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STATE OF NEW JERSEY

New Jersey Resident Return

NJ-1040

This Booklet Contains:

- Form NJ-1040 Resident Return
- Form NJ-1040-H Property Tax Credit Application
- Form NJ-1040-V Payment Voucher
- Form NJ-2450 Claim for Excess Unemployment/
Disability/Family Leave Insurance Contributions
- Form NJ-630 Application for Extension
- Form ST-18 Use Tax Return

Did you make Internet, catalog, or out-of-State purchases?
You may owe New Jersey use tax. See page 36.


2015
NJ-1040



2015 New Jersey Income Tax Resident Return

Located to the right, you will find an insert. If you received a booklet with your name and address preprinted on the face of the NJ-1040 insert, the insert contains your preprinted mailing label, preprinted payment voucher, and an extension application. If your name and address are not preprinted on the insert, it contains only a payment voucher and an extension application.

What You Need to Know:

- Use only blue or black ink when completing your forms.
- Fill in the applicable ovals completely, as shown. This will ensure that your form is scanned successfully. 
- Do not staple, paper clip, tape, or use any other fastening device.
- Do not make any changes or corrections to any information that is preprinted on the forms.
- **Do not use the mailing label if any of the preprinted information is inaccurate.** Instead, print or type all the information in the spaces provided.
- **Do not use the preprinted payment voucher or extension application** if you filed a joint return last year and this year you are filing your return under your own social security number or you are filing a joint return with a different person.
- **Make no entry** on unused lines or any line where the amount to be reported is zero or less. (Exception: If you owe no use tax, enter “0.00” on Line 45.)
- Do not place the mailing label on the payment voucher or extension application.
- Make sure all numbers entered on these forms are placed within the boundaries of each box. Do not use dollar signs or dashes.
When rounding, enter zeros after the decimal point for cents.

Print or type numbers as follows:

1	2	3	4	5	6	7	8	9	0
---	---	---	---	---	---	---	---	---	---

Return Label

If the insert to the right contains a preprinted name and address label, and all the information on the label is correct, use the label on your Form NJ-1040 (or Form NJ-1040-H). See page 14 for more information about the mailing label.

INSERT



Payment Voucher (Form NJ-1040-V)

Use the payment voucher (Form NJ-1040-V) only if you owe tax on your 2015 return and you are paying by check or money order. Do not send in the payment voucher if you are due a refund and/or credit on your 2015 return. Mail the payment voucher with your check or money order in the same envelope with your tax return. If you are paying your taxes by check or money order, enter the amount of your payment in the boxes below the signature line on the front of the return.

Paying by E-Check or Credit Card

You may pay your 2015 New Jersey income taxes or make a payment of estimated tax for 2016 by electronic check (e-check) or credit card (Visa, American Express, MasterCard, or Discover). See “How to Pay” on page 10. If you pay your taxes by e-check or credit card, do not send in the payment voucher, and do not enter the amount of your payment on the front of the return.

Extension Application (Form NJ-630)

See page 9 for information on filing an application for extension of time to file your income tax return. Mail the completed extension application and any related payment to the address on the front of Form NJ-630.

NOTE: You may file a request for a six-month extension online until 11:59 p.m. on April 18, 2016, at: www.state.nj.us/treasury/taxation/. If you are required to make a payment with your online extension application, **you must make your payment by e-check or credit card.**

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State of New Jersey
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

Dear Taxpayer,

Are you filing your New Jersey income tax return electronically? If so, you're in good company. The vast majority of New Jersey residents are doing just that: using NJWebFile, NJ E-File, or NJ Fill'nFile to make filing easier and more convenient. You even get confirmation that we have received your return. If you are not taking advantage of one of our electronic filing options, why not make this the year you start? See the next page to determine which option is best for you.

Before you begin, review what's new for tax year 2015:

- **Alternative Business Calculation Adjustment.** The percentage used to calculate the Alternative Business Calculation Adjustment on Schedule NJ-BUS-2 increases to 40 percent for 2015 as part of a five-year phase-in. If you have losses in certain business-related income categories, you will use this percentage to calculate an adjustment to your taxable income. See page 28 for more information.
- **Earned Income Tax Credit.** The New Jersey Earned Income Tax Credit increases to 30% of the Federal benefit for 2015.
- **Charitable Funds.** There are six new charitable funds to which you can contribute when filing your New Jersey return: Homeless Veterans Grant Fund, Leukemia & Lymphoma Society – New Jersey Fund, Northern New Jersey Veterans Memorial Cemetery Development Fund, New Jersey Farm to School and School Garden Fund, Local Library Support Fund, and ALS Association Support Fund. Please consider making a donation to one or more of the funds described on pages 3 and 4.

