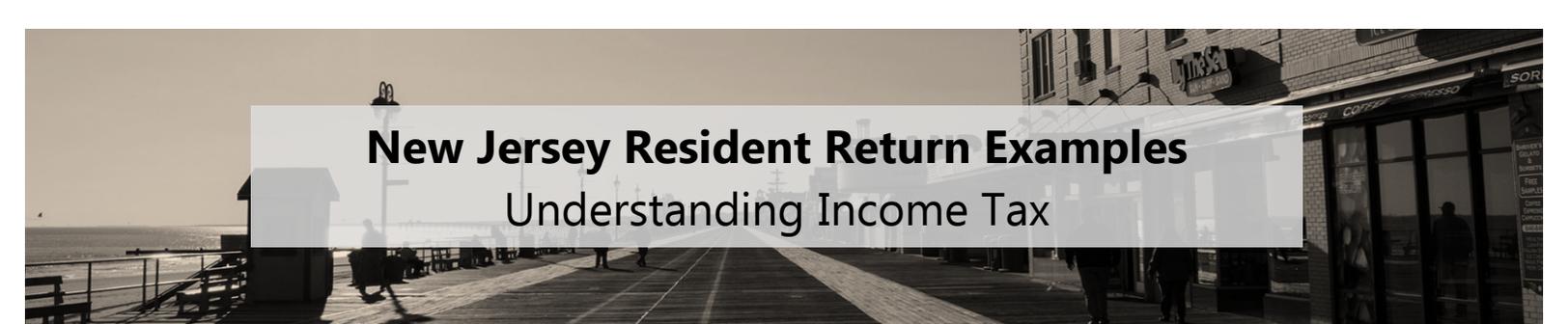
Visitors on the Ocean City boardwalk.

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New Jersey Resident Return Examples Understanding Income Tax

New Jersey Resident Return Examples for Tax Year 2019

This guide illustrates how to correctly complete:

- A 2019 [New Jersey Resident Income Tax Return](#) (Form NJ-1040) and
- A Property Tax Credit and [Wounded Warrior Caregivers Credit application](#) (Form NJ-1040-HW) for full-year and part-year residents in selected situations.

Filing Requirements

Residents

If your gross income exceeded \$20,000 (or \$10,000 if filing status is single or married/CU partner, filing separate return), you must file [Form NJ-1040](#).

If your income is less than the amount listed above, you can still file a return to claim a refund of taxes withheld or estimated taxes paid or to receive a New Jersey Earned Income Tax.

Part-Year Residents

If you became a resident of this state or moved out of this state during the year, you may be required to file a Form NJ-1040 and pay tax on the portion of income you received while you were a resident of New Jersey.

You must prorate all exemptions, deductions, and credits, as well as pension and other retirement income exclusions, to reflect the period covered by the return. See [GIT-6](#), *Part-Year Residents* for more information.

Filing Status

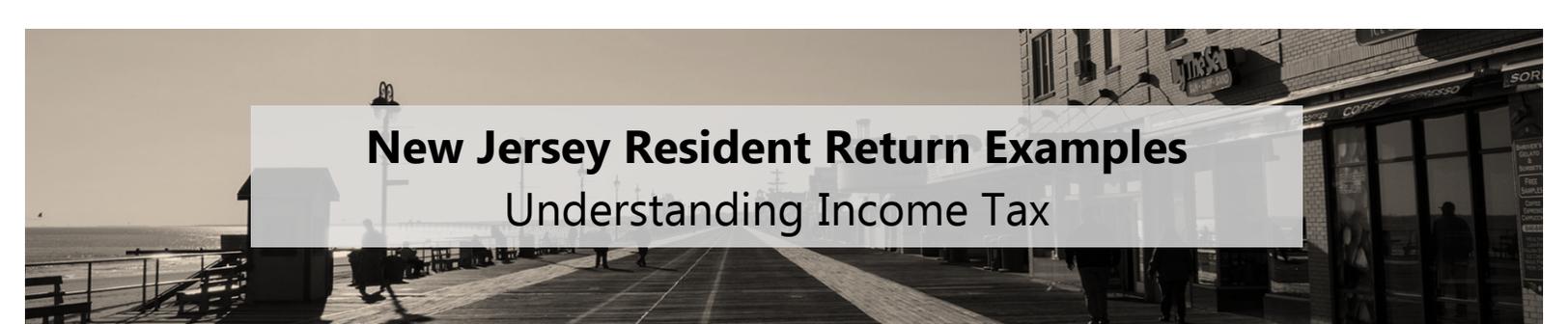
Your New Jersey filing status must match your federal filing status unless you meet an exception or have a special circumstance.

Visit the [IRS website](#) or see [IRS Publication 501](#) to determine your federal status **before preparing** your New Jersey tax return.

See [GIT-4](#), *Filing Status* for information on the exceptions and special circumstances.

Gross Income

For New Jersey purposes, your gross income includes income received in the form of money, goods, property, benefits, and services. A New Jersey resident must report all taxable income received, whether from New Jersey sources or not, on the State return.



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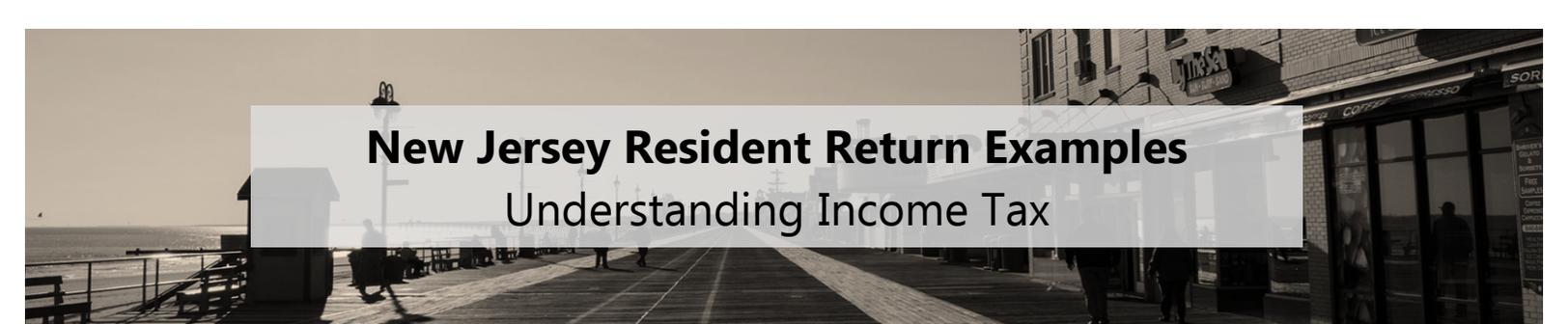
Taxable Income

Taxable income includes the following:

- Wages and other compensation;
- Interest and dividends;
- Earnings on nonqualified distributions from qualified State tuition program accounts, including the New Jersey Better Educational Savings Trust program (NJBEST) accounts;
- Earnings on nonqualified distributions from qualified State 529A Achieving a Better Life Experience program (ABLE) accounts;
- Net profits from a business, trade, or profession;
- Net gains or income from the sale or disposition of property;
- Pension, annuity, and IRA withdrawals;
- Net distributive share of partnership income;
- Net pro rata share of S corporation income;
- Net rental, royalty, and copyright income;
- Net gambling winnings, including New Jersey Lottery winnings from prize amounts exceeding \$10,000;
- Alimony;*
- **Estate** and **trust** income;
- Income in respect of a decedent (meaning untaxed income that a decedent earned or had a right to receive while alive);
- Prizes and awards, including scholarships and fellowships;
- Value of a residence provided by employer;
- Fees for services rendered, including jury duty.

New Jersey taxable income also **includes** the following that are not subject to federal income tax:

- Interest from obligations (such as bonds) of states and their political subdivisions (cities, counties), other than New Jersey and its political subdivisions;
- Income earned by a resident from foreign employment;
- Certain contributions to pensions and tax-deferred annuities;
- Employee contributions to federal Thrift Savings Funds, 403(b), 457, SEP, or any other type of retirement plan other than 401(k) plans.



New Jersey Resident Return Examples

Understanding Income Tax

* Alimony is taxable to the recipient (N.J.S.A. 54A:5-1(n)). However, alimony paid to a spouse could be considered nontaxable if the divorce decree stipulates that the other spouse who is paying the alimony agrees not to claim it as a deduction. The Division would consider the terms of a divorce decree when deciding whether such a stipulation is allowable. We may ask you to submit a copy of the divorce decree for review.

Nontaxable Income

Do not include the following examples of exempt income when deciding if you must file a return. With the exception of tax-exempt interest, do **not** report these items on your State tax return:

- Social Security benefits;
- Railroad Retirement benefits (Tier 1 and Tier 2);
- United States military pensions and survivor's benefit payments;
- Life insurance proceeds received because of a person's death;
- Employee's death benefits;
- Permanent and total disability, including VA benefits;
- Temporary disability received from the State of New Jersey or as third-party sick pay;
- Workers' Compensation;
- Gifts and inheritances;
- Qualifying scholarships or fellowship grants;
- New Jersey Lottery winnings from prizes of \$10,000 or less;
- Unemployment Compensation received from the State (but not supplemental unemployment benefit payments);
- Family Leave Insurance (FLI) benefits;
- Interest and capital gains from: (a) Obligations of the State of New Jersey or any of its political subdivisions; **or** (b) Direct federal obligations exempt under law, such as U.S. Savings Bonds and Treasury Bills, Notes, and Bonds;
- Distributions paid by mutual funds if they result from interest earned on federal obligations;
- Certain distributions from "New Jersey Qualified Investment Funds;"
- Earnings on qualified distributions from qualified state tuition program accounts, including the New Jersey Better Educational Savings Trust program (NJBEST) accounts; (Qualified programs in New Jersey and other states were established under subsection (b) of the federal Internal Revenue Code. If the plan you chose from another state qualifies, then the income and capital gains are exempt from New Jersey Income Tax);



New Jersey Resident Return Examples

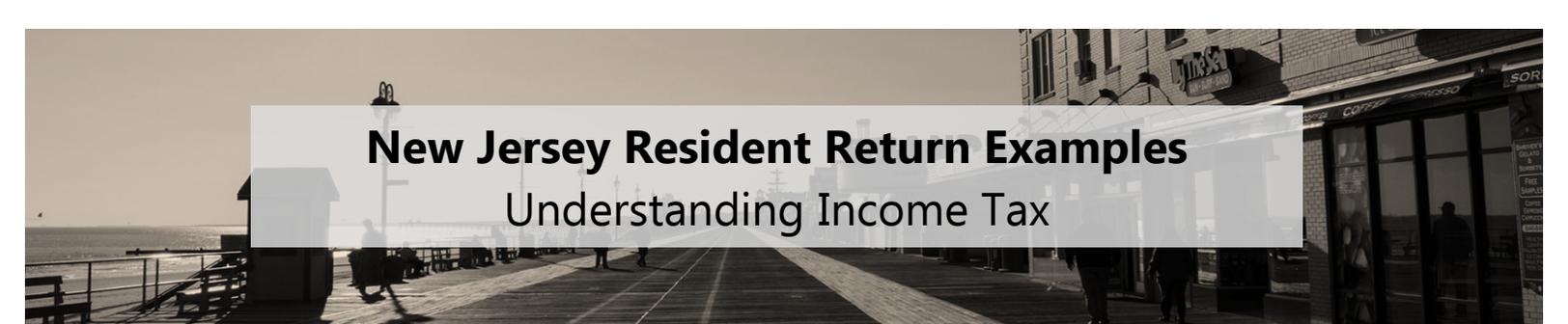
Understanding Income Tax

- Earnings on qualified distributions from qualified State 529A Achieving a Better Life Experience program (ABLE) accounts;
- Employer and employee contributions to 401(k) Salary Reduction Plans (but **not** federal Thrift Savings Funds);
- Some benefits received from certain employer-provided cafeteria plans (but not salary reduction or premium conversion plans);
- Benefits received from certain employer-provided commuter transportation benefit plans (but not salary reduction plans);
- Contributions to and distributions from an Archer Medical Savings Account (MSA) if they are excluded for federal income tax purposes;
- Direct payments and benefits received under homeless persons assistance programs;
- Homestead Benefits;
- Senior Freeze (Property Tax Reimbursement) program benefits;
- Income Tax refunds (New Jersey, federal, and other jurisdictions);
- New Jersey Earned Income Tax Credit payments;
- Welfare;
- Child support;
- Amounts paid as reparations or restitution to Nazi Holocaust victims;
- Assistance from a charitable organization, whether in the form of cash or property;
- Cancellation of debt;
- Amounts received as damages for wrongful imprisonment;
- Qualified disaster relief payments excluded under IRC §139;
- Payments from the September 11th Victim Compensation Fund.

Exemptions

Regular

You can claim one regular exemption on every resident tax return. If you are using filing status “married/CU couple, filing joint return,” you can claim one additional regular exemption for your spouse/partner. If you are in a domestic partnership, you can claim one additional regular exemption for your domestic partner **only** if your partner does not file their own return.



New Jersey Resident Return Examples

Understanding Income Tax

65 or Older

You can claim one **additional** exemption once you turn 65. If you file a joint return with a spouse/CU partner and they are also 65 or older, you can claim an additional exemption. The first time you claim this exemption, you may be asked to supply proof of age, such as a copy of a birth certificate, driver's license, or church records.

Blind or Disabled

You can claim one additional exemption if you are blind or disabled. If you file a joint return with a spouse/CU partner and they are blind or disabled, you can claim this exemption for them. The first time you claim this exemption, you may be asked to supply a copy of a doctor's certificate or other medical records as proof of blindness or disability.

Veterans

You are allowed one additional exemption if you are a veteran. If you file a joint return with a spouse/CU partner and they are a veteran, you can claim this exemption for them. The first time you claim this exemption, you must [provide documentation](#) certifying that you were honorably discharged or released under honorable circumstances from active duty.

Domestic Partner

If you are able to claim an exemption for your domestic partner, you will be asked to provide a copy of your New Jersey Certificate of Domestic Partnership the first time you claim the exemption.

Dependent Information

If you are claiming a dependent exemption, you must provide the full name, Social Security number, and year of birth for each dependent child and other dependent claimed on Form NJ-1040.

