TAX TOPIC

New Jersey Resident Return Examples (tax year 2010)

Bulletin GIT-11

OBSOLETE

Introduction

The New Jersey Gross Income Tax Act imposes tax on the income of resident and nonresident individuals and estates and trusts. Residents are subject to tax on all income regardless of where it was earned.

This bulletin illustrates the correct return completion of a 2010 New Jersey Resident Income Tax Return (Form NJ-1040) and a property tax credit application (Form NJ-1040-H) for full-year and part-year residents in selected situations.

Important

- *The New Jersey gross income tax rates for 2010 and after have reverted to the rates that were in effect for 2008. (For tax year 2009 only, rates were increased on income over $400,000.)*
- *Eligibility for the property tax deduction is not limited by income for tax year 2010, and the maximum deduction is $10,000 for all filers as it was in 2008.*
- *Eligible senior/disabled homeowners and tenants who are not required to file a New Jersey return can use Form NJ-1040-H to apply for a property tax credit only.*
- *The percentage used to calculate the New Jersey earned income tax credit (NJEITC) is 20% of the Federal benefit for tax year 2010 and thereafter.*
- *Any reference in this bulletin to a spouse also refers to a partner in a civil union (CU) recognized under New Jersey law.*

Filing Requirements

Every resident individual, even a minor, whose gross income received during the tax year is more than $20,000 ($10,000 if filing status is single or married/CU partner, filing separate return), is required to file a New Jersey Resident Income Tax Return (Form NJ-1040). A full-year resident whose annual gross income is under the applicable minimum income filing threshold need not file a return except to claim a refund of taxes withheld or estimated taxes paid. You must also file a return to receive a New Jersey earned income tax credit even if you have no tax liability to New Jersey. For more information on gross income, see **page 2**.

A person who became a resident of this State or moved out of this State during the year may be required to file a New Jersey income tax return and pay tax on that portion of the income received while a resident of New Jersey. Part-year residents must prorate all exemptions, deductions, and credits, as well as the pension and other retirement income exclusions, to reflect the period covered by the return. For more information, see Tax Topic Bulletin **GIT-6**, *Part-Year Residents*.

Filing Status

In general, you must use the same filing status on your New Jersey return as you do for Federal income tax purposes, unless you are a partner in a civil union.

If a married couple files a joint Federal income tax return, they must also file a joint New Jersey income tax return. If spouses file separate Federal returns, separate State returns must also be filed. However, if you are a civil union couple, your filing status for New Jersey will not match your Federal filing status for the year.

If during the entire taxable year one spouse/civil union partner was a resident and the other a nonresident, the resident may file a separate New Jersey return. The resident computes income and exemptions as if a Federal married, filing separate return had been filed. The spouses/civil union partners have the option of filing a joint return, in which case their joint income would be taxed as if both were residents.

If your spouse/civil union partner died during the year, you may file a joint return for the two of you provided you did not remarry or enter into a new civil union before the end of the year. You may be eligible to use the filing status "qualifying widow(er)/surviving CU partner" for each of the *two tax years after the year in which your spouse/civil union partner died* if you pay more than one-half of the cost of keeping up a home for yourself and at least one child, stepchild, adopted child, or foster child who qualifies as your dependent.

If you meet the requirements to file as head of household for Federal income tax purposes, you may file as head of household for New Jersey. Certain married individuals/civil union partners living apart may file as head of household for New Jersey if they meet the requirements to file as head of household for Federal purposes.

For information on filing status for Federal purposes, contact the Internal Revenue Service. For more information on filing status for New Jersey purposes, see Tax Topic Bulletin **GIT-4**, *Filing Status.*

Gross Income

For New Jersey purposes, 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.

Taxable Income

Taxable income includes the following:

- Wages and other compensation
- Interest and dividends
- Earnings on nonqualified withdrawals from qualified state tuition program accounts, including the New Jersey Better Educational Savings Trust Program (NJBEST) accounts
- Net profits from business, trade, or profession
- Net gains or income from sale or disposition of property
- Pensions, annuities, 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
- Prizes and awards, including scholarships and fellowships
- Value of residence provided by employer
- Fees for services rendered, including jury duty

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New Jersey taxable income also **includes** the following which are not subject to Federal income tax:

- Interest from obligations of states and their political subdivisions, 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

Exempt Income

The following examples of exempt income should not be included when deciding if a return must be filed. With the exception of tax-exempt interest, these items should **not** appear anywhere on the State tax return.

- Federal Social Security
- Railroad Retirement (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 in the amount of $10,000 or less
- Unemployment Compensation
- 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 to the extent the distributions are attributable to interest earned on Federal obligations
- Certain distributions from "New Jersey Qualified Investment Funds"
- Earnings on qualified withdrawals from qualified state tuition program accounts, including the New Jersey Better Educational Savings Trust Program (NJBEST) 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)
- Contributions to and distributions from Archer MSAs if they are excluded for Federal income tax purposes
- Direct payments and benefits received under homeless persons assistance programs
- Homestead rebates, FAIR rebates, and NJ SAVER rebates
- Property tax reimbursements (Senior Freeze Program)
- 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

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Exemptions

Every resident taxpayer is allowed a personal exemption, even if that individual can be claimed as a dependent on another tax return. Taxpayers whose filing status is "married/CU couple, filing joint return" are allowed an additional exemption for their spouse/civil union partner. A member of a domestic partnership that was registered in New Jersey on the last day of the tax year may claim an exemption for their domestic partner, but only if he or she does not file a New Jersey income tax return.

The additional exemptions for age, disability, or blindness may be claimed only by the taxpayer and/or spouse/civil union partner. These additional exemptions do **not** apply to a domestic partner or to dependents. The exemption for dependents attending colleges is in addition to the exemption claimed for that child or other qualified dependent. This exemption applies **only** to dependents and does not apply to the taxpayer, spouse/civil union partner, and/or domestic partner.

Proof of Age. If either you or your spouse/civil union partner are eligible for an additional exemption for age, you must enclose proof of age such as a copy of a birth certificate, driver's license, or church records with your return the first time you claim the exemption(s).

Proof of Disability. If either you or your spouse/civil union partner are eligible for an additional exemption for disability or blindness, you must enclose a copy of the doctor's certificate or other medical records with your return the first time you claim the exemption(s).

Proof of Domestic Partnership. If you are able to claim an exemption for your domestic partner, you must enclose a copy of your New Jersey Certificate of Domestic Partnership with your return the first time you claim the exemption. You may be asked to provide additional information at a later date.

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 must also fill in the oval for each dependent who does *not* have 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

- Certain nonreimbursed medical expenses that were paid during the year may be deducted on the New Jersey income tax return. However, only expenses exceeding 2% of gross income, as shown on Line 28 of Form NJ-1040, may be deducted.
- Qualified Archer medical savings account (MSA) contributions not in excess of 75% of the amount of your annual health plan deductible (65% if you have a self-only plan).
- Self-employed individuals and more-than-2% shareholders of S corporations are allowed a deduction (up to 100%) for the cost of health insurance for the taxpayer and the taxpayer's

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spouse/civil union partner or domestic partner and dependents, but only to the extent that the taxpayer has earned income derived from the business under which the insurance plan is established. A taxpayer may not deduct any amount paid for health insurance coverage for any month in which the taxpayer was eligible to participate in any subsidized health plan maintained by an employer of the taxpayer or the taxpayer's spouse/civil union partner or domestic partner.

- Alimony and separate maintenance required to be paid under a decree of divorce/dissolution or separate maintenance.
- Qualified conservation contributions of qualified real property interests in New Jersey property, to the extent that the contribution amount is deductible for Federal income tax purposes.
- Eligible taxpayers engaged in providing "primary care" medical and/or dental services at a qualified practice located in or within five miles of a designated Health Enterprise Zone (HEZ) may qualify for a deduction. For information on eligibility requirements and how to calculate the HEZ deduction, see Technical Bulletin **TB-56**, *Health Enterprise Zones.*

Property Tax Deduction/Credit

Homeowners and tenants who pay property taxes, either directly or through rent, on their principal residence in New Jersey may qualify for either a deduction (up to 100% of property taxes due and paid or up to $10,000, whichever is less) or refundable credit (up to $50).

Eligibility Requirements. To be eligible for a property tax deduction **or** property tax credit:

- You must have been domiciled and maintained a principal residence as a homeowner or tenant in New Jersey during 2010; and
- Your principal residence, whether owned or rented, must be subject to local property taxes, and property taxes must have been paid on that residence either as actual property taxes or through rent; and
- Your rented dwelling must have its own separate kitchen and bath facilities; and
- Your gross income on Line 28, Form NJ-1040, is more than $20,000 ($10,000 if filing status is single or married/CU partner, filing separate return), **or** you and/or your spouse/civil union partner (if filing jointly) were 65 years of age or older or blind or disabled on the last day of the tax year.

Taxpayers who were not 65 years of age or older or blind or disabled on the last day of the tax year, with gross income of $20,000 or less ($10,000 if filing status is single or married/CU partner, filing separate return) *are not eligible for a property tax credit.*

Seniors or Blind/Disabled Persons not Required to File a Return. If you (or your spouse/civil union partner if filing jointly) were 65 years of age or older or blind or disabled on the last day of the tax year, and your gross income on Line 28, Form NJ-1040, is $20,000 or less ($10,000 if filing status is single or married/CU partner, filing separate return), and you satisfy the eligibility requirements, you qualify for a property tax credit in the amount of $50 ($25 if you and your spouse/civil union partner file

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separate returns but maintain the same principal residence).

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

- ***Are eligible and file for a 2010 homestead benefit because you were a New Jersey homeowner on October 1, 2010,*** 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 2010 homestead benefit*** because you were not a homeowner on October 1, 2010, you may claim the property tax credit on Form NJ-1040 **or** you can file the property tax credit application, Form NJ-1040-H only. **Do not file both Form NJ-1040 and Form NJ-1040-H.**

For more information on the property tax credit application (Form NJ-1040-H), see **instruction booklet for Form NJ-1040**.