Read and follow all of the instructions in this booklet carefully. Review the checklists for “Avoiding Common Mistakes” on page 6 and “Assembling Your Return” on page 48 before you submit your return to prevent processing delays.

If you have questions about filing your New Jersey return, visit our website at www.state.nj.us/treasury/taxation/ for additional resources. You can also call our Automated Tax Information System at 1-800-323-4400 or 609-826-4400 for prerecorded information on a variety of tax topics. If you would rather speak with a Division representative, contact our Customer Service Center at 609-292-6400 for assistance.

Sincerely,

A handwritten signature in black ink that reads 'Dennis Shilling'.

Dennis Shilling
Acting Director
Division of Taxation



It's Fast, Secure & **PAPER-FREE!**

Whether you use NJ WebFile, NJ E-File, or NJ Fill'nFile, there's an NJ FastFile option for you! When you file electronically you'll be able to file your return faster, and you can eliminate paper entirely by choosing direct deposit for your refund. Read the information below about our electronic filing options, then visit www.njfastfile.com or call 1-800-323-4400.

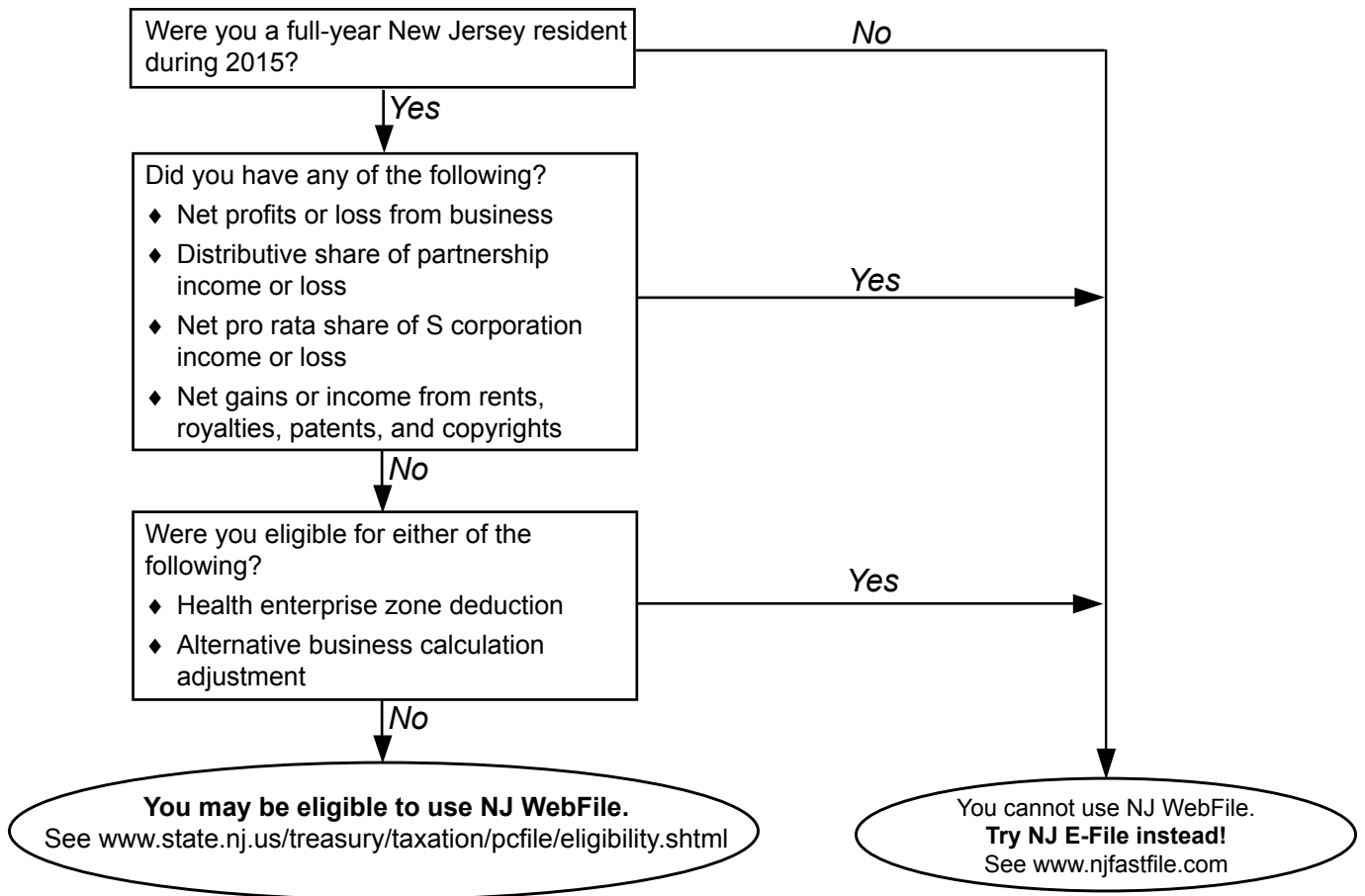
NJ WebFile

You must be a full-year resident of New Jersey for 2015 and meet certain other eligibility criteria to use NJ WebFile. Visit www.njwebfile.com to prepare your Form NJ-1040 return on our secure website. Nothing to buy and no filing fees.