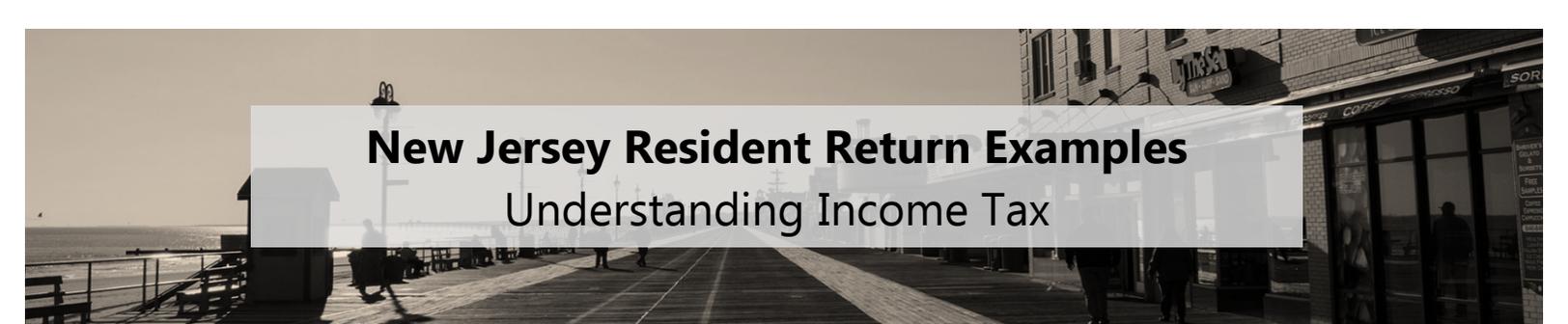
If you qualify for the New Jersey Earned Income Tax Credit, you must provide this information for each "qualifying child" listed on your federal Schedule EIC who is not claimed as a dependent on your New Jersey return.

You also must fill in the oval for each dependent who does **not** have health insurance coverage (including NJ FamilyCare/Medicaid, private, or other health insurance) on the date you file the return. Do not fill in the oval for any dependents who have health insurance.

Deductions

Medical Expenses

You can deduct certain unreimbursed medical expenses that you paid during the year that exceed 2% of your gross income as shown on Form NJ-1040. Use [Worksheet F](#) (pg. 26) to calculate your deduction for medical expenses.



New Jersey Resident Return Examples

Understanding Income Tax

Archer MSA Contributions

You can deduct qualified Archer Medical Savings Account (MSA) contributions that do not exceed 75% of the amount of your annual health plan deductible (65% if you have a self-only plan).

Self-Employed Health Insurance Deduction

If you are a self-employed individual or a shareholder who owns more than 2% of an S corporation, you can deduct up to 100% of the cost of health insurance for yourself and your spouse or domestic partner and dependents, but only to the extent that you have earned income from the business under which the insurance plan is established. You cannot deduct any amount paid for health insurance coverage for any month in which you were eligible to participate in a subsidized health plan maintained by your employer or your spouse or domestic partner's employer.

Children under 27

You can deduct amounts paid for health insurance for a child who was under age 27 at the end of 2019 only if the child was your dependent.

Alimony and Separate Maintenance Payments

You can deduct court-ordered alimony and separate maintenance payments. You cannot deduct those payments if your divorce decree specifically bars you from deducting them. Do not deduct payments for child support.

Qualified Conservation Contribution

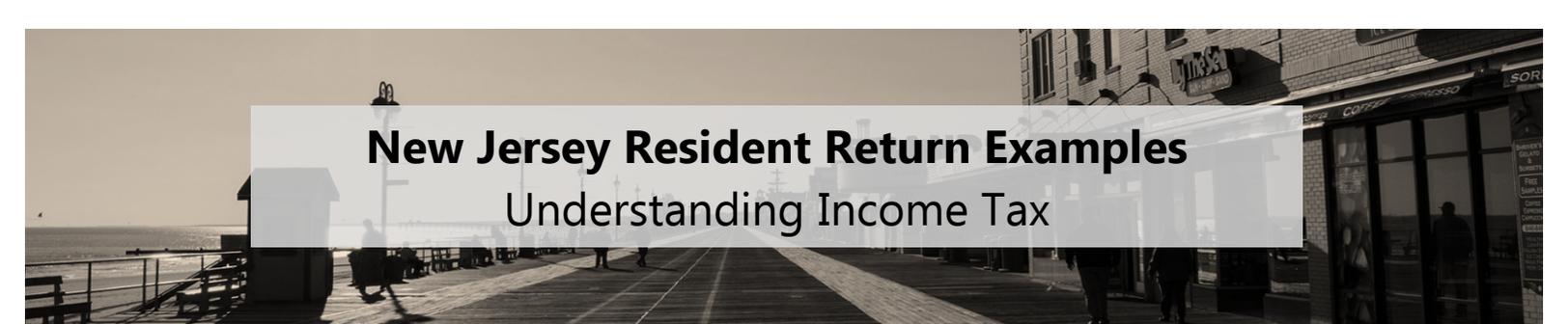
You can deduct any contribution you made for conservation purposes of a qualified real property interest in property located in New Jersey. The deduction is the amount of the contribution allowed as a deduction in calculating your taxable income for federal purposes.

Health Enterprise Zone Deduction

If you provide primary care services in a qualified medical or dental practice located in or within five miles of a designated Health Enterprise Zone (HEZ), you may be able to deduct a percentage of the net income from that practice. For information on eligibility requirements and how to calculate the deduction, see [TB-56](#), *Health Enterprise Zones*.

Alternative Business Calculation Adjustment

If you list business losses on [Schedule NJ-BUS-1](#), you may be able to use those losses to calculate an adjustment to your taxable income. In addition, you can carry forward unused losses for up to 20 years to calculate future adjustments. Complete [Schedule NJ-BUS-2](#) to calculate the amount of your adjustment and loss carryforward, if any.



New Jersey Resident Return Examples

Understanding Income Tax

Total Property Taxes Paid

If you pay property taxes (either directly or through rent), report the amount of property taxes due and paid for 2019 on line 38a. For tenants, you can use 18% of your rent paid as your property tax deduction.

Property Tax Deduction/Credit

If you are a homeowner or tenant who paid property taxes – either directly or through rent – on a principal residence in New Jersey, you may qualify for either a deduction (up to 100% of property taxes due and paid or up to \$15,000, whichever is less) or a refundable credit of \$50 (or \$25 if you and your spouse file separate returns but maintained the same principal residence).

Eligibility Requirements

You are eligible for a deduction **or** credit only if:

- You were domiciled and maintained a principal residence as a homeowner or tenant in New Jersey during 2019; and
- Your principal residence, whether owned or rented, was subject to property taxes that were paid either as actual property taxes or through rent; and
- If you rented your principal residence, it had its own separate kitchen and bathroom that you did not share with occupants of other units in the building, if there were other units; and
- Your principal residence was a unit in a multi-unit property you owned, the property had no more than four units and no more than one of those was a commercial unit; and
- Your income on line 29, Form NJ-1040, is more than \$20,000 (or \$10,000 if your filing status is single or married/CU partner, filing separate return), **or** you and/or your spouse (if filing jointly) were 65 or older or blind or disabled on the last day of the tax year. If your gross income was \$20,000 or less (or \$10,000 if filing status is single or married/CU partner, filing separate return), you are eligible for a property tax credit *only* if you or your spouse (if filing jointly) were 65 or older or blind or disabled on the last day of the tax year.

Seniors or Blind/Disabled Persons Not Required to File a Return

You qualify for a property tax credit if you (or your spouse if filing jointly) were 65 or older or blind or disabled on the last day of the tax year, and your income on line 29, Form NJ-1040, is \$20,000 or less (or \$10,000 if filing status is single or married/CU partner, filing separate return), and you met the eligibility requirements. The amount is \$50 (or \$25 if you and your spouse file separate returns but maintained the same principal residence).



New Jersey Resident Return Examples

Understanding Income Tax

Claiming the Property Tax Credit

If you are eligible for a property tax credit as either a homeowner or tenant, and you:

- **Are eligible and file for a 2019 Homestead Benefit** because you were a New Jersey homeowner on October 1, 2019, your credit will automatically be included with your Homestead Benefit. *Do not* claim the property tax credit on Form NJ-1040.
- **Are not eligible for a 2019 Homestead Benefit** because you were not a homeowner on October 1, 2019, you can claim the property tax credit on Form NJ-1040 **or** you can file the Property Tax Credit and Wounded Warrior Caregivers Credit application, Form NJ-1040-HW only. **Do not file both Form NJ-1040 and Form NJ-1040-HW.**

For more information on Form NJ-1040-HW, see [instructions for Form NJ-1040](#).

Senior Freeze (Property Tax Reimbursement) Applicants

If you are eligible for a 2019 Senior Freeze and file your application on Form PTR-1, enter on line 1, Worksheet H, the amount of your **2019 property taxes** as reported on your 2019 Form PTR-1.

If you are eligible for a Senior Freeze for 2019 and file your application on Form PTR-2, enter on line 1, Worksheet H the amount of your **base year property taxes** as reported on your 2019 Form PTR-2.

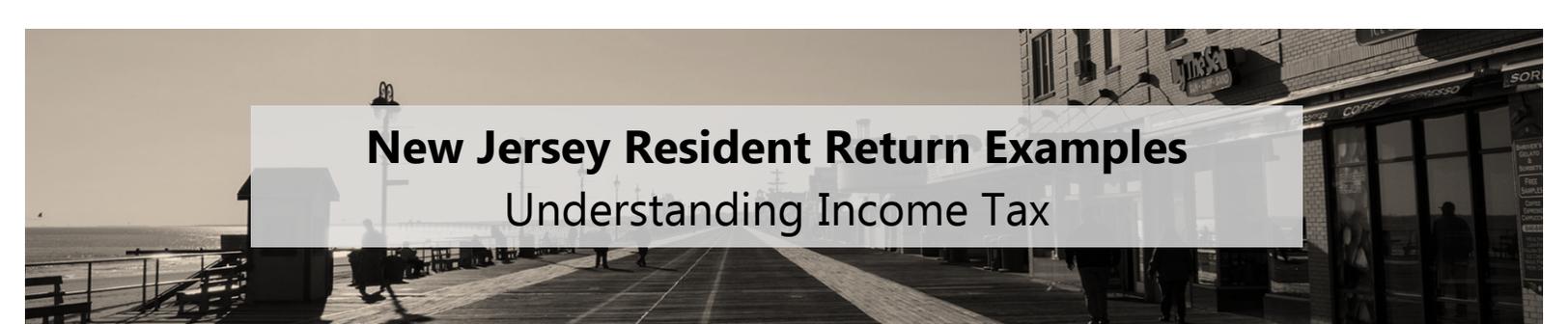
If you owned your home with someone other than your spouse or if the property consists of more than one unit, the amount of property taxes you report must reflect your percentage of ownership or the proportionate share of property taxes for the unit you occupy as your principal residence.

For more information on the property tax deduction/credit, see [instructions for Form NJ-1040](#).

Pensions, Annuities, and IRA Withdrawals

Pensions, annuities, and certain IRA withdrawals are taxable on the New Jersey return although the State taxable amount may be different from the federal amount.

When you report the income, you must include any taxable amounts on line 20a; you must include amounts that represent a return of previously taxed contributions that have already on line 20b. All State and local government, teachers', and federal pensions, and Keogh Plans are treated the same as pensions from the private sector. New Jersey provides retirement income exclusions that enable qualified taxpayers to reduce their taxable income. For more information, see [GIT-1&2, Retirement Income](#) or the [Tax Guide on Retirement Income](#).



New Jersey Resident Return Examples

Understanding Income Tax

If you are receiving a United States military pension or survivor's benefit payments, the military pension or survivor's benefit is exempt from New Jersey Income Tax. For more information on military pensions, see [GIT-7, Military Personnel](#).

For New Jersey purposes, an IRA consists of a nontaxable part (your contributions) and a taxable part (earnings plus certain amounts, if any, rolled over from pension plans). If your contributions were previously taxed, only the portion of the distribution that represents earnings is taxable. However, a qualified distribution from a Roth IRA does not have to be included in taxable income (line 20a) or excludable income (line 20b) in the year received. For more information on IRA withdrawals, see [GIT-1&2, Retirement Income](#) and [TB-44, Roth IRAs](#).

Pension Exclusion

You qualify for the pension exclusion if:

- You (and/or your spouse/civil union partner, if filing jointly) were 62 or older or disabled as defined by Social Security guidelines on December 31; **and**
- Your total income for the entire year was \$100,000 or less.

If you qualify, you can exclude the lesser of your actual taxable pension income **or** the maximum pension exclusion amount for your filing status:

- \$80,000 (married/CU couple, filing joint return),
- \$60,000 (single, head of household, or qualifying widow(er)/surviving CU partner), or
- \$40,000 (married/CU partner, filing separate return).

Credit for Taxes Paid to Other Jurisdictions

As a New Jersey resident, you may be eligible for a tax credit on your New Jersey return if you have income from sources outside New Jersey that was subject, within the same year, to both:

- Income or wage tax imposed by another jurisdiction outside New Jersey; **and**
- New Jersey Income Tax.

For this purpose, "jurisdiction" means any state (other than New Jersey) of the United States or political subdivision (such as a county or municipality) of such a state, or the District of Columbia. Therefore, we do not allow credit for taxes paid to the U.S. Government, Canada, Puerto Rico, or any other foreign country or territory.

You must complete [Schedule NJ-COJ](#) to calculate the amount of the credit and enclose it with Form NJ-1040. You also must enter a [two-digit code](#) for the jurisdiction in the boxes at line 42, Form NJ-1040. You are not required to enclose a copy of the tax return(s) filed with the other jurisdiction.



New Jersey Resident Return Examples

Understanding Income Tax

For more information on credit for taxes paid to other jurisdictions, see [GIT-3W](#), *Credit for Taxes Paid to Other Jurisdictions (Wage Income)* and [GIT-3B](#), *Credit for Taxes Paid to Other Jurisdictions (Business/Nonwage Income)*.

Residents with income from Pennsylvania, refer to [GIT-3W](#) or [GIT-3B](#) and the [NJ-1040 instructions](#) for information on the Reciprocal Personal Income Tax Agreement between Pennsylvania and New Jersey.

Child and Dependent Care Credit

The [Child and Dependent Care Credit](#) is available to certain taxpayers who have earned income and paid someone to care for a qualifying person to care for a child so they can work or look for work.