Property Tax Reimbursement (Senior Freeze) Applicants. If you are eligible for a property tax reimbursement for 2010 and file your application on Form PTR-1, enter on line 1, Worksheet F the amount of your **2009 property taxes** as reported on Line 14 of your 2010 Property Tax Reimbursement Application, Form PTR-1. (For mobile home owners this is 18% of 2009 site fees.)

If you are eligible for a property tax reimbursement for 2010 and file your application on Form PTR-2, enter on line 1, Worksheet F the amount of your base year property taxes as reported on Line 11 of your 2010 Property Tax Reimbursement Application, Form PTR-2. (For mobile home owners this is 18% of base year site fees.)

NOTE: If you owned your home with someone other than your spouse/civil union partner or if your home 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 **instruction booklet 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 differ from the Federal amount. All state and local government, teachers', and Federal pensions, and Keogh Plans are treated in the same manner 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 Tax Topic Bulletin **GIT-1**, *Pensions and Annuities.*

If you are receiving a United States military pension or survivor's benefit payments, the military pension or survivor's benefit is not taxable for New Jersey gross income tax purposes, regardless of your age or disability status. For more information on military pensions, see Tax Topic Bulletin **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 have been previously taxed, only

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the portion of the distribution that represents earnings is taxable. However, a qualified distribution from a Roth IRA is excludable and does not have to be reported on your New Jersey return. For more information on IRA withdrawals, see Tax Topic Bulletin **GIT-2**, *IRA Withdrawals,* and Technical Bulletin **TB-44**, *Roth IRAs.*

Estimated Tax Payments

Individuals who expect their New Jersey gross income tax liability to be more than $400 after taking into account all of their exemptions, deductions, withholdings and other credits for the tax year are required to make quarterly estimated tax payments. This may include taxpayers who do not have sufficient New Jersey income tax withheld from their wages and/or pension, those who are self-employed, or those whose income is from sources such as interest, dividends, or capital gains. Estimated payments are filed quarterly in equal installments on a Declaration of Estimated Tax (Form NJ-1040-ES). For more information on New Jersey estimated tax payments, see Tax Topic Bulletin **GIT-8**, *Estimating Income Taxes.*

Credit for Taxes Paid to Other Jurisdictions

If income is earned in another jurisdiction, a credit may apply on the New Jersey return if, within the same year, the income was subject to both:

- Income or wage tax imposed by another jurisdiction outside of 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 of such state, or the District of Columbia. Therefore, no credit is allowed for taxes paid to the U.S. Government, Canada, Puerto Rico, or any other foreign country or territory.

Taxpayers who claim a credit for taxes paid to other jurisdictions are required to enter a two-digit code for the jurisdiction in the boxes at Line 40, Form NJ-1040. A list of jurisdiction codes appears in the NJ-1040 instruction booklet. Taxpayers are not required to enclose a copy of the tax return(s) filed with the other jurisdiction.

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

Pennsylvania residents: refer to Tax Topic Bulletin **GIT-3W** or **GIT-3B** and the NJ-1040 resident return instruction booklet for information on the Reciprocal Personal Income Tax Agreement between the Commonwealth of Pennsylvania and the State of New Jersey.

New Jersey Earned Income Tax Credit

The New Jersey earned income tax credit is a credit for certain taxpayers who work and have earned income. The credit reduces the amount of tax you owe and may also give you a refund, even if you have no tax liability to New Jersey.

For tax year 2010, most residents who are eligible and file for a Federal earned income credit can also receive a New Jersey earned income tax credit in the amount equal to 20% of the Federal benefit.

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NOTE: If your filing status is married/CU partner, filing separate return, you may not claim a New Jersey earned income tax credit.

You must file a New Jersey resident income tax return to receive a New Jersey earned income tax credit, even if you are not required to file a return because your gross income is below the minimum income filing threshold. (See ***Filing Requirements*** on page 1.)

You must provide the full name, social security number, and year of birth for each "qualifying child" listed on Federal Schedule EIC who is not claimed as a dependent on your New Jersey return.

If you asked the Internal Revenue Service to calculate your Federal earned income credit, fill in the first oval below Line 50, 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 50, see **instruction booklet for Form NJ-1040**. The IRS will provide information regarding Federal earned income credit recipients to the Division of Taxation in October 2011. Please allow at least 4–6 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 taxable year, the amount of your credit must be prorated based upon the number of months you were a New Jersey resident. For this calculation 15 days or more is a month.

Sale of Home Exclusion

If you sell your principal residence, you may qualify to exclude up to $250,000 ($500,000 for certain married/civil union couples filing a joint return) of any gain from your income. Capital gain is computed in the same manner as for Federal income tax purposes. Any amount that is taxable for Federal purposes is taxable for New Jersey purposes.

You can claim the exclusion if, during the 5-year period ending on the date of the sale, you have:

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

NOTE: If you owned and used the property as your principal residence for less than 2 years, and you qualify for a reduced exclusion for Federal purposes, you may claim a reduced exclusion for New Jersey purposes.

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

1. Neither you nor your spouse/civil union partner if filing a joint return is excluding gain from the sale of another home.
2. You or your spouse/civil union partner if filing a joint return owned and lived in the home for periods adding up to at least 2 years within the 5-year period ending on the date of sale.

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

If only one spouse/civil union partner meets the ownership and use tests, the qualified spouse/civil union partner 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 2-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 B. 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.

Return Preparation

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

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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
Contributions to the pension	100,000
Employer's contributions to the pension	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	1,300
Rent paid	8,400

Mr. and Mrs. Fisher lived in their house, located at 18 King's Court, Cape May, New Jersey since August 9, 1980. On May 23, 2010, they sold the house for $275,000. The cost basis on their Federal return was $117,000. The Fishers may exclude up to $500,000 of the gain from the sale of the principal residence for their filing status. Therefore, they will exclude the entire $158,000 gain on the sale of their home on New Jersey Schedule B. They will enclose Schedule B with their income tax return and keep a copy for their records.

In addition, they must enclose a completed New Jersey Schedule C showing rental loss from their rental property. The New Jersey Gross Income Tax Act does not allow losses to be claimed against gains in other categories of income; therefore, Mr. and Mrs. Fisher will make no entry for rental income on Line 22 of their return.

Mr. Fisher retired on December 31, 2007. For tax year 2008, he completed "Worksheet A" contained in the NJ-1040 resident income tax return instruction booklet 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. Mr. and Mrs. Fisher did **not** submit "Worksheet A" with their income tax return but retained it for their records. This year they used the worksheet to help determine the taxable pension amount to be reported on their 2010 tax return. Mr. Fisher is eligible to exclude up to $20,000, 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 27a of their return. The Fishers cannot utilize the unclaimed portion of the pension exclusion ($12,000) on Line 27b, Other Retirement Income Exclusion, 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 in Part I of "Worksheet D – Other Retirement Income Exclusion."

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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 may 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
Other Retirement Income Exclusion
Age Requirement: 62 or older

Part-year residents, do **not** complete this worksheet. See instructions.

Part I – Unclaimed Pension Exclusion

Is total income from Line 26, NJ-1040 for the entire year **MORE than $100,000?**

○ Yes. Do not complete Part I. Enter "0" on line 8 and continue with Part II.
● No. Continue with line 1.

1. Enter the amount from Line 14, NJ-1040 ..... 1. 42,731
2. Enter the amount from Line 17, NJ-1040 ..... 2. 0
3. Enter the amount from Line 20, NJ-1040 ..... 3. 0
4. Enter the amount from Line 21, NJ-1040 ..... 4. 0
5. Add lines 1, 2, 3, and 4 ..... 5. 42,731

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

● Yes. Enter "0" on line 8 and continue with Part II.
○ No. Continue with line 6.

(Partial Worksheet)

Worksheet F-1

PART I: HOMEOWNERS
Principal residences you owned in New Jersey during 2010

Address	(1) Number of days in 2010 in this residence as an owner	(2) Share of property owned by you (and your spouse/ civil union partner)	(3) Share of property used as your principal residence	(4) Total property taxes paid on this property for this period	(5) 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 in 2010 for your principal residences (total of column 5) Use this amount to complete Line 36a*					1,300

PART II: TENANTS
Principal residences you rented in New Jersey during 2010

Address	(1) Number of days in 2010 in this residence as a tenant	(2) Total number of tenants who shared the rent	(3) Total rent paid by all people living in this residence during this period	(4) Total rent paid by you (and your spouse/civil union partner) 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 in 2010 for your principal residences (total of column 4)				8,400
9. Rent constituting property taxes (line 8 × .18) Use this amount to complete Line 36a*				1,512

* If your filing status is married/CU partner, filing separate return and both you and your spouse/civil union partner maintain the same principal residence, use one-half of this amount when completing Line 36a.

(Keep for your records)

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Since Mr. and Mrs. Fisher lived at more than one qualifying New Jersey residence during the tax year, they must complete Worksheet F-1 to determine the amount of property taxes to enter on Line 36a. To determine whether it is better to claim the property tax deduction or the property tax credit, the Fishers then complete Worksheet F. Worksheets F and F-1 are contained in the NJ-1040 resident income tax return instruction booklet. The Fishers determined that they will receive a greater tax benefit by taking the property tax deduction.

The following pages show how Mr. and Mrs. Fisher will complete their State income tax return. After taking credit for Mrs. Fisher's withholdings and their joint estimated tax payments, they will be entitled to a refund of $1,848. However, they are requesting that a $10 donation be made to each of the five specified check-offs and to the designated fund of their choice. They will receive a refund of $1,788.

Since they have taxable income of less than $100,000, the Fishers may use either the New Jersey Tax Table or the New Jersey Tax Rate Schedules to calculate their tax liability.

Worksheet F – Property Tax Deduction/Credit

Review the eligibility requirements before completing Worksheet F. Part-year residents see instructions.

Complete both columns of this worksheet to find out whether the Property Tax Deduction or the Credit is better for you. ***If you claim a credit for taxes paid to other jurisdictions, complete only lines 1 and 2 of this worksheet.*** *Then complete Schedule A and Worksheet H.*

1. **Property Tax.** Enter the property taxes you paid in 2010 from Line 36a of Form NJ-1040. Property tax reimbursement (Senior Freeze) applicants do not enter the amount from Line 36a. **See instructions.** 1. 2,812

2. **Property Tax Deduction.** Enter the amount from line 1 of this worksheet or $10,000, whichever is less. (Lesser of line 1 or $5,000 if you and your spouse/CU partner file separate returns but maintain the same principal residence.) Also enter this amount on line 4, column A below. See instructions. 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 A and Worksheet H. See instructions.

	Column A		Column B	
3. Taxable Income (Copy from Line 35 of Form NJ-1040)	3.	83,611	3.	83,611
4. Property Tax Deduction (Copy from line 2 of this worksheet)	4.	2,812	4.	**– 0 –**
5. Taxable Income After Property Tax Deduction (Subtract line 4 from line 3)	5.	80,799	5.	83,611
6. Tax you would pay on line 5 amount (From Tax Table/Tax Rate Schedules)	6.	1,688	6.	1,845
7. Subtract line 6, column A from line 6, column B and enter the result here			7.	157

8. **Is the line 7 amount $50 or more ($25 if you and your spouse/civil union partner file separate returns but maintain the same principal residence)?**

● Yes. You receive a greater tax benefit by taking the Property Tax Deduction. Make the following entries on Form NJ-1040.

Form NJ-1040	*Enter amount from:*
Line 36c	Line 4, column A
Line 37	Line 5, column A
Lines 38 and 39	Line 6, column A
Line 48	Make no entry

○ No. You receive a greater tax benefit from the Property Tax Credit. (**Part-year residents,** see instructions before answering "No.") Make the following entries on Form NJ-1040.

Form NJ-1040	*Enter amount from:*
Line 36c	Make no entry
Line 37	Line 5, column B
Lines 38 and 39	Line 6, column B
Line 48	$50 ($25 if you and your spouse/civil union partner file separate returns but maintain the same principal residence). **Part-year residents,** see instructions.

(Keep for your records)

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NJ-1040
2010

STATE OF NEW JERSEY
INCOME TAX-RESIDENT RETURN

Your Social Security Number: 999 – 27 – 3660	Last Name, First Name, and Initial (Joint filers enter first name and initial of each - Enter spouse/CU partner last name ONLY if different): Fisher, Leonard and Evelyn
Spouse's/CU Partner's Social Security Number: 999 – 62 – 8391	Home Address (Number and Street, including apartment number or rural route): 101 Blackwell Rd. Apt. B
County/Municipality Code (See Table): 0503	City, Town, Post Office: Cape May Point; State: NJ; Zip Code: 08212

NJ RESIDENCY STATUS If you were a New Jersey resident for ONLY part of the taxable year, give the period of New Jersey residency: From ___ / ___ / ___ To ___ / ___ / ___

(Fill in only one)

1. ○ Single
2. ● Married/CU Couple, filing joint return
3. ○ Married/CU Partner, filing separate return. Enter Spouse's/CU Partner's Social Security Number in the boxes above
4. ○ Head of household
5. ○ Qualifying widow(er)/Surviving CU Partner

		Yourself	Spouse/CU Partner	Domestic Partner		
6.	Regular	●	●	○	6	2
7.	Age 65 or Over	○	○		7	
8.	Blind or Disabled	○	○		8	

ENTER NUMBERS HERE

9. Number of your qualified dependent children 9
10. Number of other dependents 10
11. Dependents attending colleges 11
12. Totals (For Line 12a - Add Lines 6, 7, 8, and 11) (For Line 12b - Add Lines 9 and 10) 12a 2 12b

13. Dependent's Last Name, First Name, Middle Initial	Dependent's Social Security Number	Birth Year	Fill in oval if dependent does not have health insurance including NJ FamilyCare/ Medicaid, Medicare, private or other (see instructions).
a	– –		○
b	– –		○
c	– –		○
d	– –		○

GUBERNATORIAL ELECTIONS FUND

Do you wish to designate $1 of your taxes for this fund? ● Yes ○ No

If joint return, does your spouse/CU partner wish to designate $1? ● Yes ○ No

Note: If you fill in the "Yes" oval(s) it will not increase your tax or reduce your refund.

Under the penalties of perjury, I declare that I have examined this income tax return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. If prepared by a person other than taxpayer, this declaration is based on all information of which the preparer has any knowledge.

Your Signature _____ Date _____

Spouse's/CU Partner's Signature (if filing jointly, BOTH must sign) _____ Date _____

Pay amount on Line 55 in full. Write social security number(s) on check or money order and make payable to:

STATE OF NEW JERSEY - TGI

Mail your check or money order with your NJ-1040-V payment voucher and your return to:
NJ Division of Taxation
Revenue Processing Center
PO Box 111
Trenton, NJ 08645-0111

IF REFUND:
NJ Division of Taxation
Revenue Processing Center
PO Box 555
Trenton, NJ 08647-0555

You may also pay by e-check or credit card. For more information go to: www.state.nj.us/treasury/taxation

OBSOLETE

NJ-1040 (2010) Page 2

14.	Wages, salaries, tips, and other employee compensation (Enclose W-2) Be sure to use State wages from Box 16 of your W-2(s). See instructions	14 42,731.00
15a.	Taxable interest income (See instr.) (Enclose Federal Schedule B if over $1,500)	15a 15,426.00
15b.	Tax-exempt interest income (See instructions) (Enclose Schedule) DO NOT include on Line 15a	15b 7,900.00
16.	Dividends	16 27,454.00
17.	Net profits from business (Enclose copy of Federal Schedule C, Form 1040)	17
18.	Net gains or income from disposition of property (Schedule B, Line 4)	18
19.	Pensions, Annuities, and IRA Withdrawals (See instructions)	19 8,000.00
20.	Distributive Share of Partnership Income (See instructions) (Enclose Schedule)	20
21.	Net pro rata share of S Corporation Income (See instructions) (Enclose Schedule)	21
22.	Net gain or income from rents, royalties, patents & copyrights (Schedule C, Line 3)	22
23.	Net Gambling Winnings (See instructions)	23
24.	Alimony and separate maintenance payments received	24
25.	Other (Enclose Schedule) (See instructions)	25
26.	Total Income (Add Lines 14, 15a, and 16 through 25)	26 93,611.00
27a.	Pension Exclusion (See instructions)	27a 8,000.00
27b.	Other Retirement Income Exclusion (See worksheet and instructions)	27b
27c.	Total Exclusion Amount (Add Line 27a and Line 27b)	27c 8,000.00
28.	**New Jersey Gross Income** (Subtract Line 27c from Line 26) See instructions	28 85,611.00
29.	Total Exemption Amount (See instructions to calculate amount) (Part-Year Residents see instructions)	29 2,000.00
30.	Medical Expenses (See Worksheet and instructions)	30
31.	Alimony and Separate Maintenance Payments	31
32.	Qualified Conservation Contribution	32
33.	Health Enterprise Zone Deduction	33
34.	Total Exemptions and Deductions (Add Lines 29, 30, 31, 32, and 33)	34 2,000.00
35.	Taxable Income (Subtract Line 34 from Line 28) If zero or less, MAKE NO ENTRY	35 83,611.00
36a.	Total Property Taxes Paid (See instructions)	36a 2,812.00
36b.	Fill in oval if you were a New Jersey homeowner on October 1, 2010	⬭
36c.	Property Tax Deduction (See instructions)	36c 2,812.00
37.	**NEW JERSEY TAXABLE INCOME** (Subtract Line 36c from Line 35) If zero or less, MAKE NO ENTRY	37 80,799.00
38.	Tax (From Tax Table)	38 1,688.00

OBSOLETE

NJ-1040 (2010) Page 3

39.	Tax (From Line 38, page 2)	39 1,688.00
40.	Credit For Income Taxes Paid to Other Jurisdictions Enter other jurisdiction code (See instructions)	40
41.	Balance of Tax (Subtract Line 40 from Line 39)	41 1,688.00
42.	Sheltered Workshop Tax Credit	42
43.	Balance of Tax after Credit (Subtract Line 42 from Line 41)	43 1,688.00
44.	Use Tax Due on Out-of-State Purchases (See instructions) If no Use Tax, enter ZERO (0.00).	44 0.00
45.	Penalty for Underpayment of Estimated Tax. Fill in ⬭ if Form NJ-2210 is enclosed	45
46.	**Total Tax and Penalty** (Add Lines 43, 44, and 45)	46 1,688.00
47.	**Total New Jersey Income Tax Withheld** (From enclosed Forms W-2 and 1099)	47 3,136.00
48.	Property Tax Credit (See instructions)	48
49.	New Jersey Estimated Tax Payments/Credit from 2009 tax return	49 400.00
50.	New Jersey Earned Income Tax Credit (See instructions) Fill in only one: Fill in oval if you had the IRS figure your Federal Earned Income Credit ⬭ Fill in oval if you are a CU couple claiming the NJ Earned Income Tax Credit ⬭	50
51.	EXCESS New Jersey UI/WF/SWF Withheld (See instructions) (Enclose Form NJ-2450)	51
52.	EXCESS New Jersey Disability Insurance Withheld (See instructions) (Enclose Form NJ-2450)	52
53.	EXCESS New Jersey Family Leave Insurance Withheld (See instructions) (Enclose From NJ-2450)	53
54.	**Total Payments/Credits** (Add Lines 47 through 53)	54 3,536.00
55.	If Line 54 is LESS THAN Line 46, enter AMOUNT YOU OWE Fill in ⬭ if paying by e-check or credit card.	55
	If you owe tax, you may make a donation by entering an amount on Lines 58, 59, 60, 61, 62, and/or 63 and adding this to your payment amount.	
56.	If Line 54 is MORE THAN Line 46, enter OVERPAYMENT Deductions from Overpayment on Line 56 which you elect to credit to:	56 1,848.00
57.	Your 2011 tax	57
58.	N.J. Endangered Wildlife Fund ☒ $10 ☐ $20 ☐ Other	58 10.00
59.	N.J. Children's Trust Fund To Prevent Child Abuse ☒ $10 ☐ $20 ☐ Other	59 10.00
60.	N.J. Vietnam Veterans' Memorial Fund ☒ $10 ☐ $20 ☐ Other	60 10.00
61.	N.J. Breast Cancer Research Fund ☒ $10 ☐ $20 ☐ Other	61 10.00
62.	U.S.S. New Jersey Educational Museum Fund ☒ $10 ☐ $20 ☐ Other	62 10.00
63.	Other Designated Contribution ☒ $10 ☐ $20 ☐ Other See instructions	63 10.00
64.	Total Deductions from Overpayment (Add Lines 57 through 63)	64 60.00
65.	REFUND (Amount to be sent to you. Subtract Line 64 from Line 56)	65 1,788.00

ENTER AMOUNT OF CONTRIBUTION 0 1

SIGN YOUR RETURN ON PAGE 1

OBSOLETE

Schedule B

NET GAINS OR INCOME FROM DISPOSITION OF PROPERTY

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.