To qualify, you must be allowed a federal credit for child and dependent care expenses and have taxable income on line 40 of \$60,000 or less. If your filing status is married, filing separately, you are only eligible for the credit if you meet certain exceptions for federal purposes. The credit is nonrefundable and cannot reduce your Income Tax liability to an amount less than zero.

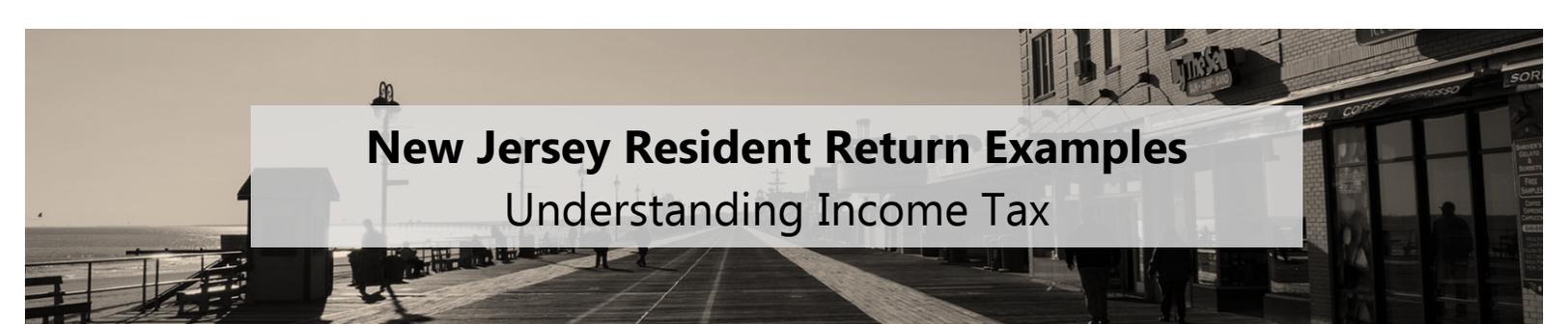
Use [Worksheet J](#) to calculate the amount of your credit.

Gold Star Family Counseling Credit

This credit is for mental health care professionals who provided counseling through the Gold Star Family Counseling program. The amount of the credit is equal to the number of hours of counseling provided through the program (a minimum of 20 hours and a maximum of 40 hours per year) multiplied by the TRICARE healthcare coverage rate for the service. The credit is nonrefundable and cannot reduce your Income Tax liability to an amount less than zero.

If you claim the credit, you will be asked to provide copies of the following:

- A statement with the number of counseling hours donated to Gold Star families in New Jersey along with the TRICARE rate for those counseling services;
- A letter from the Gold Star Counseling Program verifying your participation; and
- A copy of your New Jersey State license from the from one of the following:
 - The State Board of Medical Examiners, the State Board of Psychological Examiners, the State Board of Social Work Examiners, the State Board of Marriage and Family Therapy Examiners, the Alcohol and Drug Counselor Committee, the Professional Counselor Examiners Committee, or the Certified Psychoanalysts Advisory Committee.



New Jersey Resident Return Examples

Understanding Income Tax

Shared Responsibility Payment

If you do not have health coverage or qualify for an exemption, you may be assessed a [Shared Responsibility Payment](#) (SRP) on your New Jersey Income Tax return. If you are not required to file a return because your gross income is below \$20,000 (or \$10,000 if filing status is single or married/CU partner, filing separate return), you are automatically exempt from the SRP.

The amount of the SRP is generally based on your income and family size and is capped at the statewide average premium for [Bronze Health Plans](#) in New Jersey.

Estimated Tax Payments

If you expect your New Jersey Income Tax liability to be more than \$400 after taking into account all of your exemptions, deductions, withholdings, and other credits for the tax year, you are required to make quarterly estimated tax payments.

Situations that may require you to make estimated payments:

- If you do not have sufficient New Jersey Income Tax withheld from your wages and/or pension;
- If you are self-employed; or
- If your income is from sources such as interest, dividends, or capital gains.

Use [Form NJ-1040-ES](#) to make estimated payments.

For more detailed information on New Jersey estimated tax payments, see [GIT-8, Estimating Income Taxes](#).

New Jersey Earned Income Tax Credit (EITC)

The New Jersey Earned Income Tax Credit is a credit for residents of limited income. To claim the credit, you must have worked and earned wage or self-employment income and file a resident Income Tax return. The credit reduces the amount of tax you owe and also may give you a refund, even if you have no tax liability to New Jersey. (See [Filing Requirements](#).)

If you are eligible and file for a federal earned income credit, you also can receive a New Jersey EITC equal to 39% of the federal benefit.

You cannot claim the EITC if your filing status is married/CU partner, filing separate return.

For each “qualifying child” listed on your federal Schedule EITC that you did not claim as a dependent on your New Jersey return, you must provide their full name, Social Security number, and year of birth.



New Jersey Resident Return Examples

Understanding Income Tax

If you asked the Internal Revenue Service to calculate your federal earned income credit, fill in the first oval below line 57, Form NJ-1040. (Civil union couples *should not* fill in this oval even if one or both of you are eligible for a federal credit and asked the IRS to calculate the amount. For information on how civil union couples calculate their New Jersey Earned Income Tax Credit amount for line 57, see [instructions for Form NJ-1040](#).) The IRS will provide information about federal earned income credit recipients to the Division of Taxation. Please allow **at least four to six weeks** for the Division to process the information and issue a check for your New Jersey Earned Income Tax Credit.

Part-Year Residents

If you were a New Jersey resident for only part of the tax year, you must prorate the amount of your EITC based on the number of months you were a New Jersey resident. For this calculation, 15 days or more is a month.

The Division of Taxation audits returns to make sure taxpayers meet the eligibility requirements for this credit. We may ask you to provide documentation to support your claim.

Wounded Warrior Caregivers Credit

The Wounded Warrior Caregivers Relief Act provides a tax credit to qualified family caregivers who take care of a military service member who has a disability arising out of service in any war or conflict on or after September 11, 2001.

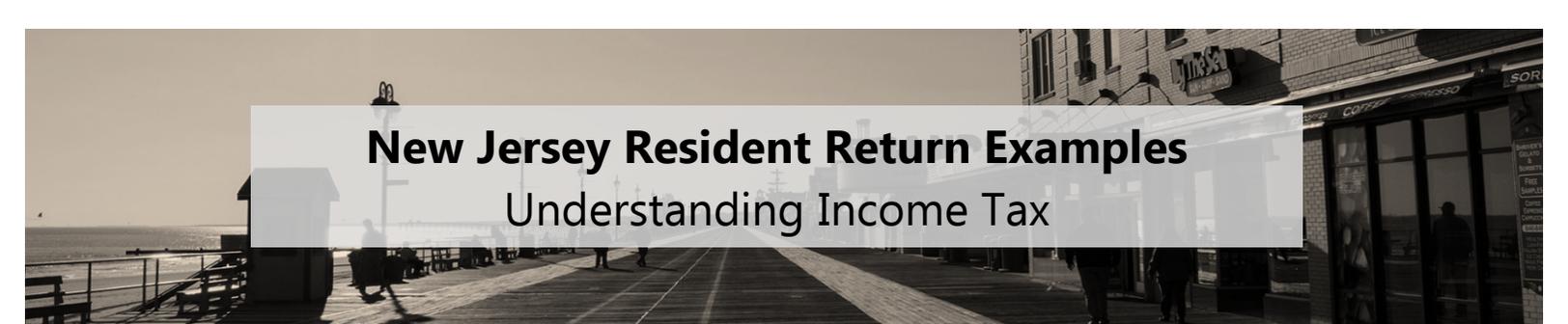
You are eligible for this credit if you are a resident of New Jersey who provided care for a relative who is a qualifying armed services member and your gross income was \$100,000 or less (married, filing jointly; head of household; qualifying widow(er)) or \$50,000 or less (single; married, filing separate).

Complete [Schedule NJ-WWC](#) to calculate the credit. If two or more people care for the same person, the credit apportioned to them is based on their share of total care expenses for the year. If you claim the credit, you will be asked to provide copies of the following:

- Your Schedule NJ-WWC;
- The letter from the Department of Veterans Affairs stating that the qualified armed service member has Individual Unemployability status; and
- Your most recent VA benefit letter.

Part-year residents must use their income for the entire year when determining eligibility.

For information regarding a qualifying relative or a qualifying armed services member, see the [Form NJ-1040 instructions](#).



New Jersey Resident Return Examples

Understanding Income Tax

Sale of Home Exclusion

If you sell your principal residence, you may qualify to exclude up to \$250,000 (or \$500,000 for certain married/civil union couples filing a joint return) of any gain from your income. A capital gain is calculated the same way as for federal purposes. Any amount that is taxable for federal purposes is taxable for New Jersey purposes.

You can claim the exclusion if, during the five-year period ending on the date of the sale, you have:

1. Owned the home for at least two years (the ownership test); and
2. Lived in the home as your principal residence for at least two years (the use test).

If you owned and used the property as your principal residence for less than two years, and you qualify for a reduced exclusion for federal purposes, you can claim a reduced exclusion for New Jersey purposes.

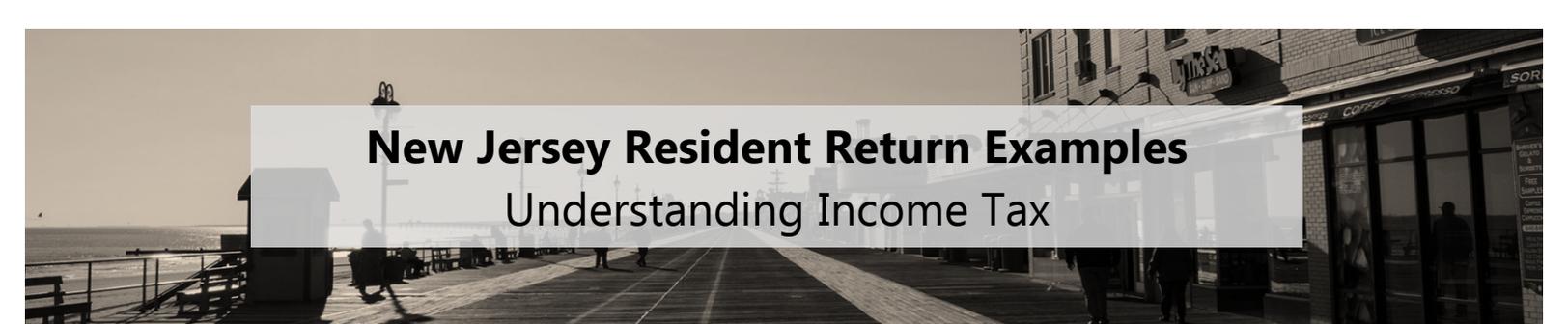
You can exclude up to \$250,000 (or \$500,000 for certain married/civil union couples filing a joint return) of a gain from the sale of your principal residence **if both 1 and 2** below apply.

1. Neither you nor your spouse, if filing a joint return, is excluding a gain from the sale of another home;
2. You or your spouse, if filing a joint return, owned and lived in the home for periods adding up to at least two years within the five-year period ending on the date of sale.

If you are a married/civil union couple, filing a joint return, **both** you and your spouse must meet the use test to qualify for the \$500,000 exclusion.

If only one spouse meets the ownership and use tests, the qualified spouse can exclude up to \$250,000 of the gain when filing either a joint return or a separate return.

You cannot exclude the gain on the sale of your principal residence if, during the two-year period ending on the date of the sale, you sold another home at a gain and excluded all or part of that gain. If you cannot exclude the gain, you must include it in your income and complete [Schedule NJ-DOP](#). However, you can claim a reduced exclusion if you sold the home due to a change in health or place of employment and you qualify for a reduced exclusion for federal purposes.



New Jersey Resident Return Examples

Understanding Income Tax

Return Preparation

The following are examples of completed resident returns (Forms NJ-1040) for various situations.

Example 1

Leonard Fisher (Age 63)
SS# 999-27-3660
Evelyn Fisher (Age 56)
SS# 999-62-8391
101 Blackwell Road, Apt. B
Cape May Point, NJ 08212 (Cape May County)

The Fishers are full-year residents of New Jersey. They are married and file a joint return with no dependents.

Evelyn's wages	\$42,731
Joint taxable interest	15,426
Joint tax-exempt interest.....	7,900
Joint dividends.....	27,454
Leonard's pension:	
Received this year (3rd yr.)	36,000
Leonard's contributions.....	100,000
Employer's contributions	100,000
Leonard's Social Security.....	15,600
Loss from rental property	
129 Bay Road	
Cape May, New Jersey.....	524
NJ Income Tax withholdings	3,136
Estimated tax payments.....	400
Property taxes paid for 2019.....	1,300
Rent paid.....	8,400
Homestead Benefit received as	
a credit on 2019 property tax bill.....	100

The Fishers lived in their house, located at 18 King's Court, Cape May, New Jersey (Block 3105.62 Lot 14.3) since August 9, 1987. On May 23, 2019, they sold the house for \$275,000. The cost basis on their federal return was \$117,000. Based on their filing status, the Fishers can exclude up to \$500,000 of the gain from the sale of their principal residence. Therefore, they will exclude the entire \$158,000 gain on the sale of their home on New Jersey [Schedule NJ-DOP](#). They will enclose Schedule NJ-DOP with their Income Tax return and keep a copy for their records.



New Jersey Resident Return Examples Understanding Income Tax

In addition, they must enclose a completed New Jersey [Schedule NJ-BUS-1](#) showing the loss from their rental property. The New Jersey Gross Income Tax Act does not allow losses to be applied to gains in other categories of income on Form NJ-1040; therefore, the Fishers will make no entry for rental income on line 23 of their return. However, since they show a loss on Schedule NJ-BUS-1, they complete [Schedule NJ-BUS-2](#) to determine whether they can claim an alternative business calculation adjustment on line 35, and the amount of loss, if any, they can carry forward to Tax Year 2020. The Fishers cannot claim an adjustment for 2019, but they are able to carry forward the loss of \$524 as indicated on Schedule NJ-BUS-2, Part III, line 12. The Fishers will enclose Schedule NJ-BUS-2 and keep a copy for their records. They may need the information from the schedule to complete their return in future years.

Leonard retired on December 31, 2016. For Tax Year 2017, he completed *Worksheet A – Which Pension Method to Use* in the NJ-1040 instructions to determine which pension method to use. He was able to use the Three-Year Rule Method, and for the past two years he was not required to report any taxable pension on his State Income Tax return. The Fishers did **not** submit Worksheet A with their Income Tax return but kept it for their records. This year they used the worksheet to help determine the taxable and excludable pension amounts to report on their 2019 tax return.

Leonard is eligible to use the pension exclusion to reduce his income by up to \$80,000 because his filing status is married/CU couple, filing a joint return and his income (combined with his wife's income) did not total more than \$100,000. He will claim \$8,000 as his pension exclusion on line 28a of their return. The Fishers cannot use the unclaimed portion of the pension exclusion (\$72,000) on line 28b, Other Retirement Income Exclusion. That is because their joint earned income (total of: wages, net profits from business, distributive share of partnership income, and net pro rata share of S corporation income) is more than \$3,000, as shown on *Worksheet D – Other Retirement Income Exclusion*.

Leonard is a former member of the U.S. Armed Forces who was honorably discharged from service. Therefore, he is eligible for an additional exemption of \$6,000. To claim the exemption, he will fill in the oval at line 9 of Form NJ-1040 and indicate the number of exemptions. He also will [provide official documentation](#) certifying that he was honorably discharged from active duty since this is the first time he is claiming the exemption.

New Jersey Resident Return Examples

Understanding Income Tax

Worksheet A Which Pension Method to Use

- | | | |
|---|----|-----------|
| 1. Amount of pension you will receive during the first three years (36 months) from the date of the first payment | 1. | \$108,000 |
| 2. Your contributions to the plan | 2. | 100,000 |
| 3. Subtract line 2 from line 1 | 3. | 8,000 |
- (a) If line 3 is "0" or more, *and* both you and your employer contributed to the plan, you can use the **Three-Year Rule Method**.
- (b) If line 3 is less than "0," or your employer did not contribute to the plan, you must use the **General Rule Method**.

(Keep for your records)

Worksheet D Unclaimed Pension Exclusion Age Requirement: 62 or older

Part-year residents, do not complete this worksheet.

Is income on Line 27, NJ-1040 **MORE than \$100,000?**

- Yes. You are not eligible for the unclaimed pension exclusion.
- No. Continue with line 1.

- | | | |
|---|----|--------|
| 1. Enter the amount from Line 15, NJ-1040 | 1. | 42,371 |
| 2. Enter the amount from Line 18, NJ-1040 | 2. | 0 |
| 3. Enter the amount from Line 21, NJ-1040 | 3. | 0 |
| 4. Enter the amount from Line 22, NJ-1040 | 4. | 0 |
| 5. Add lines 1, 2, 3, and 4 | 5. | 42,371 |

Is the amount on line 5 MORE than \$3,000?

- Yes. You are not eligible for the unclaimed pension exclusion. See Special Exclusion below.
- No. Continue with line 6.

6. **Enter: if your filing status is:**
- | | | |
|--|----|-------|
| \$80,000 Married/CU couple, filing joint return | | |
| \$60,000 Single; Head of household; Qualifying widow(er)/ surviving CU partner | | |
| \$40,000 Married/CU partner, filing separate return | 6. | _____ |
7. Enter the amount from Line 28a, NJ-1040
- | | | |
|--|----|-------|
| | 7. | _____ |
|--|----|-------|
8. Unclaimed Pension Exclusion. Subtract line 7 from line 6. Include this amount on Line 28b, NJ-1040. . 8. _____

Joint filers: If only one spouse is 62 or older, only the income of that spouse can be excluded.

Special Exclusion. If you (and your spouse if filing jointly) will never be eligible to receive Social Security or Railroad Retirement benefits because your employer did not participate in either program, see Tax Topic Bulletin GIT-1&2, *Retirement income*, before entering an amount on Line 28b.

(Keep for your records)

New Jersey Resident Return Examples

Understanding Income Tax

Worksheet G

PART I: HOMEOWNERS
Principal residences you owned in New Jersey during 2019

Address	(a) Number of days in 2019 in this residence as an owner	(b) Share of property owned by you (and your spouse)	(c) Share (%) of property used as your principal residence	(d) Total property taxes paid on this property for this period	(e) Your share of property taxes paid on this property for this period
1. 18 King's Ct. Cape May	143	1.00	1.00	1,300	1,300
2.					
3.					
4. Your share of total property taxes paid for 2019 for your principal residences (total of column e) If you were also a tenant in New Jersey during the year, continue with Part II. Otherwise, go to Part III.					1,300

PART I: TENANTS
Principal residences you rented in New Jersey during 2019

Address	(a) Number of days in 2019 in this residence as a tenant	(b) Total number of tenants who shared the rent	(c) Total rent paid by all people living in this residence during this period	(d) Total rent paid by you (and your spouse) for this residence during this period
5. 101 Blackwell Rd. Cape May Pt.	222	1	8,400	8,400
6.				
7.				
8. Your share of total rent paid for 2019 for your principal residences (total of column d)				8,400
9. Allowable portion of rent. Line 8 × 0.18. Continue to Part III				1,512

PART III: TOTAL

10. Add line 4 and line 9. Enter the total here and on Line 38a, Form NJ-1040. Fill in the oval at Line 38c indicating this worksheet was completed. If your filing status is married/CU partner, filing separate return and both you and your spouse maintained the same principal residence, use one-half of this amount when completing Line 38a.	2,812
---	-------

(Keep for your records)

New Jersey Resident Return Examples

Understanding Income Tax

Worksheet H - Property Tax Deduction/Credit

Review the eligibility requirements on page 26 before completing Worksheet H. Part-year residents, see page 30.

Complete both columns of this worksheet to find out whether the deduction or the credit is better for you.

1. **Property Taxes.** Enter the property taxes from Line 38a, Form NJ-1040.
Senior Freeze (Property Tax Reimbursement) applicants must use their base year amount.
(See instructions on page 30.) 1. 2,812

2. **Property Tax Deduction.** Is the amount on line 1 of this worksheet \$15,000 or more (\$7,500 or more if you and your spouse file separate returns but maintained the same principal residence)?
 Yes. Enter \$15,000 (\$7,500 if you and your spouse file separate returns but maintained the same principal residence).
 No. Enter the amount from line 1. 2. 2,812

STOP — if you are claiming a credit for taxes paid to other jurisdictions.
Complete only lines 1 and 2. Then complete Schedule NJ-COJ and Worksheet I.
(See instructions on page 32.)

3. Taxable Income (From Line 37 of Form NJ-1040)
4. Property Tax Deduction (From line 2 above)
5. New Jersey Taxable Income (Subtract line 4 from line 3)
6. Tax on line 5 amount (From Tax Table or Tax Rate Schedules).....
7. Subtract line 6, column A from line 6, column B

Column A		Column B	
3.	77,611	3.	77,611
4.	2,812	4.	- 0 -
5.	74,799	5.	77,611
6.	1,462	6.	1,562
		7.	100

8. **Is the line 7 amount \$50 or more** (\$25 if you and your spouse file separate returns but maintained the same principal residence? **Part-year residents**, see page 30 before answering "No.")

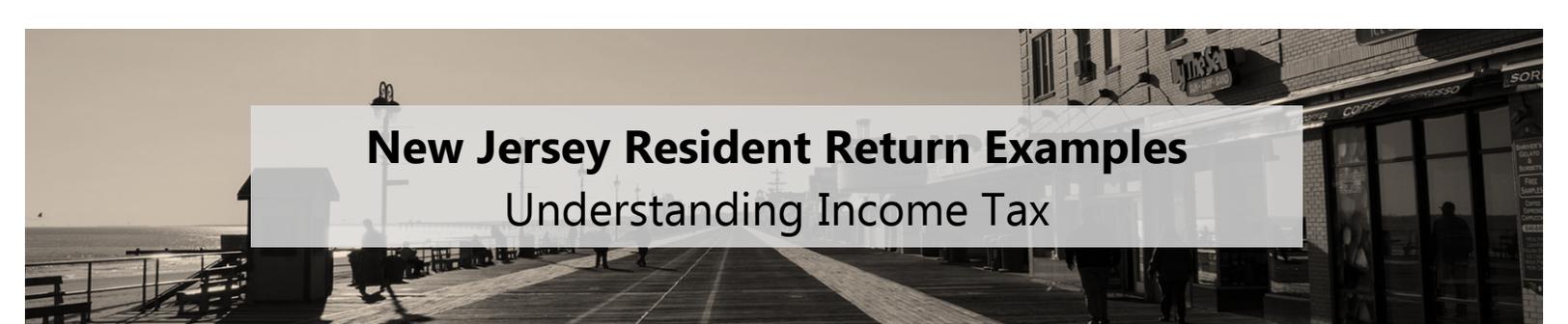
Yes. The Property Tax Deduction is more beneficial for you. Make the following entries on your return.

<i>Form NJ-1040</i>	<i>Enter amount from:</i>
Line 39	Line 4, column A
Line 40	Line 5, column A
Line 41	Line 6, column A
Line 55	Make no entry

No. The Property Tax Credit is more beneficial for you. Make the following entries on your return.

<i>Form NJ-1040</i>	<i>Enter amount from:</i>
Line 39	Make no entry
Line 40	Line 5, column B
Line 41	Line 6, column B
Line 55	\$50 (\$25 if you and your spouse file separate returns but maintained the same principal residence). Part-year residents must prorate this amount. (See instructions on page 30.)

(Keep for your records)



New Jersey Resident Return Examples Understanding Income Tax

Since the Fishers lived at more than one New Jersey residence during the tax year, they must complete Worksheet G to determine the amount of property taxes to enter on line 38a. The Fishers received a Homestead Benefit as a credit on their May 2019 property tax bill; therefore, when they enter the total property taxes paid in Part I, Column 4, Worksheet G, they use the amount of property taxes they paid to the municipality for 2019 plus the amount of the Homestead Benefit that was credited on their May 2019 tax bill. To determine whether it is better to claim the property tax deduction or the property tax credit, the Fishers then complete Worksheet H. Worksheets G and H are in the NJ-1040 instructions. The Fishers determined that they will receive a greater tax benefit by taking the property tax deduction.

The following pages show how the Fishers will complete their New Jersey Income Tax return. After taking credit for Evelyn's withholdings and their joint estimated tax payments, they will be entitled to a refund of \$2,074. However, they are requesting that a \$10 charitable donation be made to six specified check-off funds listed on the NJ-1040 and to the designated fund of their choice. They will receive a refund of \$2,014. Since they have taxable income of less than \$100,000, the Fishers can use either the New Jersey Tax Table or the New Jersey Tax Rate Schedules to calculate their tax liability.

New Jersey Resident Return Examples

Understanding Income Tax

Affix preprinted label below ONLY if the information is correct.

Your Social Security Number (required) 9 9 9 - 2 7 - 3 6 6 0		Last Name, First Name, Initial (Joint Filers enter first name and middle initial of each. Enter spouse's/CU partner's last name ONLY if different.) Fisher Leonard & Evelyn	
Spouse's/CU Partner's SSN (if filing jointly) 9 9 9 - 6 2 - 8 3 9 1		Home Address (Number and Street, including apartment number) 101 Blackwell Road Apt B	
County/Municipality Code (See Table page 50) 0 5 0 3	City, Town, Post Office Cape May Point	State NJ	ZIP Code 08212
Fill in <input type="checkbox"/> if federal extension filed.		Fill in <input type="checkbox"/> if the address above is a foreign address.	
Part-year residents, provide months/days you were a New Jersey resident during 2019: From: <input type="checkbox"/> / <input type="checkbox"/> / 1 9 To: <input type="checkbox"/> / <input type="checkbox"/> / 1 9		Fiscal year filers only: Enter month of your year end <input type="checkbox"/> 2020	

Filing Status

Fill in only one.

- Single
- Married/CU Couple, filing joint return
- Married/CU Partner, filing separate return
- Head of Household
- Qualifying widow(er)/Surviving CU Partner

- -
Enter spouse's/CU partner's SSN

Indicate the year of your spouse's CU partner's death: 2017 or 2018

Exemptions

Fill in the ovals that apply. You must enter a total in the boxes to the right and complete the calculation.

- Regular..... Self Spouse/ CU Partner Domestic Partner..... 2 × \$1,000 = 2,000
- Senior 65+ (Born in 1954 or earlier)..... Self Spouse/ CU Partner × \$1,000 = _____
- Blind/Disabled..... Self Spouse/ CU Partner × \$1,000 = _____
- Veteran..... Self Spouse/ CU Partner 1 × \$6,000 = 6,000
- Qualified Dependent Children..... × \$1,500 = _____
- Other Dependents..... × \$1,500 = _____
- Dependents Attending Colleges (See instructions)..... × \$1,000 = _____
- Total Exemption Amount (Add totals from the lines at 6 through 12)..... 13. 8 , 0 0 0 . 0 0

14. Dependent Information. Provide the following information for each dependent.

Last Name, First Name, Middle Initial	Social Security Number	Birth Year	Relationship
<input type="text"/>	<input type="checkbox"/> - <input type="checkbox"/> - <input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
<input type="text"/>	<input type="checkbox"/> - <input type="checkbox"/> - <input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
<input type="text"/>	<input type="checkbox"/> - <input type="checkbox"/> - <input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
<input type="text"/>	<input type="checkbox"/> - <input type="checkbox"/> - <input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>

New Jersey Resident Return Examples

Understanding Income Tax

68. Contribution to NJ. Vietnam Veterans' Memorial Fund.....X\$10 \$20 Other..... 68. -

69. Contribution to NJ. Breast Cancer Research Fund.....X\$10 \$20 Other..... 69. -

70. Contribution to U.S.S. New Jersey Educational Museum Fund.....X\$10 \$20 Other..... 70. -

71. Other Designated Contribution (See instructions).....X\$10 \$20 Other 71. -

72. Other Designated Contribution (See instructions)..... \$10 \$20 Other 72. -

73. Other Designated Contribution (See instructions)..... \$10 \$20 Other 73. -

74. Total Adjustments to Tax Due/Overpayment amount (Add lines 65 through 73) 74. , , -

75. **Balance Due** (If line 63 is more than zero, add line 63 and line 74) Fill in if paying by e-check or credit card 75. , , -

76. **Refund amount** (If line 64 is more than zero, subtract line 74 from line 64) ... 76. , , -

SCHEDULE NJ-DOP

Net Gains or Income From Disposition of Property

2019

List the net gains or income, less net loss, derived from the sale, exchange, or other disposition of property, including real or personal, whether tangible or intangible.