1.	a. Kind of property and description	b. Date acquired (Mo., day, yr.)	c. Date sold (Mo., day, yr.)	d. Gross sales price	e. Cost or other basis as adjusted (see instructions) and expense of sale	f. Gain or (loss) (d less e)	
	Sale of Home 18 King's Ct. Cape May	8/9/80	5/23/10	275,000	117,000	158,000	00
	*Less Sale of Principal Residence exclusion					(158,000)	00
2.	Capital Gains Distributions					2.	
3.	Other Net Gains					3.	
4.	Net Gains (Add Lines 1, 2, and 3) (Enter here and on Line 18. If loss enter ZERO here and make no entry on Line 18)					4.	0 00

Schedule C

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 as reported on your Federal Income Tax Return. If you have passive losses for Federal purposes, see instructions.

1.	a. Kind of Property	b. Net Rental Income (Loss)	c. Net Income From Royalties	d. Net Income From Patents	e. Net Income From Copyrights
	Rental Property 129 Bay Rd. Cape May	(524)			
2.	Totals	b. (524)	c.	d.	e.
3.	Net income (Combine Columns b, c, d, and e) (Enter here and on Line 22. If loss enter ZERO here and make no entry on Line 22)				3. 0

Example 2

Henry James (Age 65)
SS# 999-21-2351
Mary James (Age 64)
SS# 999-35-1443
125 Madison Street
Morris, NJ 07082 (Morris County)

Mr. and Mrs. James are full-year residents of New Jersey. They are married and file a joint return, with no dependents.

Henry's wages	$2,940
Joint taxable interest	1,000
Joint exempt interest	3,500
Joint dividends	2,500
Mary's fully taxable pension	2,500
Henry's fully taxable pension	6,000
Henry'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 Henry's traditional IRA on December 31, 2010, was $12,455 with previously taxed contributions in the amount of $10,000. Part I of "Worksheet C - IRA Withdrawals" contained in the NJ-1040 resident income tax return instruction booklet must be completed to determine the taxable portion of the IRA withdrawal. Mr. and Mrs. James will retain the worksheet with their tax records and use the information in Part I of the worksheet 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 be reported on Line 19 of the State income tax return. After determining the taxable amount, they will be able to use the pension exclusion to exclude up to $20,000 because their total income (Line 26, Form NJ-1040) did not exceed $100,000. Because Mr. and Mrs. James have less than $20,000 in taxable pension to report on their tax return, they will complete "Worksheet D - Other Retirement Income Exclusion" contained in the NJ-1040 resident income tax return instruction booklet to see if they qualify for an additional exclusion.

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

Mr. and Mrs. James will not complete Worksheet F (located in the NJ-1040 resident income tax return instruction booklet) to determine whether to take a property tax deduction or a property tax credit as their income is below the minimum filing threshold of $20,000. They are, however, eligible for a property tax credit of $50 and will claim the credit on Line 48, Form NJ-1040. Because Mr. and Mrs. James are filing Form NJ-1040, they should not file the property tax credit application, Form NJ-1040-H.

Since Mr. James is claiming the "Age 65 or Older" exemption for the first time for tax year 2010, he must enclose proof of age with the return. (See ***Exemptions*** on page 4 for acceptable documentation.)

The following pages show how Mr. and Mrs. James will complete their worksheets and tax return.

OBSOLETE

Worksheet C – IRA Withdrawals

2010

Part I

1. **Value of IRA** on 12/31/10. Include contributions made for the tax year from 1/1/11 – 4/15/11 ..... 1. 12,455
2. **Total distributions from IRA during the tax year.** Do not include tax-free rollovers 2. 1,200
3. **Total value of IRA.** Add lines 1 and 2 ..... 3. 13,655

Unrecovered Contributions:
Complete **either** line 4a or 4b.

4a. **First year of withdrawal from IRA:** Enter the total of IRA contributions that were previously taxed 4a. 10,000

4b. **After first year of withdrawal from IRA:** Complete Part II. Enter amount of unrecovered contributions from Part II, line (g)* ..... 4b. _____

5. **Accumulated earnings in IRA on 12/31/10.** Subtract either line 4a or 4b from line 3 ..... 5. 3,655
6. Divide line 5 by line 3 and enter the result as a decimal ..... 6. .268
7. **Taxable portion of this year's withdrawal.** Multiply line 2 by decimal amount on line 6. Enter here and on Line 19, Form NJ-1040 ..... 7. 322

OBSOLETE

(Partial Worksheet)

Worksheet D
Other Retirement Income Exclusion
Age Requirement: 62 or older

Part-year residents, do **not** complete this worksheet. See instructions.

Part I – Unclaimed Pension Exclusion

Is total income from Line 26, NJ-1040 for the entire year **MORE than $100,000?**

○ Yes. Do not complete Part I. Enter "0" on line 8 and continue with Part II.
● No. Continue with line 1.

1. Enter the amount from Line 14, NJ-1040 ..... 1. 2,940
2. Enter the amount from Line 17, NJ-1040 ..... 2. 0
3. Enter the amount from Line 20, NJ-1040 ..... 3. 0
4. Enter the amount from Line 21, NJ-1040 ..... 4. 0
5. Add lines 1, 2, 3, and 4 ..... 5. 2,940

Is the amount on line 5 MORE than $3,000?
○ Yes. Enter "0" on line 8 and continue with Part II.
● No. Continue with line 6.

6. **Enter:** **if your filing status is:**
   $20,000 Married/CU couple, filing joint return
   $15,000 Single; Head of household; Qualifying widow(er)/ surviving CU partner
   $10,000 Married/CU partner, filing separate return 6. 20,000
7. Enter the amount from Line 27a, NJ-1040 ..... 7. 8,822
8. Unclaimed Pension Exclusion. Subtract line 7 from line 6. If zero, enter "0." Continue with Part II 8. 11,178

Part II – Special Exclusion

9a. Are you (and/or your spouse/civil union partner if filing jointly) now receiving, or will you (and/or your spouse/civil union partner if filing jointly) ever be eligible to receive Social Security or Railroad Retirement Benefits?

☐ No — Continue with item 9b
☒ Yes — Enter "0" on line 9 and continue with line 10

9b. Would you (and your spouse/civil union partner if filing jointly) be receiving or ever be eligible to receive Social Security or Railroad Retirement Benefits if you had participated in either program?

☐ No — Enter "0" on line 9 and continue with line 10
☐ Yes — Enter on line 9 the amount of exclusion for your filing status shown below and continue with line 10

Enter: **if your filing status is:**
$ 6,000 Married/CU couple, filing joint return; Head of household; Qualifying widow(er)/surviving CU partner
$ 3,000 Single; Married/CU partner, filing separate return 9. 0

10. **Your Other Retirement Income Exclusion**
Add lines 8 and 9. Enter here and on Line 27b, NJ-1040.
If the amount here is zero, make no entry on Line 27b 10. 11,178

(Keep for your records)

OBSOLETE

NJ-1040
2010

STATE OF NEW JERSEY
INCOME TAX-RESIDENT RETURN

Your Social Security Number: 999 – 21 – 2351	Last Name, First Name, and Initial (Joint filers enter first name and initial of each - Enter spouse/CU partner last name ONLY if different): James, Henry and Mary
Spouse's/CU Partner's Social Security Number: 999 – 35 – 1443	Home Address (Number and Street, including apartment number or rural route): 125 Madison St.
County/Municipality Code (See Table): 1422	City, Town, Post Office: Morris; State: NJ; Zip Code: 07082

NJ RESIDENCY STATUS If you were a New Jersey resident for ONLY part of the taxable year, give the period of New Jersey residency: From ___ / ___ / ___ To ___ / ___ / ___

(Fill in only one)

1. ○ Single
2. ● Married/CU Couple, filing joint return
3. ○ Married/CU Partner, filing separate return. Enter Spouse's/CU Partner's Social Security Number in the boxes above
4. ○ Head of household
5. ○ Qualifying widow(er)/Surviving CU Partner

	Yourself	Spouse/CU Partner	Domestic Partner		ENTER NUMBERS HERE
6. Regular	●	●	○	6: 2	
7. Age 65 or Over	●	○		7: 1	
8. Blind or Disabled	○	○		8:	

9. Number of your qualified dependent children 9:
10. Number of other dependents 10:
11. Dependents attending colleges 11:
12. Totals (For Line 12a - Add Lines 6, 7, 8, and 11) (For Line 12b - Add Lines 9 and 10) 12a: 3 12b:

13. Dependent's Last Name, First Name, Middle Initial	Dependent's Social Security Number	Birth Year	Fill in oval if dependent does not have health insurance including NJ FamilyCare/ Medicaid, Medicare, private or other (see instructions).
a	– –		○
b	– –		○
c	– –		○
d	– –		○

GUBERNATORIAL ELECTIONS FUND

Do you wish to designate $1 of your taxes for this fund? ● Yes ○ No

If joint return, does your spouse/CU partner wish to designate $1? ● Yes ○ No

Note: If you fill in the "Yes" oval(s) it will not increase your tax or reduce your refund.