	(a)	(b)	(c)	(d)	(e)	(f)		
1.	Kind of property and description	Date acquired (mm/dd/yyyy)	Date sold (mm/dd/yyyy)	Gross sales price	Cost or other basis as adjusted (see instructions) and expense of sale	Gain or (loss) (d minus e)		
	Sale of Home 18 King's Ct. Cape May	8/9/87	5/23/18	275,000	117,000	158,000	00	
	*Less Sale of Principal Residence exclusion					(158,000)	00	
2.	Capital Gains Distributions							
3.	Other Net Gains.....							
4.	Net Gains (Add Lines 1, 2, and 3.) (Enter here and on Line 19. If loss, enter ZERO here and make no entry on Line 19.)						0	00

New Jersey Resident Return Examples

Understanding Income Tax

Schedule NJ-BUS-1
(Form NJ-1040)

New Jersey Gross Income Tax
Business Income Summary Schedule

2019

	Part IV Net Gains or Income From Rents, Royalties, Patents, and Copyrights	List the net gains or net income, less net loss, derived from or in the form of rents, royalties, patents, and copyrights. See instructions. Type of Property: 1 – Rental real estate 2 – Royalties 3 – Patents 4 – Copyrights			
	Source of Income or Loss. If rental real estate, enter physical address of property.	Social Security Number/ Federal FEIN	Type - Enter number from list above	Income or (Loss)	
1.	129 Bay Rd. Cape May	999-27-3660	1	(524	00)
2.					
3.					
4.	Net income or (Loss). (Add Lines 1, 2, and 3.) (Enter here and on Line 23, NJ-1040. If loss, make no entry on Line 23.)			4.	(524 00)

Keep a copy of this schedule for your records

Schedule NJ-BUS-2
(Form NJ-1040)

New Jersey Gross Income Tax
Alternative Business Calculation Adjustment

2019

PART I Income (Loss)		Column A			Column B		
		Reportable Regular Business Income			Alternative Business Income (Loss)		
1.	Net Profits from Business	1a			1b.		
2.	Distributive Share of Partnership Income	2a			2b.		
3.	Net Pro Rata Share of S Corporation Income	3a			3b.		
4.	Net Gain or Income From Rents, Royalties, Patents, and Copyrights	4a			4b.	(524	00)
5.	Loss Carryforward From Tax Year 2018				5b.	(0	00)
6.	Totals	6a			6b.	(524	00)
PART II Adjustment Calculation							
7.	Total Regular Business Income	7.					
8.	Total Alternative Business Income/(Loss). (If loss, enter zero)	8.					
9.	Business Increment (Line 7 minus Line 8)	9.					
10.	Adjustment Percentage	10		0.50			
11.	Alternative Business Calculation Adjustment (Line 9 x 0.50)	11					
PART III Loss Carryforward to Tax Year 2020							
12.	Loss Carryforward to Tax Year 2020	12.			(524	00)	

GIT-11

December 2019



New Jersey Resident Return Examples

Understanding Income Tax

Example 2

Javier Mendez (Age 65)
SS# 999-21-2351
Domenica Mendez (Age 64)
SS# 999-35-1443
125 Madison Street
Morris, NJ 07082 (Morris County)

The Mendezes are full-year residents of New Jersey. They are married and file a joint return with no dependents.

Javier's wages.....	\$ 2,940
Joint taxable interest.....	1,000
Joint exempt interest.....	3,500
Joint dividends.....	2,500
Domenica's fully taxable pension.....	2,500
Javier's fully taxable pension.....	8,500
Javier's 1st year IRA withdrawal	1,200
Total joint Social Security	17,500
NJ Income Tax withholdings	45
Rent paid.....	9,600

The value of Javier's traditional IRA on December 31, 2019, was \$12,455 with previously taxed contributions of \$10,000. The Mendezes must complete Part I of *Worksheet C – IRA Withdrawals* in the NJ-1040 instructions to determine the taxable and excludable portions of the IRA withdrawal. They will keep the worksheet with their tax records and use the information in Part I to complete Part II of the worksheet next year.

They will combine the taxable portion of the IRA withdrawal with their fully taxable pensions to arrive at the total taxable pension to report on line 20a of the New Jersey Income Tax return. They will report the excludable portion of the IRA withdrawal on line 20b. After determining the taxable amount of their pension and IRA income, they will be able to use the pension exclusion to reduce their income by up to \$80,000 because their total income (line 27, Form NJ-1040) did not exceed \$100,000. Because the Mendezes have less than \$80,000 in taxable pension to report on their tax return, they will complete *Worksheet D – Other Retirement Income Exclusion* in the NJ-1040 instructions to see if they qualify for an additional exclusion.

As New Jersey residents whose gross income did not exceed \$20,000 for the year, the Mendezes have no tax liability to New Jersey but will file the tax return to claim a refund of withholdings.

New Jersey Resident Return Examples

Understanding Income Tax

Javier and Domenica will not complete Worksheet H (located in the NJ-1040 instructions) to determine whether to take a property tax deduction or a property tax credit as their income is below the filing threshold amount of \$20,000. They are, however, eligible for a property tax credit of \$50 and will claim the credit on line 55, Form NJ-1040. Because the Mendezes are filing Form NJ-1040, they **should not file** the Property Tax Credit and Wounded Warrior Caregivers Credit application, Form NJ-1040-HW.

Since Javier is claiming the "Age 65 or Older" exemption for the first time for Tax Year 2019, he must enclose proof of age with the return. See [Exemptions](#) for acceptable documentation.

The following pages show how the Mendezes will complete their worksheets and tax return.

Worksheet C – IRA Withdrawals	
Part I – Calculating Taxable and Excludable Amounts	
1. Value of IRA on 12/31/19. Include contributions made for the tax year from 1/1/20 – 4/15/20.....	1. <u>12,455</u>
2. Total distributions from IRA during the tax year. Do not include tax-free rollovers.....	2. <u>1,200</u>
3. Total Value of IRA. Add lines 1 and 2.....	3. <u>13,655</u>
Unrecovered Contributions: Complete either line 4a or 4b. Then continue with line 5.	
4a. First year of withdrawal from IRA: Enter the total of IRA contributions that were previously taxed.....	4a. <u>10,000</u>
4b. After first year of withdrawal from IRA: Complete Part II. Enter amount of unrecovered contributions from line 15.	4b. _____
5. Accumulated earnings in IRA on 12/31/19. Subtract either line 4a or 4b from line 3.	5. <u>3,655</u>
6. Divide line 5 by line 3. (Enter the result as a decimal.)	6. <u>.268</u>
7. Taxable portion of this year's withdrawal. Multiply line 2 by decimal amount on line 6. Enter here and on Line 20a, Form NJ-1040.	7. <u>322</u>
8. Excludable portion of this year's withdrawal. Subtract line 7 from line 2. Enter here and on Line 20b, Form NJ-1040.	8. <u>878</u>

(Partial worksheet)

New Jersey Resident Return Examples

Understanding Income Tax

Worksheet D

Unclaimed Pension Exclusion Age Requirement: 62 or older

Part-year residents, do not complete this worksheet. (See instructions below.)

Is income on Line 27, NJ-1040 **MORE than \$100,000?**

- Yes. You are not eligible for the unclaimed pension exclusion.
 No. Continue with line 1.

1. Enter the amount from Line 15, NJ-1040	1. <u>2,940</u>
2. Enter the amount from Line 18, NJ-1040	2. <u>0</u>
3. Enter the amount from Line 21, NJ-1040	3. <u>0</u>
4. Enter the amount from Line 22, NJ-1040	4. <u>0</u>
5. Add lines 1, 2, 3, and 4	5. <u>2,940</u>

Is the amount on line 5 MORE than \$3,000?

- Yes. You are not eligible for the unclaimed pension exclusion. See Special Exclusion below.
 No. Continue with line 6.

6. **Enter: if your filing status is:**
 \$80,000 Married/CU couple, filing joint return
 \$60,000 Single; Head of household; Qualifying widow(er)/
 surviving CU partner
 \$40,000 Married/CU partner, filing separate return

	6. <u>80,000</u>
7. Enter the amount from Line 28a, NJ-1040	7. <u>11,322</u>
8. Unclaimed Pension Exclusion. Subtract line 7 from line 6. Include this amount on Line 28b, NJ-1040.	8. <u>68,678</u>

Joint filers: If only one spouse is 62 or older, only the income of that spouse can be excluded.

Special Exclusion. If you (and your spouse if filing jointly) will never be eligible to receive Social Security or Railroad Retirement benefits because your employer did not participate in either program, see Tax Topic Bulletin GIT-1&2, *Retirement Income*, before entering an amount on Line 28b.

(Keep for your records)

New Jersey Resident Return Examples

Understanding Income Tax

Affix preprinted label below ONLY if the information is correct.

Your Social Security Number (required) 9 9 9 - 2 1 - 2 3 5 1		Last Name, First Name, Initial (Joint Filers enter first name and middle initial of each. Enter spouse's/CU partner's last name ONLY if different.) Mendez Javier & Domenica	
Spouse's/CU Partner's SSN (if filing jointly) 9 9 9 - 3 5 - 1 4 4 3		Home Address (Number and Street, including apartment number) 125 Madison St	
County/Municipality Code (See Table page 50) 1 4 2 2	City, Town, Post Office Morris	State NJ	ZIP Code 07082
Fill in <input type="checkbox"/> if federal extension filed.		Fill in <input type="checkbox"/> if the address above is a foreign address.	
		Fill in <input type="checkbox"/> if your address has changed.	

Part-year residents, provide months/days you were a New Jersey resident during 2019: From: / / 1 9 To: / / 1 9

Fiscal year filers only: Enter month of your year end 2020

Filing Status

Fill in only one.

- Single
- Married/CU Couple, filing joint return
- Married/CU Partner, filing separate return
- Head of Household
- Qualifying widow(er)/Surviving CU Partner

- -
Enter spouse's/CU partner's SSN

Indicate the year of your spouse's CU partner's death: 2017 or 2018

Exemptions

Fill in the ovals that apply. You must enter a total in the boxes to the right and complete the calculation.

6. Regular.....	<input checked="" type="radio"/> Self	<input checked="" type="radio"/> Spouse/CU Partner	<input type="radio"/> Domestic Partner.....	<input type="text"/> 2	× \$1,000 =	<u>2,000</u>
7. Senior 65+ (Born in 1954 or earlier).....	<input checked="" type="radio"/> Self	<input type="radio"/> Spouse/CU Partner.....		<input type="text"/> 1	× \$1,000 =	<u>1,000</u>
8. Blind/Disabled.....	<input type="radio"/> Self	<input type="radio"/> Spouse/CU Partner.....		<input type="text"/>	× \$1,000 =	<u> </u>
9. Veteran.....	<input type="radio"/> Self	<input type="radio"/> Spouse/CU Partner.....		<input type="text"/>	× \$6,000 =	<u> </u>
10. Qualified Dependent Children.....				<input type="text"/>	× \$1,500 =	<u> </u>
11. Other Dependents.....				<input type="text"/>	× \$1,500 =	<u> </u>
12. Dependents Attending Colleges (See instructions).....				<input type="text"/>	× \$1,000 =	<u> </u>
13. Total Exemption Amount (Add totals from the lines at 6 through 12).....				<input type="text"/> 3	,	<input type="text"/> 0 0 0 <input type="text"/> 0 0

14. Dependent Information. Provide the following information for each dependent.

Last Name, First Name, Middle Initial	Social Security Number	Birth Year	Relationship
<input type="text"/>	<input type="text"/> - <input type="text"/> - <input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/> - <input type="text"/> - <input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/> - <input type="text"/> - <input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/> - <input type="text"/> - <input type="text"/>	<input type="text"/>	<input type="text"/>

New Jersey Resident Return Examples

Understanding Income Tax

68. Contribution to N.J. Vietnam Veterans' Memorial Fund.....	<input type="checkbox"/> \$10	<input type="checkbox"/> \$20	<input type="checkbox"/> Other	68.								
69. Contribution to N.J. Breast Cancer Research Fund.....	<input type="checkbox"/> \$10	<input type="checkbox"/> \$20	<input type="checkbox"/> Other	69.								
70. Contribution to U.S.S. New Jersey Educational Museum Fund.....	<input type="checkbox"/> \$10	<input type="checkbox"/> \$20	<input type="checkbox"/> Other	70.								
71. Other Designated Contribution (See instructions).....	<input type="checkbox"/> \$10	<input type="checkbox"/> \$20	<input type="checkbox"/> Other		<input type="text"/>	<input type="text"/>						
72. Other Designated Contribution (See instructions).....	<input type="checkbox"/> \$10	<input type="checkbox"/> \$20	<input type="checkbox"/> Other		<input type="text"/>	<input type="text"/>						
73. Other Designated Contribution (See instructions).....	<input type="checkbox"/> \$10	<input type="checkbox"/> \$20	<input type="checkbox"/> Other		<input type="text"/>	<input type="text"/>						
74. Total Adjustments to Tax Due/Overpayment amount (Add lines 65 through 73).....				74.	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	.	<input type="text"/>	<input type="text"/>
75. Balance Due (If line 63 is more than zero, add line 63 and line 74) Fill in <input type="text"/> if paying by e-check or credit card.....				75.	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	.	<input type="text"/>	<input type="text"/>
76. Refund amount (If line 64 is more than zero, subtract line 74 from line 64).....				76.	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	.	<input type="text"/>	<input type="text"/>



New Jersey Resident Return Examples

Understanding Income Tax

Example 3

Bao Nguyen (Age 45)
SS# 999-78-5543
12 Terrace View Lane
Houston, TX 77052

Bao was a part-year resident of New Jersey. He lived here from January 1 to January 31. He files as head of household with one dependent child attending college full-time (Chinh, age 19).

While a New Jersey resident:

Bao's wages (from Phila.).....	\$ 6,300
Bao's wages (from NJ)	2,000
Unreimbursed medical expenses.....	300
Taxable interest	50
New Jersey Lottery winnings.....	350
Total NJ Income Tax withheld.....	16
Philadelphia wage tax paid	140
Rent paid (one month)	1250

Income earned while a nonresident:

(From outside New Jersey) \$ 65,000

Although Bao had gross income of less than \$20,000 while a New Jersey resident, his gross income for the entire year was over that amount. He is required to file a New Jersey resident tax return for the time he lived in New Jersey and will prorate all deductions and exemptions.