Under the penalties of perjury, I declare that I have examined this income tax return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. If prepared by a person other than taxpayer, this declaration is based on all information of which the preparer has any knowledge.

Your Signature Date

Spouse's/CU Partner's Signature (if filing jointly, BOTH must sign) Date

Pay amount on Line 55 in full. Write social security number(s) on check or money order and make payable to:

STATE OF NEW JERSEY - TGI

Mail your check or money order with your NJ-1040-V payment voucher and your return to:
NJ Division of Taxation
Revenue Processing Center
PO Box 111
Trenton, NJ 08645-0111

IF REFUND:
NJ Division of Taxation
Revenue Processing Center
PO Box 555
Trenton, NJ 08647-0555

You may also pay by e-check or credit card. For more information go to: www.state.nj.us/treasury/taxation

OBSOLETE

NJ-1040 (2010) Page 2

14.	Wages, salaries, tips, and other employee compensation (Enclose W-2) Be sure to use State wages from Box 16 of your W-2(s). See instructions	14 2,940.00
15a.	Taxable interest income (See instr.) (Enclose Federal Schedule B if over $1,500)	15a 1,000.00
15b.	Tax-exempt interest income (See instructions) (Enclose Schedule) DO NOT include on Line 15a	15b 3,500.00
16.	Dividends	16 2,500.00
17.	Net profits from business (Enclose copy of Federal Schedule C, Form 1040)	17
18.	Net gains or income from disposition of property (Schedule B, Line 4)	18
19.	Pensions, Annuities, and IRA Withdrawals (See instructions)	19 8,822.00
20.	Distributive Share of Partnership Income (See instructions) (Enclose Schedule)	20
21.	Net pro rata share of S Corporation Income (See instructions) (Enclose Schedule)	21
22.	Net gain or income from rents, royalties, patents & copyrights (Schedule C, Line 3)	22
23.	Net Gambling Winnings (See instructions)	23
24.	Alimony and separate maintenance payments received	24
25.	Other (Enclose Schedule) (See instructions)	25
26.	Total Income (Add Lines 14, 15a, and 16 through 25)	26 15,262.00
27a.	Pension Exclusion (See instructions)	27a 8,822.00
27b.	Other Retirement Income Exclusion (See worksheet and instructions)	27b 11,178.00
27c.	Total Exclusion Amount (Add Line 27a and Line 27b)	27c 20,000.00
28.	**New Jersey Gross Income** (Subtract Line 27c from Line 26) See instructions	28
29.	Total Exemption Amount (See instructions to calculate amount) (Part-Year Residents see instructions)	29
30.	Medical Expenses (See Worksheet and instructions)	30
31.	Alimony and Separate Maintenance Payments	31
32.	Qualified Conservation Contribution	32
33.	Health Enterprise Zone Deduction	33
34.	Total Exemptions and Deductions (Add Lines 29, 30, 31, 32, and 33)	34
35.	Taxable Income (Subtract Line 34 from Line 28) If zero or less, MAKE NO ENTRY	35
36a.	Total Property Taxes Paid (See instructions)	36a
36b.	Fill in oval if you were a New Jersey homeowner on October 1, 2010	⬭
36c.	Property Tax Deduction (See instructions)	36c
37.	**NEW JERSEY TAXABLE INCOME** (Subtract Line 36c from Line 35) If zero or less, MAKE NO ENTRY	37
38.	Tax (From Tax Table)	38

OBSOLETE

NJ-1040 (2010) Page 3

39. Tax (From Line 38, page 2)	39	
40. Credit For Income Taxes Paid to Other Jurisdictions Enter other jurisdiction code (See instructions)	40	
41. Balance of Tax (Subtract Line 40 from Line 39)	41	
42. Sheltered Workshop Tax Credit	42	
43. Balance of Tax after Credit (Subtract Line 42 from Line 41)	43	
44. Use Tax Due on Out-of-State Purchases (See instructions) If no Use Tax, enter ZERO (0.00).	44	0.00
45. Penalty for Underpayment of Estimated Tax. Fill in ⬭ if Form NJ-2210 is enclosed	45	
46. **Total Tax and Penalty** (Add Lines 43, 44, and 45)	46	
47. **Total New Jersey Income Tax Withheld** (From enclosed Forms W-2 and 1099)	47	45.00
48. Property Tax Credit (See instructions)	48	50.00
49. New Jersey Estimated Tax Payments/Credit from 2009 tax return	49	
50. New Jersey Earned Income Tax Credit (See instructions) Fill in only one: Fill in oval if you had the IRS figure your Federal Earned Income Credit ⬭ Fill in oval if you are a CU couple claiming the NJ Earned Income Tax Credit ⬭	50	
51. EXCESS New Jersey UI/WF/SWF Withheld (See instructions) (Enclose Form NJ-2450)	51	
52. EXCESS New Jersey Disability Insurance Withheld (See instructions) (Enclose Form NJ-2450)	52	
53. EXCESS New Jersey Family Leave Insurance Withheld (See instructions) (Enclose From NJ-2450)	53	
54. **Total Payments/Credits** (Add Lines 47 through 53)	54	95.00
55. If Line 54 is LESS THAN Line 46, enter AMOUNT YOU OWE Fill in ⬭ if paying by e-check or credit card.	55	
If you owe tax, you may make a donation by entering an amount on Lines 58, 59, 60, 61, 62, and/or 63 and adding this to your payment amount.		
56. If Line 54 is MORE THAN Line 46, enter OVERPAYMENT Deductions from Overpayment on Line 56 which you elect to credit to:	56	95.00
57. Your 2011 tax	57	
58. N.J. Endangered Wildlife Fund ☐ $10 ☐ $20 ☐ Other	58	
59. N.J. Children's Trust Fund To Prevent Child Abuse ☐ $10 ☐ $20 ☐ Other	59	
60. N.J. Vietnam Veterans' Memorial Fund ☐ $10 ☐ $20 ☐ Other	60	
61. N.J. Breast Cancer Research Fund ☐ $10 ☐ $20 ☐ Other	61	
62. U.S.S. New Jersey Educational Museum Fund ☐ $10 ☐ $20 ☐ Other	62	
63. Other Designated Contribution ☐ $10 ☐ $20 ☐ Other See instructions	63	
64. Total Deductions from Overpayment (Add Lines 57 through 63)	64	
65. REFUND (Amount to be sent to you. Subtract Line 64 from Line 56)	65	95.00

ENTER AMOUNT OF CONTRIBUTION

SIGN YOUR RETURN ON PAGE 1

OBSOLETE

Example 3

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

Mr. Benson was a part-year resident of New Jersey. He lived here from January 1, 2010, to January 31, 2010. Mr. Benson files as head of household with 1 dependent child attending college full time (John, age 19).

While a New Jersey resident:

Albert's wages (from Phila.)	$ 4,300
Albert'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)	850

Income earned while a nonresident:
(from outside New Jersey) **$** 65,000

Although Mr. Benson had gross income not exceeding $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.

Mr. Benson may deduct unreimbursed medical expenses paid during the period of time he lived in New Jersey in excess of 2% of his New Jersey income. To arrive at that figure, he will complete "Worksheet E - Deduction for Medical Expenses" in the NJ-1040 resident income tax return instruction booklet.

Mr. Benson 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, Mr. Benson will complete a New Jersey Schedule A. In order to determine the amount of salary actually taxed by Philadelphia (to be entered on Line 1 of Schedule A), the amount of wage tax deducted from Mr. Benson's salary must be divided by the Philadelphia nonresident tax rate (.034997 from January 1 to June 30, 2010). He will enter on Line 40, Form NJ-1040 the total amount of credit allowed from his Schedule A. He must also enter at Line 40 the jurisdiction code for Philadelphia, which is "52."

The following pages show how Mr. Benson will complete his State tax return, New Jersey Worksheet F, Schedule A, Worksheet H, and Worksheet E. When Mr. Benson completes Schedule A, he determines that he will receive a greater tax 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. A balance of $10 is due with his return but Mr. Benson will enclose a check for $30 so that he can donate $20 to the New Jersey Children's Trust Fund.

OBSOLETE

NJ-1040
2010

STATE OF NEW JERSEY
INCOME TAX-RESIDENT RETURN

Your Social Security Number: 999 – 78 – 5543	Last Name, First Name, and Initial (Joint filers enter first name and initial of each - Enter spouse/CU partner last name ONLY if different): Benson, Albert
Spouse's/CU Partner's Social Security Number: ___ – __ – ____	Home Address (Number and Street, including apartment number or rural route): 12 Terrace View Lane
County/Municipality Code (See Table): ___	City, Town, Post Office: Houston; State: TX; Zip Code: 77052

NJ RESIDENCY STATUS If you were a New Jersey resident for ONLY part of the taxable year, give the period of New Jersey residency: From 01/01/10 To 01/31/10

(Fill in only one)

1. ○ Single
2. ○ Married/CU Couple, filing joint return
3. ○ Married/CU Partner, filing separate return. Enter Spouse's/CU Partner's Social Security Number in the boxes above
4. ● Head of household
5. ○ Qualifying widow(er)/Surviving CU Partner

6. Regular ● Yourself ○ Spouse/CU Partner ○ Domestic Partner — 6: 1
7. Age 65 or Over ○ Yourself ○ Spouse/CU Partner — 7:
8. Blind or Disabled ○ Yourself ○ Spouse/CU Partner — 8:

ENTER NUMBERS HERE

9. Number of your qualified dependent children ..... — 9: 1
10. Number of other dependents ..... — 10:
11. Dependents attending colleges ..... — 11: 1
12. Totals (For Line 12a - Add Lines 6, 7, 8, and 11) (For Line 12b - Add Lines 9 and 10) ..... — 12a: 2; 12b: 1

13. Dependent's Last Name, First Name, Middle Initial	Dependent's Social Security Number	Birth Year	Fill in oval if dependent does not have health insurance including NJ FamilyCare/ Medicaid, Medicare, private or other (see instructions).
a Benson, John M.	999 – 62 – 4689	1991	○
b	– –		○
c	– –		○
d	– –		○

GUBERNATORIAL ELECTIONS FUND

Do you wish to designate $1 of your taxes for this fund? ● Yes ○ No
If joint return, does your spouse/CU partner wish to designate $1? ○ Yes ○ No

Note: If you fill in the "Yes" oval(s), it will not increase your tax or reduce your refund.

Under the penalties of perjury, I declare that I have examined this income tax return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. If prepared by a person other than taxpayer, this declaration is based on all information of which the preparer has any knowledge.

Your Signature _____ Date

Spouse's/CU Partner's Signature (if filing jointly, BOTH must sign) _____ Date

Pay amount on Line 55 in full. Write social security number(s) on check or money order and make payable to:
STATE OF NEW JERSEY - TGI
Mail your check or money order with your NJ-1040-V payment voucher and your return to:
NJ Division of Taxation
Revenue Processing Center
PO Box 111
Trenton, NJ 08645-0111
IF REFUND:
NJ Division of Taxation
Revenue Processing Center
PO Box 555
Trenton, NJ 08647-0555
You may also pay by e-check or credit card. For more information go to: www.state.nj.us/treasury/taxation

OBSOLETE

NJ-1040 (2010) Page 2

14.	Wages, salaries, tips, and other employee compensation (Enclose W-2) Be sure to use State wages from Box 16 of your W-2(s). See instructions	14 6,300.00
15a.	Taxable interest income (See instr.) (Enclose Federal Schedule B if over $1,500)	15a 50.00
15b.	Tax-exempt interest income (See instructions) (Enclose Schedule) DO NOT include on Line 15a	15b
16.	Dividends	16
17.	Net profits from business (Enclose copy of Federal Schedule C, Form 1040)	17
18.	Net gains or income from disposition of property (Schedule B, Line 4)	18
19.	Pensions, Annuities, and IRA Withdrawals (See instructions)	19
20.	Distributive Share of Partnership Income (See instructions) (Enclose Schedule)	20
21.	Net pro rata share of S Corporation Income (See instructions) (Enclose Schedule)	21
22.	Net gain or income from rents, royalties, patents & copyrights (Schedule C, Line 3)	22
23.	Net Gambling Winnings (See instructions)	23
24.	Alimony and separate maintenance payments received	24
25.	Other (Enclose Schedule) (See instructions)	25
26.	Total Income (Add Lines 14, 15a, and 16 through 25)	26 6,350.00
27a.	Pension Exclusion (See instructions)	27a
27b.	Other Retirement Income Exclusion (See worksheet and instructions)	27b
27c.	Total Exclusion Amount (Add Line 27a and Line 27b)	27c
28.	**New Jersey Gross Income** (Subtract Line 27c from Line 26) See instructions	28 6,350.00
29.	Total Exemption Amount (See instructions to calculate amount) (Part-Year Residents see instructions)	29 2,992.00
30.	Medical Expenses (See Worksheet and instructions)	30 1,73.00
31.	Alimony and Separate Maintenance Payments	31
32.	Qualified Conservation Contribution	32
33.	Health Enterprise Zone Deduction	33
34.	Total Exemptions and Deductions (Add Lines 29, 30, 31, 32, and 33)	34 4,65.00
35.	Taxable Income (Subtract Line 34 from Line 28) If zero or less, MAKE NO ENTRY	35 5,885.00
36a.	Total Property Taxes Paid (See instructions)	36a 153.00
36b.	Fill in oval if you were a New Jersey homeowner on October 1, 2010	⬭
36c.	Property Tax Deduction (See instructions)	36c
37.	**NEW JERSEY TAXABLE INCOME** (Subtract Line 36c from Line 35) If zero or less, MAKE NO ENTRY	37 5,885.00
38.	Tax (From Tax Table)	38 82.00

OBSOLETE

NJ-1040 (2010) Page 3

39. Tax (From Line 38, page 2)	39	82.00
40. Credit For Income Taxes Paid to Other Jurisdictions Enter other jurisdiction code (See instructions). 52	40	52.00
41. Balance of Tax (Subtract Line 40 from Line 39)	41	30.00
42. Sheltered Workshop Tax Credit	42	
43. Balance of Tax after Credit (Subtract Line 42 from Line 41)	43	30.00
44. Use Tax Due on Out-of-State Purchases (See instructions) If no Use Tax, enter ZERO (0.00).	44	0.00
45. Penalty for Underpayment of Estimated Tax. Fill in ⬭ if Form NJ-2210 is enclosed	45	
46. **Total Tax and Penalty** (Add Lines 43, 44, and 45)	46	30.00
47. **Total New Jersey Income Tax Withheld** (From enclosed Forms W-2 and 1099)	47	16.00
48. Property Tax Credit (See instructions)	48	4.00
49. New Jersey Estimated Tax Payments/Credit from 2009 tax return	49	
50. New Jersey Earned Income Tax Credit (See instructions) Fill in only one: Fill in oval if you had the IRS figure your Federal Earned Income Credit ⬭ Fill in oval if you are a CU couple claiming the NJ Earned Income Tax Credit ⬭	50	
51. EXCESS New Jersey UI/WF/SWF Withheld (See instructions) (Enclose Form NJ-2450)	51	
52. EXCESS New Jersey Disability Insurance Withheld (See instructions) (Enclose Form NJ-2450)	52	
53. EXCESS New Jersey Family Leave Insurance Withheld (See instructions) (Enclose From NJ-2450)	53	
54. **Total Payments/Credits** (Add Lines 47 through 53)	54	20.00
55. If Line 54 is LESS THAN Line 46, enter AMOUNT YOU OWE Fill in ⬭ if paying by e-check or credit card.	55	10.00
If you owe tax, you may make a donation by entering an amount on Lines 58, 59, 60, 61, 62, and/or 63 and adding this to your payment amount.		
56. If Line 54 is MORE THAN Line 46, enter OVERPAYMENT Deductions from Overpayment on Line 56 which you elect to credit to:	56	
57. Your 2011 tax..	57	
58. N.J. Endangered Wildlife Fund ☐ $10 ☐ $20 ☐ Other	58	
59. N.J. Children's Trust Fund To Prevent Child Abuse ☐ $10 ☒ $20 ☐ Other	59	20.00
60. N.J. Vietnam Veterans' Memorial Fund ☐ $10 ☐ $20 ☐ Other	60	
61. N.J. Breast Cancer Research Fund ☐ $10 ☐ $20 ☐ Other	61	
62. U.S.S. New Jersey Educational Museum Fund ☐ $10 ☐ $20 ☐ Other	62	
63. Other Designated Contribution ☐ $10 ☐ $20 ☐ Other See instructions	63	
64. Total Deductions from Overpayment (Add Lines 57 through 63)	64	20.00
65. REFUND (Amount to be sent to you. Subtract Line 64 from Line 56)	65	

ENTER AMOUNT OF CONTRIBUTION

SIGN YOUR RETURN ON PAGE 1

OBSOLETE

Worksheet E
Deduction for Medical Expenses

1. Total nonreimbursed medical expenses 1. 300
2. Enter Line 28, Form NJ-1040 6,350 × .02 = ... 2. 127
3. Medical Expenses Deduction. Subtract line 2 from line 1 and enter result here. If zero or less, enter zero 3. 173
4. Enter the amount of your qualified Archer MSA contributions from Federal Form 8853 ..... 4. 0
5. Enter the amount of your self-employed health insurance deduction 5. 0
6. **Total Deduction for Medical Expenses.** Add lines 3, 4, and 5. Enter the result here and on Line 30, Form NJ-1040. If zero, enter zero here and make no entry on Line 30, Form NJ-1040 ..... 6. 173

(Keep for your records)

Worksheet F – Property Tax Deduction/Credit

Review the eligibility requirements before completing Worksheet F. Part-year residents see instructions.

Complete both columns of this worksheet to find out whether the Property Tax Deduction or the Credit is better for you. ***If you claim a credit for taxes paid to other jurisdictions, complete only lines 1 and 2 of this worksheet.*** *Then complete Schedule A and Worksheet H.*

1. **Property Tax.** Enter the property taxes you paid in 2010 from Line 36a of Form NJ-1040. Property tax reimbursement (Senior Freeze) applicants do not enter the amount from Line 36a. **See instructions.** 1. 153

2. **Property Tax Deduction.** Enter the amount from line 1 of this worksheet or $10,000, whichever is less. (Lesser of line 1 or $5,000 if you and your spouse/CU partner file separate returns but maintain the same principal residence.) Also enter this amount on line 4, column A below. See instructions. 2. 153

STOP if you are claiming a credit for taxes paid to other jurisdictions. Complete only lines 1 and 2. Then complete Schedule A and Worksheet H. See instructions.

	Column A	Column B
3. Taxable Income (Copy from Line 35 of Form NJ-1040)	3.	3.
4. Property Tax Deduction (Copy from line 2 of this worksheet)	4.	4. – 0 –
5. Taxable Income After Property Tax Deduction (Subtract line 4 from line 3)	5.	5.
6. Tax you would pay on line 5 amount (From Tax Table/Tax Rate Schedules)	6.	6.
7. Subtract line 6, column A from line 6, column B and enter the result here		7.

8. **Is the line 7 amount $50 or more ($25 if you and your spouse/civil union partner file separate returns but maintain the same principal residence)?**

◯ Yes. You receive a greater tax benefit by taking the Property Tax Deduction. Make the following entries on Form NJ-1040.

Form NJ-1040	*Enter amount from:*
Line 36c	Line 4, column A
Line 37	Line 5, column A
Lines 38 and 39	Line 6, column A
Line 48	Make no entry

◯ No. You receive a greater tax benefit from the Property Tax Credit. (**Part-year residents,** see instructions before answering "No.") Make the following entries on Form NJ-1040.

Form NJ-1040	*Enter amount from:*
Line 36c	Make no entry
Line 37	Line 5, column B
Lines 38 and 39	Line 6, column B
Line 48	$50 ($25 if you and your spouse/civil union partner file separate returns but maintain the same principal residence). **Part-year residents,** see instructions.