Bao can deduct unreimbursed medical expenses paid during the period of time he lived in New Jersey that exceeded 2% of his New Jersey income. To arrive at that figure, he will complete *Worksheet F – Deduction for Medical Expenses* in the NJ-1040 instructions.

Bao works in Philadelphia and must pay a Philadelphia wage tax on his salary. To calculate the amount of his credit for taxes paid to another jurisdiction, Bao will complete a New Jersey Schedule NJ-COJ. To determine the amount of salary actually taxed by Philadelphia (to be entered on line 1 of Schedule NJ-COJ), the amount of wage tax deducted from Bao's salary must be divided by the Philadelphia nonresident tax rate (.034567 from January 1 to June 30, 2019, and .034481 from July 1 to December 31, 2019). He will enter on line 42, Form NJ-1040 both the total amount of credit allowed from his Schedule NJ-COJ and the jurisdiction code for Philadelphia, which is "52."



New Jersey Resident Return Examples Understanding Income Tax

The following pages show how Bao will complete his New Jersey tax return, New Jersey Worksheet H, Schedule NJ-COJ, Worksheet I, and Worksheet F. When Bao completes Schedule NJ-COJ, he determines that he will receive a greater benefit by taking a property tax credit. His prorated credit in the amount of \$4, along with \$16 in New Jersey withholdings, will be applied against his \$30 tax liability. He has a balance due of \$10, but will make an e-check payment of \$30 so he can donate \$20 to the New Jersey Children's Trust Fund.

New Jersey Resident Return Examples

Understanding Income Tax

Affix preprinted label below ONLY if the information is correct.

Your Social Security Number (required) 9 9 9 - 7 8 - 5 5 4 3		Last Name, First Name, Initial (Joint Filers enter first name and middle initial of each. Enter spouse's/CU partner's last name ONLY if different.) Nguyen Bao	
Spouse's/CU Partner's SSN (if filing jointly) [] [] [] - [] [] - [] [] [] []		Home Address (Number and Street, including apartment number) 12 Terrace View Lane	
County/Municipality Code (See Table page 50) [] [] [] []		City, Town, Post Office Houston	State ZIP Code TX 77052
Fill in <input type="checkbox"/> if federal extension filed.		Fill in <input type="checkbox"/> if the address above is a foreign address.	
		Fill in <input checked="" type="checkbox"/> if your address has changed.	

Part-year residents, provide months/days you were a New Jersey resident during 2019:

From: 0 1 / 0 1 / 1 9 To: 0 1 / 3 1 / 1 9

Fiscal year filers only:

Enter month of your year end [] [] 2020

Filing Status

Fill in only one.

- Single
- Married/CU Couple, filing joint return
- Married/CU Partner, filing separate return
- Head of Household
- Qualifying widow(er)/Surviving CU Partner

[] [] [] - [] [] - [] [] [] []
Enter spouse's/CU partner's SSN

Indicate the year of your spouse's CU partner's death: 2017 or 2018

Exemptions

Fill in the ovals that apply. You must enter a total in the boxes to the right and complete the calculation.

- Regular..... Self Spouse/CU Partner Domestic Partner..... [1] × \$1,000 = 1,000
- Senior 65+ (Born in 1954 or earlier)..... Self Spouse/CU Partner..... [] × \$1,000 = []
- Blind/Disabled..... Self Spouse/CU Partner..... [] × \$1,000 = []
- Veteran..... Self Spouse/CU Partner..... [] × \$6,000 = []
- Qualified Dependent Children..... [1] × \$1,500 = 1,500
- Other Dependents..... [] × \$1,500 = []
- Dependents Attending Colleges (See instructions)..... [1] × \$1,000 = 1,000
- Total Exemption Amount (Add totals from the lines at 6 through 12)..... 13. [3] , [5 0 0] . [0 0]

14. Dependent Information. Provide the following information for each dependent.

Last Name, First Name, Middle Initial	Social Security Number	Birth Year	Relationship
Nguyen, Chinh	9 9 9 - 6 2 - 4 6 8 9	2 0 0 0	son
[] [] [] [] [] [] [] [] [] []	[] [] [] [] [] [] [] [] [] []	[] [] [] []	[] [] [] []
[] [] [] [] [] [] [] [] [] []	[] [] [] [] [] [] [] [] [] []	[] [] [] []	[] [] [] []
[] [] [] [] [] [] [] [] [] []	[] [] [] [] [] [] [] [] [] []	[] [] [] []	[] [] [] []

New Jersey Resident Return Examples

Understanding Income Tax

15. Wages, salaries, tips, and other employee compensation (State wages from Box 16 of enclosed W-2(s)) (See instructions).....	15.		,		6	,	3	0	0	.	0	0
16a. Taxable interest income (Enclose federal Schedule B if over \$1,500) (See instructions).....	16a.		,			,	5	0		.	0	0
16b. Tax-exempt interest income (Enclose Schedule) (See instructions) Do not include on line 16a.....	16b.	<input type="checkbox"/>	,			,				.		
17. Dividends.....	17.		,			,				.		
18. Net profits from business (Schedule NJ-BUS-1, Part I, line 4) (Enclose federal Schedule C).....	18.		,			,				.		
19. Net gains or income from disposition of property (Schedule NJ-DOP, line 4).....	19.		,			,				.		
20a. Pensions, Annuities, and IRA Withdrawals (See instructions).....	20a.		,			,				.		
20b. Excludable Pensions, Annuities, and IRA Withdrawals.....	20b.	<input type="checkbox"/>	,			,				.		
21. Distributive Share of Partnership Income (Schedule NJ-BUS-1, Part II, line 4) (Enclose Schedule NJ-K-1 or federal Schedule K-1).....	21.		,			,				.		
22. Net pro rata share of S Corporation Income (Schedule NJ-BUS-1, PART III, line 4) (Enclose Schedule NJ-K-1 or federal Schedule K-1).....	22.		,			,				.		
23. Net gains or income from rents, royalties, patents, and copyrights (Schedule NJ-BUS-1, Part IV, line 4).....	23.		,			,				.		
24. Net Gambling Winnings (see instructions).....	24.		,			,				.		
25. Alimony and Separate Maintenance Payments received.....	25.		,			,				.		
26. Other (Enclose documents) (See instructions).....	26.		,			,				.		
27. Total income (Add lines 15, 16a, 17 through 20a, and 21 through 26).....	27.		,		6	,	3	5	0	.	0	0
28a. Retirement/Pension Exclusion (See instructions).....	28a.		,			.						
28b. Other Retirement Income Exclusion (See Worksheet D and instructions page 22).....	28b.		,			.						
28c. Total Exclusion Amount (Add lines 28a and 28b).....	28c.		,			.						
29. New Jersey Gross Income (Subtract line 28c from line 27) (See instructions).....	29.		,		6	,	3	5	0	.	0	0
30. Exemption Amount (Enter amount from line 13. Part-year residents see instr.).....	30.		,			,	2	9	2	.	0	0
31. Medical Expenses (See Worksheet F and instructions page 24).....	31.		,			,	1	7	3	.	0	0
32. Alimony and Separate Maintenance Payments (See instructions).....	32.		,			,				.		
33. Qualified Conservation Contribution.....	33.		,			,				.		
34. Health Enterprise Zone Deduction.....	34.		,			,				.		
35. Alternative Business Calculation Adjustment (Schedule NJ-BUS-2, line 11).....	35.		,			,				.		
36. Total Exemptions and Deductions (Add lines 30 through 35).....	36.		,			,	4	6	5	.	0	0
37. Taxable Income (Subtract line 36 from line 29).....	37.		,		5	,	8	8	5	.	0	0
38a. Total Property Taxes (18% of Rent) Paid (See instructions page 25).....	38a.		,			,	2	2	5	.	0	0
38b. Block <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> Lot <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> Qualifier <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>												
38c. County/Municipality Code <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> Fill in <input type="text"/> if you completed Worksheet G.												
38d. Indicate your residency status during 2019 (fill in only one oval).....		<input type="radio"/>	Homeowner	<input checked="" type="radio"/>	Tenant	<input type="radio"/>	Both					
39. Property Tax Deduction (From Worksheet H) (See instructions).....	39.		,			.						

New Jersey Resident Return Examples

Understanding Income Tax

40. New Jersey Taxable Income (Subtract line 39 from line 37).....	40.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	5	,	<input type="text"/>	<input type="text"/>	8	<input type="text"/>	8	5	-	<input type="text"/>	<input type="text"/>	0	0
41. Tax on Amount on line 40 (Tax Table page 52).....	41.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>		,	<input type="text"/>	<input type="text"/>	8	2			-	<input type="text"/>	<input type="text"/>	0	0
42. Credit For Income Taxes Paid to Other Jurisdictions (Enclose Schedule NJ-COJ) (See instructions).....	42.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	5	2	,	<input type="text"/>	<input type="text"/>	5	2		-	<input type="text"/>	<input type="text"/>	0	0
43. Balance of Tax (Subtract line 42 from line 41).....	43.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>	3	0		-	<input type="text"/>	<input type="text"/>	0	0
44. Child and Dependent Care Credit (See instructions) Fill in <input type="text"/> if you are a CU couple claiming the Child and Dependent Care Credit.....	44.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>				-	<input type="text"/>	<input type="text"/>		
45. Balance of Tax (Subtract line 44 from line 43).....	45.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>	3	0		-	<input type="text"/>	<input type="text"/>	0	0
46. Sheltered Workshop Tax Credit.....	46.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>				-	<input type="text"/>	<input type="text"/>		
47. Balance of Tax (Subtract line 46 from line 45).....	47.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>	3	0		-	<input type="text"/>	<input type="text"/>	0	0
48. Gold Star Family Counseling Credit (See instructions).....	48.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>				-	<input type="text"/>	<input type="text"/>		
49. Balance of Tax After Credits (Subtract line 48 from line 47) If zero or less, make no entry.....	49.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>	3	0		-	<input type="text"/>	<input type="text"/>	0	0
50. Use Tax Due on Internet, Mail-Order, or Other Out-of-State Purchases (See instructions) If no Use Tax, enter 0.00.....	50.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>		0		-	<input type="text"/>	<input type="text"/>	0	0
51. Interest on Underpayment of Estimated Tax..... Fill in <input type="text"/> if Form NJ-2210 is enclosed	51.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>				-	<input type="text"/>	<input type="text"/>		
52. Shared Responsibility Payment (See instructions)..... Fill in <input type="text"/> if Schedule HCC is enclosed	52.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>				-	<input type="text"/>	<input type="text"/>		
53. Total Tax Due (Add lines 49 through 52).....	53.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>	3	0		-	<input type="text"/>	<input type="text"/>	0	0
54. Total New Jersey Income Tax Withheld (Enclose Forms W-2 and 1099).....	54.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>	1	6		-	<input type="text"/>	<input type="text"/>	0	0
55. Property Tax Credit (See instructions page 25).....	55.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>		4		-	<input type="text"/>	<input type="text"/>	0	0
56. New Jersey Estimated Tax Payments/Credit from 2018 tax return.....	56.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>				-	<input type="text"/>	<input type="text"/>		
57. New Jersey Earned Income Tax Credit (See instructions)..... Fill in <input type="text"/> if you had the IRS calculate your federal earned income credit Fill in <input type="text"/> if you are a CU couple claiming the NJ Earned Income Tax Credit	57.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>				-	<input type="text"/>	<input type="text"/>		
58. Excess New Jersey UI/WF/SWF Withheld (Enclose Form NJ-2450) (See instructions).....	58.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>				-	<input type="text"/>	<input type="text"/>		
59. New Jersey Excess Disability Insurance Withheld (Enclose Form NJ-2450) (See instructions).....	59.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>				-	<input type="text"/>	<input type="text"/>		
60. Excess New Jersey Family Leave Insurance Withheld (Enclose Form NJ-2450) (See instructions).....	60.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>				-	<input type="text"/>	<input type="text"/>		
61. Wounded Warrior Caregivers Credit (See instructions).....	61.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>				-	<input type="text"/>	<input type="text"/>		
62. Total Withholdings, Credits, and Payments (Add lines 54 through 61).....	62.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>	2	0		-	<input type="text"/>	<input type="text"/>	0	0
63. If line 62 is less than line 53, you have tax due. Subtract line 62 from line 53 and enter the amount you owe..... If you owe tax, you can still make a donation on lines 66 through 73.	63.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>	1	0		-	<input type="text"/>	<input type="text"/>	0	0
64. If the total on line 62 is more than line 53, you have an overpayment. Subtract line 53 from line 62 and enter the overpayment.....	64.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>				-	<input type="text"/>	<input type="text"/>		
65. Amount from line 64 you want to credit to your 2020 tax.....	65.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>				-	<input type="text"/>	<input type="text"/>		
66. Contribution to N.J. Endangered Wildlife Fund..... <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other.....	66.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>				-	<input type="text"/>	<input type="text"/>		
67. Contribution to N.J. Children's Trust Fund To Prevent Child Abuse..... <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other.....	67.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>			,	<input type="text"/>	<input type="text"/>	2	0		-	<input type="text"/>	<input type="text"/>	0	0

New Jersey Resident Return Examples

Understanding Income Tax

68. Contribution to N.J. Vietnam Veterans' Memorial Fund..... <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	68.	[] [] []	-	[] []
69. Contribution to N.J. Breast Cancer Research Fund..... <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	69.	[] [] []	-	[] []
70. Contribution to U.S.S. New Jersey Educational Museum Fund..... <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	70.	[] [] []	-	[] []
71. Other Designated Contribution (See instructions)..... <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	71.	[] []	-	[] []
72. Other Designated Contribution (See instructions)..... <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	72.	[] []	-	[] []
73. Other Designated Contribution (See instructions)..... <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	73.	[] []	-	[] []
74. Total Adjustments to Tax Due/Overpayment amount (Add lines 65 through 73).....	74.	[] , [] [] [] , [] [] [] [] - [] [] [] []		
75. Balance Due (If line 63 is more than zero, add line 63 and line 74) Fill in if paying by e-check or credit card.....	75.	[] , [] [] [] [] , [] [] [] [] - [] [] [] []		
76. Refund amount (If line 64 is more than zero, subtract line 74 from line 64)....	76.	[] , [] [] [] [] , [] [] [] [] - [] [] [] []		

Worksheet F	
Deduction for Medical Expenses	
1. Total unreimbursed medical expenses.....	1. <u>300</u>
2. Enter Line 29, Form NJ-1040 <u>6,350</u> × .02 =	2. <u>127</u>
3. Medical Expenses Deduction. Subtract line 2 from line 1 and enter result here. If zero or less, enter zero	3. <u>173</u>
4. Enter the amount of your qualified Archer MSA contributions from federal Form 8853	4. <u>0</u>
5. Enter the amount of your self-employed health insurance deduction.....	5. <u>0</u>
6. Total Deduction for Medical Expenses. Add lines 3, 4, and 5. Enter the result here and on Line 31, Form NJ-1040. If zero, enter zero here and make no entry on Line 31, Form NJ-1040.....	6. <u>173</u>
(Keep for your records)	

New Jersey Resident Return Examples

Understanding Income Tax

Worksheet H - Property Tax Deduction/Credit

Review the eligibility requirements on page 26 before completing Worksheet H. Part-year residents, see page 30.