(Keep for your records)

OBSOLETE

Schedule A **CREDIT FOR INCOME OR WAGE TAXES PAID TO OTHER JURISDICTION**

If you are claiming a credit for income taxes paid to more than one jurisdiction, a separate Schedule A must be enclosed for each.

A COPY OF OTHER STATE OR POLITICAL SUBDIVISION TAX RETURN MUST BE RETAINED WITH YOUR RECORDS

1.	Income actually taxed by other jurisdiction during tax year (indicate name Phila) (DO NOT combine the same income taxed by more than one jurisdiction) (The amount on Line 1 cannot exceed the amount shown on Line 2)	1.	4,000
2.	Income subject to tax by New Jersey (From Line 28, Form NJ-1040)	2.	6,350
3.	Maximum Allowable Credit Percentage (Divide Line 2 into Line 1) 1 4,000 / 2 6,350	3.	62.9921%

	IF YOU ARE NOT ELIGIBLE FOR A PROPERTY TAX BENEFIT ONLY COMPLETE COLUMN B.		COLUMN A		COLUMN B
4.	Taxable Income (after Exemptions and Deductions) from Line 35, Form NJ-1040	4.	5,885	4.	5,885
5.	Property Tax and Deduction — Enter in Box 5a the amount from Worksheet F, line 1. See instructions. 5a 153				
	Property tax deduction. Enter the amount from Worksheet F, line 2. See instructions.	5.	153	5.	- 0 -
6.	New Jersey Taxable Income (Line 4 minus Line 5)	6.	5,732	6.	5,885
7.	Tax on Line 6 amount (From Tax Table or Tax Rate Schedules)	7.	80	7.	82
8.	Allowable Credit (Line 3 times Line 7)	8.	50	8.	52
9.	Credit for Taxes Paid to Other Jurisdiction — Enter in Box 9a the income or wage tax paid to other jurisdictions during tax year on income shown on Line 1. See instructions. 9a 140				
	Credit allowed. (Enter lesser of Line 8 or Box 9a). **(The credit may not exceed your New Jersey tax on Line 38).**	9.	50	9.	52

- If you are not eligible for a property tax benefit, enter the amount from Line 9, Column B, on Line 40, Form NJ-1040. Make no entry on Lines 36c or 48, Form NJ-1040.
- If you are eligible for a property tax benefit, you must complete Worksheet H to determine whether you receive a greater benefit by claiming a property tax deduction or taking the property tax credit.

Worksheet H
Which Property Tax Benefit to Use

	COLUMN A	COLUMN B
1. Tax. Enter amounts from Line 7, Schedule A, Columns A and B here	1. 80	1. 82
2. Credit for Taxes Paid to Other Jurisdiction. Enter amounts from Line 9, Schedule A, Columns A and B here. If you completed more than one Schedule A, 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. 30	3. 30
4. Subtract line 3, column A from line 3, column B and enter result here		4. 0

5. Is the line 4 amount $50 or more ($25 if you or your spouse/civil union partner file separate returns but maintain the same principal residence)?

○ Yes. You receive a greater tax benefit by taking the Property Tax Deduction. Make the following entries on Form NJ-1040.

Form NJ-1040	*Enter amount from:*
Line 36c	Line 5, Column A, Schedule A
Line 37	Line 6, Column A, Schedule A
Lines 38 and 39	Line 7, Column A, Schedule A
Line 40	Line 2, Column A, Worksheet H
Line 48	Make no entry

● No. You receive a greater tax benefit from the Property Tax Credit. **(Part-year residents,** see instructions before answering "No.") Make the following entries on Form NJ-1040.

Form NJ-1040	*Enter amount from:*
Line 36c	Make no entry
Line 37	Line 6, Column B, Schedule A
Lines 38 and 39	Line 7, Column B, Schedule A
Line 40	Line 2, Column B, Worksheet H
Line 48	$50 ($25 if you or your spouse/civil union partner file separate returns but maintain the same principal residence). **Part-year residents,** see instructions.

(Keep for your records)

OBSOLETE

Example 4

Steve Grey (Age 41)
SS# 999-26-4921
Karen Grey (Age 39)
SS# 999-26-5814
222 Pine Bark Drive
Voorhees, NJ 08360 (Camden County)

Mr. and Mrs. Grey are full-year residents of New Jersey. They are married and file a joint return. They have 2 dependent children (ages 16 and 13).

Steve's wages	$ 12,200
Karen's wages	4,500
Joint taxable interest	100
Total NJ income tax withheld	250
Property taxes paid	2,370
Federal earned income credit	4,978

Mr. and Mrs. Grey's gross income is below the minimum filing threshold of $20,000 (married/CU couple, filing joint). Although they have no tax liability to New Jersey, they will need to file the tax return to claim a refund of withholdings and to apply for the New Jersey earned income tax credit.

Mr. and Mrs. Grey will complete their NJ-1040 down to Line 28. Since they have no tax liability to New Jersey, they will continue completing the return with Line 44. They are not eligible to claim a property tax deduction/credit because their income is below the minimum filing threshold and neither is 65 or older or blind or disabled.

When Mr. and Mrs. Grey filed their Federal income tax return, they were eligible and applied for an earned income credit. They calculated their New Jersey earned income tax credit on Worksheet G in the NJ-1040 resident income tax return instruction booklet and entered the amount on Line 50 of their NJ-1040.

The following pages show how Mr. and Mrs. Grey will complete their State 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 $1,257. However, they are requesting that a $10 donation be made to the designated fund of their choice and they will receive a refund of $1,247.

OBSOLETE

NJ-1040
2010

STATE OF NEW JERSEY
INCOME TAX-RESIDENT RETURN

Your Social Security Number: 999 – 26 – 4921	Last Name, First Name, and Initial (Joint filers enter first name and initial of each - Enter spouse/CU partner last name ONLY if different): Grey, Steve and Karen
Spouse's/CU Partner's Social Security Number: 999 – 26 – 5814	Home Address (Number and Street, including apartment number or rural route): 222 Pine Bark Drive
County/Municipality Code (See Table): 0434	City, Town, Post Office: Voorhees; State: NJ; Zip Code: 08360

NJ RESIDENCY STATUS If you were a New Jersey resident for ONLY part of the taxable year, give the period of New Jersey residency: From ___ / ___ / ___ To ___ / ___ / ___

(Fill in only one)

1. ○ Single
2. ● Married/CU Couple, filing joint return
3. ○ Married/CU Partner, filing separate return. Enter Spouse's/CU Partner's Social Security Number in the boxes above
4. ○ Head of household
5. ○ Qualifying widow(er)/Surviving CU Partner

		Yourself	Spouse/CU Partner	Domestic Partner	ENTER NUMBERS HERE
6.	Regular	●	●	○	6: 2
7.	Age 65 or Over	○	○		7:
8.	Blind or Disabled	○	○		8:

9. Number of your qualified dependent children 9: 2
10. Number of other dependents 10:
11. Dependents attending colleges 11:
12. Totals (For Line 12a - Add Lines 6, 7, 8, and 11) (For Line 12b - Add Lines 9 and 10)..... 12a: 2 12b: 2

13. Dependent's Last Name, First Name, Middle Initial	Dependent's Social Security Number	Birth Year	Fill in oval if dependent does not have health insurance including NJ FamilyCare/ Medicaid, Medicare, private or other (see instructions).
a Grey, Jennifer	999 – 17 – 0355	1994	○
b Grey, Matthew	999 – 40 – 8838	1997	○
c	– –		○
d	– –		○

GUBERNATORIAL ELECTIONS FUND →
Do you wish to designate $1 of your taxes for this fund? ○ Yes ○ No
If joint return, does your spouse/CU partner wish to designate $1? ○ Yes ○ No

Note: If you fill in the "Yes" oval(s), it will not increase your tax or reduce your refund.

Under the penalties of perjury, I declare that I have examined this income tax return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. If prepared by a person other than taxpayer, this declaration is based on all information of which the preparer has any knowledge.

→ _____
Your Signature Date

→ _____
Spouse's/CU Partner's Signature (if filing jointly, BOTH must sign) Date

Pay amount on Line 55 in full. Write social security number(s) on check or money order and make payable to:
STATE OF NEW JERSEY - TGI
Mail your check or money order with your NJ-1040-V payment voucher and your return to:
NJ Division of Taxation
Revenue Processing Center
PO Box 111
Trenton, NJ 08645-0111
IF REFUND:
NJ Division of Taxation
Revenue Processing Center
PO Box 555
Trenton, NJ 08647-0555
You may also pay by e-check or credit card. For more information go to: www.state.nj.us/treasury/taxation

OBSOLETE

NJ-1040 (2010) Page 2

14.	Wages, salaries, tips, and other employee compensation (Enclose W-2) Be sure to use State wages from Box 16 of your W-2(s). See instructions	14 16,700.00
15a.	Taxable interest income (See instr.) (Enclose Federal Schedule B if over $1,500)	15a 100.00
15b.	Tax-exempt interest income (See instructions) (Enclose Schedule) DO NOT include on Line 15a	15b
16.	Dividends	16
17.	Net profits from business (Enclose copy of Federal Schedule C, Form 1040)	17
18.	Net gains or income from disposition of property (Schedule B, Line 4)	18
19.	Pensions, Annuities, and IRA Withdrawals (See instructions)	19
20.	Distributive Share of Partnership Income (See instructions) (Enclose Schedule)	20
21.	Net pro rata share of S Corporation Income (See instructions) (Enclose Schedule)	21
22.	Net gain or income from rents, royalties, patents & copyrights (Schedule C, Line 3)	22
23.	Net Gambling Winnings (See instructions)	23
24.	Alimony and separate maintenance payments received	24
25.	Other (Enclose Schedule) (See instructions)	25
26.	Total Income (Add Lines 14, 15a, and 16 through 25)	26 16,800.00
27a.	Pension Exclusion (See instructions)	27a
27b.	Other Retirement Income Exclusion (See worksheet and instructions)	27b
27c.	Total Exclusion Amount (Add Line 27a and Line 27b)	27c
28.	**New Jersey Gross Income** (Subtract Line 27c from Line 26) See instructions	28 16,800.00
29.	Total Exemption Amount (See instructions to calculate amount) (Part-Year Residents see instructions)	29
30.	Medical Expenses (See Worksheet and instructions)	30
31.	Alimony and Separate Maintenance Payments	31
32.	Qualified Conservation Contribution	32
33.	Health Enterprise Zone Deduction	33
34.	Total Exemptions and Deductions (Add Lines 29, 30, 31, 32, and 33)	34
35.	Taxable Income (Subtract Line 34 from Line 28) If zero or less, MAKE NO ENTRY	35
36a.	Total Property Taxes Paid (See instructions)	36a
36b.	Fill in oval if you were a New Jersey homeowner on October 1, 2010	⬭
36c.	Property Tax Deduction (See instructions)	36c
37.	**NEW JERSEY TAXABLE INCOME** (Subtract Line 36c from Line 35) If zero or less, MAKE NO ENTRY	37
38.	Tax (From Tax Table)	38

OBSOLETE

NJ-1040 (2010) Page 3

39.	Tax (From Line 38, page 2)	39
40.	Credit For Income Taxes Paid to Other Jurisdictions Enter other jurisdiction code (See instructions).	40
41.	Balance of Tax (Subtract Line 40 from Line 39)	41
42.	Sheltered Workshop Tax Credit	42
43.	Balance of Tax after Credit (Subtract Line 42 from Line 41)	43
44.	Use Tax Due on Out-of-State Purchases (See instructions) If no Use Tax, enter ZERO (0.00).	44 0.00
45.	Penalty for Underpayment of Estimated Tax. Fill in ⬭ if Form NJ-2210 is enclosed	45
46.	**Total Tax and Penalty** (Add Lines 43, 44, and 45)	46
47.	**Total New Jersey Income Tax Withheld** (From enclosed Forms W-2 and 1099)	47 250.00
48.	Property Tax Credit (See instructions)	48
49.	New Jersey Estimated Tax Payments/Credit from 2009 tax return	49
50.	New Jersey Earned Income Tax Credit (See instructions) Fill in only one: Fill in oval if you had the IRS figure your Federal Earned Income Credit ⬭ Fill in oval if you are a CU couple claiming the NJ Earned Income Tax Credit ⬭	50 1,007.00
51.	EXCESS New Jersey UI/WF/SWF Withheld (See instructions) (Enclose Form NJ-2450)	51
52.	EXCESS New Jersey Disability Insurance Withheld (See instructions) (Enclose Form NJ-2450)	52
53.	EXCESS New Jersey Family Leave Insurance Withheld (See instructions) (Enclose From NJ-2450)	53
54.	**Total Payments/Credits** (Add Lines 47 through 53)	54 1,257.00
55.	If Line 54 is LESS THAN Line 46, enter AMOUNT YOU OWE Fill in ⬭ if paying by e-check or credit card.	55
	If you owe tax, you may make a donation by entering an amount on Lines 58, 59, 60, 61, 62, and/or 63 and adding this to your payment amount.	
56.	If Line 54 is MORE THAN Line 46, enter OVERPAYMENT Deductions from Overpayment on Line 56 which you elect to credit to:	56 1,257.00
57.	Your 2011 tax	57
58.	N.J. Endangered Wildlife Fund ☐ $10 ☐ $20 ☐ Other	58
59.	N.J. Children's Trust Fund To Prevent Child Abuse ☐ $10 ☐ $20 ☐ Other	59
60.	N.J. Vietnam Veterans' Memorial Fund ☐ $10 ☐ $20 ☐ Other	60
61.	N.J. Breast Cancer Research Fund ☐ $10 ☐ $20 ☐ Other	61
62.	U.S.S. New Jersey Educational Museum Fund ☐ $10 ☐ $20 ☐ Other	62
63.	Other Designated Contribution ☒ $10 ☐ $20 ☐ Other See instructions	01 63 10.00
64.	Total Deductions from Overpayment (Add Lines 57 through 63)	64 10.00
65.	REFUND (Amount to be sent to you. Subtract Line 64 from Line 56)	65 1,247.00

ENTER AMOUNT OF CONTRIBUTION

SIGN YOUR RETURN ON PAGE 1

OBSOLETE

Worksheet G
Earned Income Tax Credit

1. Enter the amount of your Federal earned income credit from your 2010 Federal Form 1040 or Form 1040A.....1. 5,036
   Fill in the first oval below Line 50 if you asked the IRS to calculate your Federal earned income credit.
   Civil union couples, see instructions.
2. Enter 20% of amount on line 1 here and on Line 50, Form NJ-1040. **Part-year residents, see instructions** 2. 1,007

(Keep for your records)

OBSOLETE

Example 5

Fiona Doolittle (Age 55)
SS# 999-11-3260
Eliza Doolittle (Age 57)
SS# 999-21-1221
222 Alpacca 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 minimum filing threshold of $20,000 (married/CU couple, filing joint). They do not have any New Jersey withholdings nor do they 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, 2010, and (3) claim an exemption for Eliza's disability, they will fill out the property tax credit application, Form NJ-1040-H, to receive their credit.

The following page shows how the Doolittles will complete their property tax credit application.

OBSOLETE

NJ-1040-H
2010

STATE OF NEW JERSEY
PROPERTY TAX CREDIT APPLICATION

Your Social Security Number 9 9 9 – 1 1 – 3 2 6 0	Last Name, First Name, and Initial (Joint filers enter first name and initial of each - Enter spouse/CU partner last name ONLY if different) Doolittle, Fiona and Eliza
Spouse's/CU Partner's Social Security Number 9 9 9 – 2 1 – 1 2 2 1	Home Address (Number and Street, including apartment number or rural route) 222 Alpacca Ave
County/Municipality Code (See Table) 1 1 1 0	City, Town, Post Office: Princeton Township State: NJ Zip Code: 08540
1. ○ Single 2. ● Married/CU Couple, filing joint return 3. ○ Married/CU Partner, filing separate return 4. ○ Head of household 5. ○ Qualifying widow(er)/Surviving CU Partner	**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 ___ / ___ / ___ To ___ / ___ / ___

Do Not File This Property Tax Credit Application If You:

- **Have Filed or Will File a 2010 New Jersey Resident Return, Form NJ-1040; Or**
- **Were a New Jersey Homeowner on October 1, 2010; Or**
- **Were Under Age 65 and NOT Blind or Disabled on December 31, 2010; Or**
- **Had New Jersey Gross Income for 2010 of More Than $20,000 (More Than $10,000 if Filing Status is Single or Married/CU Partner, Filing Separate Return).**

7a. On December 31, 2010, were you age 65 or older?
Yourself ○ Yes ● No
Spouse/CU Partner ○ Yes ● No

7b. On December 31, 2010, were you blind or disabled?
Yourself ○ Yes ● No
Spouse/CU Partner ● Yes ○ No

If you (and your spouse/CU partner) did not meet the age or disability requirements, do not file Form NJ-1040-H. See instructions.

8. At any time during 2010 did you own a home or rent a dwelling in New Jersey as your principal residence on which property taxes (or rent) were paid? ..... ● Yes ○ No

If "Yes," you may be asked to provide proof of property taxes or rent paid on your principal residence at a later time.
If "No," STOP. You are not eligible for a property tax credit. Do not file Form NJ-1040-H.

9. On October 1, 2010, was the principal residence that you occupied in New Jersey a home that you owned? ○ Yes ● No
If "Yes," STOP. Do not file Form NJ-1040-H. See instructions.

10. Enter your NEW JERSEY GROSS INCOME..... 10 ___ , 1 7 , 8 5 9 . 0 0

Enter the amount of income you would have reported on Line 28, Form NJ-1040 if you had filed the tax return. See instructions.

This Is Not a Tenant Rebate Application.
Tenant rebates were suspended for 2009. As a result, no 2010 tenant rebate application is enclosed in this packet.

Under the penalties of perjury, I declare that I have examined this property tax credit application, including accompanying documents, and to the best of my knowledge and belief, it is true, correct, and complete. If prepared by a person other than taxpayer, this declaration is based on all information of which the preparer has any knowledge.

→ _____
Your Signature Date

→ _____
Spouse's/CU Partner's Signature (if filing jointly, BOTH must sign) Date

Mail your Property Tax Credit Application (NJ-1040-H) to:

NJ Division of Taxation
Revenue Processing Center
PO Box 555
Trenton, NJ 08647-0555

OBSOLETE

For More Information

By Phone

- Call the Division of Taxation's Customer Service Center at **609-292-6400.**
- Text Telephone Service (TTY/TDD) for Hard-of-Hearing Users: **1-800-286-6613** (toll-free within NJ, NY, PA, DE, and MD) or **609-984-7300**. These numbers are accessible *only* from TTY devices. Submit a text message on any tax matter and receive a reply through NJ Relay Services (711).

Online

- Division of Taxation Web site: **www.state.nj.us/treasury/taxation/**
- E-mail: **nj.taxation@treas.state.nj.us**
- Subscribe to *NJ Tax E-News,* the Division of Taxation's online information service, at: **www.state.nj.us/treasury/taxation/listservice.shtml**

In Writing

New Jersey Division of Taxation
Information and Publications Branch
PO Box 281
Trenton, NJ 08695-0281

Forms and Publications

- Visit the Division of Taxation's Web site:
  Forms — **www.state.nj.us/treasury/taxation/forms.shtml**
  Publications — **www.state.nj.us/treasury/taxation/pubs.shtml**
- Call NJ TaxFax at **609-826-4500** from your fax machine's phone.
- Call the Forms Request System at **1-800-323-4400** (within NJ, NY, PA, DE and MD) or **609-826-4400** (Touch-tone phones only) to have printed forms or publications mailed to you. **Note:** Due to budgetary constraints, supplies are limited and only certain forms and publications can be ordered through this System.

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