Complete both columns of this worksheet to find out whether the deduction or the credit is better for you.

1. **Property Taxes.** Enter the property taxes from Line 38a, Form NJ-1040.
Senior Freeze (Property Tax Reimbursement) applicants must use their base year amount.
(See instructions on page 30.) 1. 225

2. **Property Tax Deduction.** Is the amount on line 1 of this worksheet \$15,000 or more (\$7,500 or more if you and your spouse file separate returns but maintained the same principal residence)?
 Yes. Enter \$15,000 (\$7,500 if you and your spouse file separate returns but maintained the same principal residence).
 No. Enter the amount from line 1. 2. 225

STOP — if you are claiming a credit for taxes paid to other jurisdictions.

Complete only lines 1 and 2. Then complete Schedule NJ-COJ and Worksheet I.
(See instructions on page 32.)

	Column A		Column B
3. Taxable Income (From Line 37 of Form NJ-1040)	3.		3.
4. Property Tax Deduction (From line 2 above)	4.		4. - 0 -
5. New Jersey Taxable Income (Subtract line 4 from line 3)	5.		5.
6. Tax on line 5 amount (From Tax Table or Tax Rate Schedules)	6.		6.
7. Subtract line 6, column A from line 6, column B		7.	

8. **Is the line 7 amount \$50 or more** (\$25 if you and your spouse file separate returns but maintained the same principal residence? **Part-year residents**, see page 30 before answering "No.")

Yes. The Property Tax Deduction is more beneficial for you. Make the following entries on your return.

<i>Form NJ-1040</i>	<i>Enter amount from:</i>
Line 39	Line 4, column A
Line 40	Line 5, column A
Line 41	Line 6, column A
Line 55	Make no entry

No. The Property Tax Credit is more beneficial for you. Make the following entries on your return.

<i>Form NJ-1040</i>	<i>Enter amount from:</i>
Line 39	Make no entry
Line 40	Line 5, column B
Line 41	Line 6, column B
Line 55	\$50 (\$25 if you and your spouse file separate returns but maintained the same principal residence). Part-year residents must prorate this amount. (See instructions on page 30.)

New Jersey Resident Return Examples

Understanding Income Tax

Schedule NJ-COJ

Credit for Income or Wage Taxes Paid to Other Jurisdiction

1.	Income properly taxed by both New Jersey and other jurisdiction. (Instructions page 33) Jurisdiction Name: <u>Philadelphia</u> Do not combine the same income taxed by more than one jurisdiction. (The amount on Line 1 cannot exceed the amount on Line 2.)	1.	4,030
2.	Income subject to tax by New Jersey (From Line 29, NJ-1040)	2.	6,350
3.	Maximum allowable credit percentage. Divide Line 1 by Line 2. (Instructions page 35)	3.	63.4646%
See page 26 to determine if you are eligible for a property tax benefit. If you are not eligible, only complete Column B.		Column A	Column B
4.	Taxable Income (From Line 37, Form NJ-1040)	4.	5,885
5.	Enter in Box 5a the amount from Worksheet H, Line 1. Property Tax Deduction. Enter the amount from Worksheet H, line 2. (Instructions page 30)	5.	- 0 -
6.	New Jersey Taxable Income (Subtract Line 5 from Line 4)	6.	5,885
7.	Tax on Line 6 amount (From Tax Table or Tax Rate Schedules)	7.	82
8.	Allowable Credit (Multiply Line 7 by Line 3)	8.	52
9.	Credit for Taxes Paid to Other Jurisdiction. Enter in Box 9a the income or wage tax paid to other jurisdiction (instructions page 35) Credit Allowed. Enter the lesser of Line 8 or Box 9a. This amount cannot exceed your New Jersey tax on Line 41.	9.	52

If you are **not eligible** for a property tax benefit, enter the amount from Line 9, Column B on Line 42 Form NJ-1040. Make no entry on Lines 39 or 55, Form NJ-1040.

If you are **eligible** for a property tax benefit, you must completed Worksheet I on page 34 to determine whether you receive a greater benefit by claiming a Property Tax Deduction or taking the Property Tax Credit.

New Jersey Resident Return Examples

Understanding Income Tax

Worksheet I Which Property Tax Benefit to Use

	COLUMN A		COLUMN B																									
1. Tax, Enter amounts from Line 7, Schedule NJ-COJ, Columns A and B here.....	1.	79	1.	82																								
2. Credit for Taxes Paid to Other Jurisdiction. Enter amounts from Line 9, Schedule NJ-COJ, Columns A and B here. If you completed more than one Schedule NJ-COJ, enter the total of all Line 9 amounts (Columns A and B) in the corresponding column	2.	50	2.	52																								
3. Balance of Tax Due. Subtract line 2 from line 1 in each column.....	3.	29	3.	30																								
4. Subtract line 3, column A from line 3, column B.....			4.	1																								
<p>5. Is the line 4 amount \$50 or more (\$25 if you and your spouse file separate returns but maintained the same principal residence)?</p> <p>Part-year residents, see instructions for Line 9, Schedule NJ-COJ, on page 35 before answering "No."</p> <p><input checked="" type="radio"/> Yes. The Property Tax Deduction is more beneficial for you. Make the following entries on your return.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 30%;"><i>Form NJ-1040</i></td> <td><i>Enter amount from:</i></td> </tr> <tr> <td>Line 39</td> <td>Line 5, Column A, Schedule NJ-COJ</td> </tr> <tr> <td>Line 40</td> <td>Line 6, Column A, Schedule NJ-COJ</td> </tr> <tr> <td>Line 41</td> <td>Line 7, Column A, Schedule NJ-COJ</td> </tr> <tr> <td>Line 42</td> <td>Line 2, Column A, Worksheet I</td> </tr> <tr> <td>Line 55</td> <td>Make no entry</td> </tr> </table> <p><input type="radio"/> No. The Property Tax Credit is more beneficial for you. Make the following entries on your return.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 30%;"><i>Form NJ-1040</i></td> <td><i>Enter amount from:</i></td> </tr> <tr> <td>Line 39</td> <td>Make no entry</td> </tr> <tr> <td>Line 40</td> <td>Line 6, Column B, Schedule NJ-COJ</td> </tr> <tr> <td>Line 41</td> <td>Line 7, Column B, Schedule NJ-COJ</td> </tr> <tr> <td>Line 42</td> <td>Line 2, Column B, Worksheet I</td> </tr> <tr> <td>Line 55</td> <td>\$50 (\$25 if you and your spouse file separate returns but maintained the same principal residence). Part-year residents must prorate this amount. (See instructions for Line 9, Schedule NJ-COJ, on page 35.)</td> </tr> </table> <p style="text-align: center;">(Keep for your records)</p>					<i>Form NJ-1040</i>	<i>Enter amount from:</i>	Line 39	Line 5, Column A, Schedule NJ-COJ	Line 40	Line 6, Column A, Schedule NJ-COJ	Line 41	Line 7, Column A, Schedule NJ-COJ	Line 42	Line 2, Column A, Worksheet I	Line 55	Make no entry	<i>Form NJ-1040</i>	<i>Enter amount from:</i>	Line 39	Make no entry	Line 40	Line 6, Column B, Schedule NJ-COJ	Line 41	Line 7, Column B, Schedule NJ-COJ	Line 42	Line 2, Column B, Worksheet I	Line 55	\$50 (\$25 if you and your spouse file separate returns but maintained the same principal residence). Part-year residents must prorate this amount. (See instructions for Line 9, Schedule NJ-COJ, on page 35.)
<i>Form NJ-1040</i>	<i>Enter amount from:</i>																											
Line 39	Line 5, Column A, Schedule NJ-COJ																											
Line 40	Line 6, Column A, Schedule NJ-COJ																											
Line 41	Line 7, Column A, Schedule NJ-COJ																											
Line 42	Line 2, Column A, Worksheet I																											
Line 55	Make no entry																											
<i>Form NJ-1040</i>	<i>Enter amount from:</i>																											
Line 39	Make no entry																											
Line 40	Line 6, Column B, Schedule NJ-COJ																											
Line 41	Line 7, Column B, Schedule NJ-COJ																											
Line 42	Line 2, Column B, Worksheet I																											
Line 55	\$50 (\$25 if you and your spouse file separate returns but maintained the same principal residence). Part-year residents must prorate this amount. (See instructions for Line 9, Schedule NJ-COJ, on page 35.)																											



New Jersey Resident Return Examples

Understanding Income Tax

Example 4

Jackson Spencer (Age 41)
SS# 999-26-4921
Kaiya Spencer (Age 39)
SS# 999-26-5814
222 Pine Bark Drive
Voorhees, NJ 08360 (Camden County)
Block 237 Lot 7.2

The Spencers are full-year residents of New Jersey. They are married and file a joint return. They have two dependent children (ages 16 and 13).

Jackson's wages.....	\$ 12,200
Kaiya's wages	4,500
Joint taxable interest	100
Total NJ Income Tax withheld.....	250
Property taxes paid.....	3,370
Federal earned income credit	5,616

The Spencers' gross income is below the filing threshold amount of \$20,000 (married/CU couple, filing jointly). Although they have no tax liability to New Jersey, they need to file the tax return to claim a refund of withholdings and to apply for the New Jersey Earned Income Tax Credit.

The Spencers will complete their NJ-1040 down to line 29. Since they have no tax liability to New Jersey, they will pick up at line 50 to continue completing the return. They are not eligible to claim a property tax deduction/credit because their income is below the filing threshold, and neither is 65 or older or blind or disabled.

When the Spencers filed their federal income tax return, they were eligible and applied for an earned income credit. They will calculate their New Jersey Earned Income Tax Credit by multiplying their federal earned income credit by 39%: $\$5,616 \times .39 = \$2,190$. They will enter this amount on line 57 of their NJ-1040.

The following pages show how the Spencers will complete their New Jersey Income Tax return. After taking credit for their withholdings and claiming the New Jersey Earned Income Tax Credit, they will be entitled to a refund of \$2,440.

New Jersey Resident Return Examples

Understanding Income Tax

Affix preprinted label below ONLY if the information is correct.

Your Social Security Number (required) 9 9 9 - 2 6 - 4 9 2 1		Last Name, First Name, Initial (Joint Filers enter first name and middle initial of each. Enter spouse's/CU partner's last name ONLY if different.) Spencer Jackson & Kaiya	
Spouse's/CU Partner's SSN (if filing jointly) 9 9 9 - 2 6 - 5 8 1 4		Home Address (Number and Street, including apartment number) 222 Pine Bark Dr	
County/Municipality Code (See Table page 50) 0 4 3 4		City, Town, Post Office Voorhees	State ZIP Code NJ 08360
Fill in <input type="checkbox"/> if federal extension filed.		Fill in <input type="checkbox"/> if the address above is a foreign address.	
Fill in <input type="checkbox"/> if your address has changed.			

Part-year residents, provide months/days you were a New Jersey resident during 2019:

From: / / 1 9 To: / / 1 9

Fiscal year filers only:

Enter month of your year end 2020

Filing Status

Fill in only one.

- Single
- Married/CU Couple, filing joint return
- Married/CU Partner, filing separate return
- Head of Household
- Qualifying widow(er)/Surviving CU Partner

- -
Enter spouse's/CU partner's SSN

Indicate the year of your spouse's CU partner's death: 2017 or 2018

Exemptions

Fill in the ovals that apply. You must enter a total in the boxes to the right and complete the calculation.

6. Regular.....	<input checked="" type="radio"/> Self	<input checked="" type="radio"/> Spouse/ CU Partner	<input type="radio"/> Domestic Partner.....	<input type="text"/> 2	× \$1,000 =	<u>2,000</u>
7. Senior 65+ (Born in 1954 or earlier).....	<input type="radio"/> Self	<input type="radio"/> Spouse/CU Partner		<input type="text"/>	× \$1,000 =	<u> </u>
8. Blind/Disabled.....	<input type="radio"/> Self	<input type="radio"/> Spouse/CU Partner		<input type="text"/>	× \$1,000 =	<u> </u>
9. Veteran.....	<input type="radio"/> Self	<input type="radio"/> Spouse/CU Partner		<input type="text"/>	× \$6,000 =	<u> </u>
10. Qualified Dependent Children.....				<input type="text"/> 2	× \$1,500 =	<u>3,000</u>
11. Other Dependents.....				<input type="text"/>	× \$1,500 =	<u> </u>
12. Dependents Attending Colleges (See instructions)				<input type="text"/>	× \$1,000 =	<u> </u>
13. Total Exemption Amount (Add totals from the lines at 6 through 12)				<input type="text"/> 5	,	<input type="text"/> 0 <input type="text"/> 0 <input type="text"/> 0 <input type="text"/> 0

14. Dependent Information. Provide the following information for each dependent.

Last Name, First Name, Middle Initial	Social Security Number	Birth Year	Relationship
Spencer, Serenity	9 9 9 - 1 7 - 0 3 5 5	2 0 0 3	daughter
Spencer, Kendrick	9 9 9 - 4 0 - 8 8 3 8	2 0 0 6	son
	<input type="text"/> - <input type="text"/> - <input type="text"/>	<input type="text"/>	
	<input type="text"/> - <input type="text"/> - <input type="text"/>	<input type="text"/>	

New Jersey Resident Return Examples

Understanding Income Tax

15. Wages, salaries, tips, and other employee compensation (State wages from Box 16 of enclosed W-2(s)) (See instructions).....	15.		,	1	6	,	7	0	0	.	0	0
16a. Taxable interest income (Enclose federal Schedule B if over \$1,500) (See instructions).....	16a.		,			,	1	0	0	.	0	0
16b. Tax-exempt interest income (Enclose Schedule) (See instructions) Do not include on line 16a.....	16b.	<input type="checkbox"/>	,			,				.		
17. Dividends.....	17.		,			,				.		
18. Net profits from business (Schedule NJ-BUS-1, Part I, line 4) (Enclose federal Schedule C).....	18.		,			,				.		
19. Net gains or income from disposition of property (Schedule NJ-DOP, line 4).....	19.		,			,				.		
20a. Pensions, Annuities, and IRA Withdrawals (See instructions).....	20a.		,			,				.		
20b. Excludable Pensions, Annuities, and IRA Withdrawals.....	20b.	<input type="checkbox"/>	,			,				.		
21. Distributive Share of Partnership Income (Schedule NJ-BUS-1, Part II, line 4) (Enclose Schedule NJ-K-1 or federal Schedule K-1).....	21.		,			,				.		
22. Net pro rata share of S Corporation Income (Schedule NJ-BUS-1, PART III, line 4) (Enclose Schedule NJ-K-1 or federal Schedule K-1).....	22.		,			,				.		
23. Net gains or income from rents, royalties, patents, and copyrights (Schedule NJ-BUS-1, Part IV, line 4).....	23.		,			,				.		
24. Net Gambling Winnings (see instructions).....	24.		,			,				.		
25. Alimony and Separate Maintenance Payments received.....	25.		,			,				.		
26. Other (Enclose documents) (See instructions).....	26.		,			,				.		
27. Total income (Add lines 15, 16a, 17 through 20a, and 21 through 26).....	27.		,	1	6	,	8	0	0	.	0	0
28a. Retirement/Pension Exclusion (See instructions).....	28a.		,			,				.		
28b. Other Retirement Income Exclusion (See Worksheet D and instructions page 22).....	28b.		,			,				.		
28c. Total Exclusion Amount (Add lines 28a and 28b).....	28c.		,			,				.		
29. New Jersey Gross Income (Subtract line 28c from line 27) (See instructions).....	29.		,	1	6	,	8	0	0	.	0	0
30. Exemption Amount (Enter amount from line 13. Part-year residents see instr.).....	30.		,			,				.		
31. Medical Expenses (See Worksheet F and instructions page 24).....	31.		,			,				.		
32. Alimony and Separate Maintenance Payments (See instructions).....	32.		,			,				.		
33. Qualified Conservation Contribution.....	33.		,			,				.		
34. Health Enterprise Zone Deduction.....	34.		,			,				.		
35. Alternative Business Calculation Adjustment (Schedule NJ-BUS-2, line 11).....	35.		,			,				.		
36. Total Exemptions and Deductions (Add lines 30 through 35).....	36.		,			,				.		
37. Taxable Income (Subtract line 36 from line 29).....	37.		,			,				.		
38a. Total Property Taxes (18% of Rent) Paid (See instructions page 25).....	38a.		,			,				.		
38b. Block <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="7"/> Lot <input type="text" value="7"/> <input type="text" value="2"/> Qualifier <input type="text" value=""/>												
38c. County/Municipality Code <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="4"/> Fill in <input type="text" value=""/> if you completed Worksheet G.												
38d. Indicate your residency status during 2019 (fill in only one oval)..... <input checked="" type="radio"/> Homeowner <input type="radio"/> Tenant <input type="radio"/> Both												
39. Property Tax Deduction (From Worksheet H) (See instructions).....	39.		,			,				.		

New Jersey Resident Return Examples

Understanding Income Tax

40. New Jersey Taxable Income (Subtract line 39 from line 37).....	40.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	
41. Tax on Amount on line 40 (Tax Table page 52).....	41.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	
42. Credit For Income Taxes Paid to Other Jurisdictions (Enclose Schedule NJ-COJ) (See instructions).....	42.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	
43. Balance of Tax (Subtract line 42 from line 41).....	43.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	
44. Child and Dependent Care Credit (See instructions) Fill in <input type="text"/> if you are a CU couple claiming the Child and Dependent Care Credit.....	44.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	
45. Balance of Tax (Subtract line 44 from line 43).....	45.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	
46. Sheltered Workshop Tax Credit.....	46.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	
47. Balance of Tax (Subtract line 46 from line 45).....	47.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	
48. Gold Star Family Counseling Credit (See instructions).....	48.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	
49. Balance of Tax After Credits (Subtract line 48 from line 47) If zero or less, make no entry.....	49.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	
50. Use Tax Due on Internet, Mail-Order, or Other Out-of-State Purchases (See instructions) If no Use Tax, enter 0.00.....	50.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	0	-	0	0	
51. Interest on Underpayment of Estimated Tax..... Fill in <input type="text"/> if Form NJ-2210 is enclosed	51.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	
52. Shared Responsibility Payment (See instructions)..... Fill in <input type="text"/> if Schedule HCC is enclosed	52.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	
53. Total Tax Due (Add lines 49 through 52).....	53.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	
54. Total New Jersey Income Tax Withheld (Enclose Forms W-2 and 1099).....	54.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	2	5	0	-	0	0
55. Property Tax Credit (See instructions page 25).....	55.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	
56. New Jersey Estimated Tax Payments/Credit from 2018 tax return.....	56.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	
57. New Jersey Earned Income Tax Credit (See instructions)..... Fill in <input type="text"/> if you had the IRS calculate your federal earned income credit Fill in <input type="text"/> if you are a CU couple claiming the NJ Earned Income Tax Credit	57.	<input type="text"/>	,	2	,	1	9	0	-	0	0	
58. Excess New Jersey UI/WF/SWF Withheld (Enclose Form NJ-2450) (See instructions).....	58.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	
59. New Jersey Excess Disability Insurance Withheld (Enclose Form NJ-2450) (See instructions).....	59.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	
60. Excess New Jersey Family Leave Insurance Withheld (Enclose Form NJ-2450) (See instructions).....	60.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	
61. Wounded Warrior Caregivers Credit (See instructions).....	61.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	
62. Total Withholdings, Credits, and Payments (Add lines 54 through 61).....	62.	<input type="text"/>	,	2	,	4	4	0	-	0	0	
63. If line 62 is less than line 53, you have tax due. Subtract line 62 from line 53 and enter the amount you owe.....	63.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	
64. If the total on line 62 is more than line 53, you have an overpayment. Subtract line 53 from line 62 and enter the overpayment.....	64.	<input type="text"/>	,	2	,	4	4	0	-	0	0	
65. Amount from line 64 you want to credit to your 2020 tax.....	65.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	
66. Contribution to N.J. Endangered Wildlife Fund..... <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other.....	66.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	
67. Contribution to N.J. Children's Trust Fund To Prevent Child Abuse..... <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other.....	67.	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	

New Jersey Resident Return Examples

Understanding Income Tax

68. Contribution to N.J. Vietnam Veterans' Memorial Fund.....	<input type="checkbox"/> \$10	<input type="checkbox"/> \$20	<input type="checkbox"/> Other		68.	[][]	[][]	-	[][]			
69. Contribution to N.J. Breast Cancer Research Fund.....	<input type="checkbox"/> \$10	<input type="checkbox"/> \$20	<input type="checkbox"/> Other		69.	[][]	[][]	-	[][]			
70. Contribution to U.S.S. New Jersey Educational Museum Fund.....	<input type="checkbox"/> \$10	<input type="checkbox"/> \$20	<input type="checkbox"/> Other		70.	[][]	[][]	-	[][]			
71. Other Designated Contribution (See instructions).....	<input type="checkbox"/> \$10	<input type="checkbox"/> \$20	<input type="checkbox"/> Other	[][]	71.	[][]	[][]	-	[][]			
72. Other Designated Contribution (See instructions).....	<input type="checkbox"/> \$10	<input type="checkbox"/> \$20	<input type="checkbox"/> Other	[][]	72.	[][]	[][]	-	[][]			
73. Other Designated Contribution (See instructions).....	<input type="checkbox"/> \$10	<input type="checkbox"/> \$20	<input type="checkbox"/> Other	[][]	73.	[][]	[][]	-	[][]			
74. Total Adjustments to Tax Due/Overpayment amount (Add lines 65 through 73).....					74.	[]	,	[][]	,	[][]	-	[][]
75. Balance Due (If line 63 is more than zero, add line 63 and line 74) Fill in if paying by e-check or credit card.....					75.	[]	,	[][]	,	[][]	-	[][]
76. Refund amount (If line 64 is more than zero, subtract line 74 from line 64)....					76.	[]	,	[][]	,	[][]	-	[][]



New Jersey Resident Return Examples

Understanding Income Tax

Example 5

Fiona Doolittle (Age 55)
SS# 999-11-3260
Eliza Doolittle (Age 57)
SS# 999-21-1221
222 Alpaca Avenue
Princeton, NJ 08540 (Mercer County)

Fiona Doolittle and her civil union partner, Eliza, are full-year residents of New Jersey and file a joint return. They have no dependents, but Eliza is permanently disabled.

Fiona's wages.....	\$15,731
Fiona's taxable interest.....	2,128
Eliza's disability benefits.....	3,000
Rent paid.....	8,022

Fiona and Eliza have combined gross income that is below the filing threshold amount of \$20,000 (married/CU couple, filing jointly). They do not have any New Jersey withholdings, and they do not qualify for a New Jersey Earned Income Tax Credit. Therefore, they will not file a New Jersey resident return, Form NJ-1040.

The Doolittles do, however, meet the eligibility requirements for a property tax credit in the amount of \$50. Because they (1) are not filing a New Jersey Income Tax return, (2) did not own their home on October 1, 2019, and (3) claim an exemption for Eliza's disability, they will fill out Part I of the Property Tax Credit and Wounded Warrior Caregivers Credit application, Form NJ-1040-HW, to receive their credit.

The following page shows how the Doolittles will complete their Property Tax Credit and Wounded Warrior Caregivers Credit application.

New Jersey Resident Return Examples

Understanding Income Tax

2019
NJ-1040-HW

STATE OF NEW JERSEY PROPERTY TAX CREDIT APPLICATION WOUNDED WARRIOR CAREGIVERS CREDIT APPLICATION

1. <input type="radio"/> Single	NJ RESIDENCY STATUS	6. If you were a New Jersey resident for ONLY part of the taxable year, give the period of New Jersey residency:	From: <input type="text"/> / <input type="text"/> / 1 9	
2. <input checked="" type="radio"/> Married/CU Couple, filing joint return				To: <input type="text"/> / <input type="text"/> / 1 9
3. <input type="radio"/> Married/CU Partner, filing separate return				
4. <input type="radio"/> Head of Household				
5. <input type="radio"/> Qualifying widow(er)/Surviving CU Partner				

Do Not File This Application If:

- You file a 2019 New Jersey Resident Return, Form NJ-1040; or
- Your income is more than \$20,000 (\$10,000 if filing status is single or married/CU partner, filing separate return). You must file Form NJ-1040.

If you are applying for the Property Tax Credit, complete Part I. If you are applying for the Wounded Warrior Caregivers Credit, complete Part II. If you are applying for the Property Tax Credit and the Wounded Warrior Caregivers Credit, complete both Parts I and II.

PART I — Property Tax Credit

7. Indicate whether at any time during 2019 you either owned a home or rented a dwelling in New Jersey as your principal residence on which property taxes (or rent) were paid. Fill in the appropriate oval. If you were both a homeowner and a tenant during the year, fill in "Both."

Homeowner Tenant Both None (Fill in only one)

If "Homeowner" or "Tenant" or "Both," you may be asked to provide proof of property taxes or rent paid on your principal residence. If "None," you are not eligible for a Property Tax Credit.

- 8a. On December 31, 2019, were you age 65 or older?
- | | | |
|-------------------|---------------------------|-------------------------------------|
| Yourself | <input type="radio"/> Yes | <input checked="" type="radio"/> No |
| Spouse/CU Partner | <input type="radio"/> Yes | <input checked="" type="radio"/> No |
- 8b. On December 31, 2019, were you blind or disabled?
- | | | |
|-------------------|--------------------------------------|-------------------------------------|
| Yourself | <input type="radio"/> Yes | <input checked="" type="radio"/> No |
| Spouse/CU Partner | <input checked="" type="radio"/> Yes | <input type="radio"/> No |

If you (and your spouse/CU partner) answered "No," to all the questions on Lines 8a and 8b, you are not eligible for the Property Tax Credit.

9. On October 1, 2019, did you own and occupy a home in New Jersey as your principal residence?
If "Yes," do not complete Part I.
- Yes No

New Jersey Resident Return Examples

Understanding Income Tax

PART II — Wounded Warrior Caregivers Credit

10. Did you provide care for a relative who was a qualifying armed services member (see instructions)? Yes No

If **"Yes,"** enter the name and Social Security Number of the qualifying service member.

_____ □□□ - □□ - □□□□
Last Name, First Name, Initial

You may be asked to provide proof to substantiate your claim.

If **"No,"** you are not eligible for a Wounded Warrior Caregivers Credit. Do not complete Part II.

11a. Enter the 2019 federal disability compensation of the armed services member..... _____

11b Maximum credit allowed 675

11c. Enter the lesser of Line 11a or Line 11b..... 11c.

□□□ . □□

12. Were you the only caregiver for this service member during the tax year? Yes No

13. If you answered **"Yes,"** at Line 12, enter the amount from Line 11c. If you answered **"No,"** at Line 12, multiply the amount on Line 11c by the percentage on Line 12 and enter the result..... 13.

□□□ . □□

New Jersey Resident Return Examples

Understanding Income Tax

Connect With Us.

- [Email](#) your State tax questions;
- [Visit](#) a Regional Information Center;
- [Call](#) 609-292-6400;
- Follow us:



The forms and amounts referred to in this Bulletin are those for Tax Year 2019. This document is designed to provide guidance to taxpayers and is accurate as of the date issued. Visit our website for [prior year publications](#).

Any reference in this publication to a spouse also refers to a spouse who entered into a valid same-sex marriage in another state or foreign nation and a partner in a [civil union \(CU\)](#) recognized under New Jersey law.