NJ E-File

You can file your Form NJ-1040 for 2015 using NJ E-File, whether you are a full-year resident or a part-year resident. Use tax software you purchase, go to an online tax preparation website, or have a tax preparer file your return. (You may file both Federal and State income tax returns.)

Which Works Best for Me — NJ WebFile or NJ E-File?



NJ Fill'nFile

Use our free Fill'nFile PDF form to file your 2015 NJ-1040 return. You must know how to prepare the resident return on your own. Completing the Fill'nFile return is like filling out a paper form and then submitting it electronically. The Fill'nFile return doesn't ask questions or give instructions about what to enter on each line and whether you may need to include attachments.

New Jersey Charitable Funds

Line 59 - Endangered and Nongame Species of Wildlife Conservation Fund



Web: www.NJFishandWildlife.com/ensphome.htm

Line 60 - Children's Trust Fund



NJ Children's Trust Fund, PO Box 717, Trenton, NJ 08625-0717

Phone: 609-888-7084

Web: www.njchildrenstrustfund.org

Line 61 - Vietnam Veterans' Memorial Fund



NJ Vietnam Veterans' Memorial and Museum, PO Box 648, Holmdel, NJ 07733

Phone: 732-335-0033

Web: www.njvvmf.org

Line 62 - New Jersey Breast Cancer Research Fund



The New Jersey Commission on Cancer Research

Web: www.nj.gov/health/ccr/

Line 63 - U.S.S. New Jersey Educational Museum Fund



Web: www.battleshipnewjersey.org

Phone: 1-866-877-6262

Line 64 - Other Designated Contribution

01 - Drug Abuse Education Fund



L.E.A.D Inc., 5 South Main St., Allentown, NJ 08501

Phone: 609-468-3215

Web: www.leadrugs.org

Line 64 - Other Designated Contribution

02 - Korean Veterans' Memorial Fund



Korean War Memorial, c/o Dept. of Military and Veterans Affairs, PO Box 340, Eggert Crossing Road, Trenton, NJ 08625-0340

Phone: 609-530-7049

Phone: 609-530-7049

Web: <http://www.nj.gov/military/korea/>

Line 64 - Other Designated Contribution

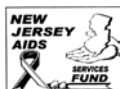
03 - Organ and Tissue Donor Awareness Education Fund



Web: www.donatelifenj.org

Line 64 - Other Designated Contribution

04 - NJ-AIDS Services Fund



Email: NJAIDSFund@doh.state.nj.us

Line 64 - Other Designated Contribution

05 - Literacy Volunteers of America – New Jersey Fund



Web: literacynj.org

Phone: 1-800-848-0048

Line 64 - Other Designated Contribution

06 - New Jersey Prostate Cancer Research Fund



The New Jersey Commission on Cancer Research

Web: www.nj.gov/health/ccr/

Line 64 - Other Designated Contribution

07 - New Jersey World Trade Center Scholarship Fund



Web: www.njgrants.org

Line 64 - Other Designated Contribution

08 - New Jersey Veterans Haven Support Fund



Phone: 609-530-6941

Line 64 - Other Designated Contribution

09 - Community Food Pantry Fund



Web: <http://bitly.com/communityfoodpantryfund>

Line 64 - Other Designated Contribution

10 - Cat and Dog Spay/Neuter Fund



Web: <http://nj.gov/health/cd/izdp/vph.shtml>

Line 64 - Other Designated Contribution

11 - New Jersey Lung Cancer Research Fund



New Jersey Commission on Cancer Research

Phone: 1-609-292-2204

Web: www.state.nj.us/health/ccr/

Line 64 - Other Designated Contribution

12 - Boys and Girls Clubs in New Jersey Fund



Web: www.bgcnj.org

Line 64 - Other Designated Contribution

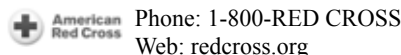
13 - NJ National Guard State Family Readiness Council Fund



Web: www.nationalguardsfrc.org

New Jersey Charitable Funds

Line 64 - Other Designated Contribution 14 - American Red Cross – NJ Fund



Phone: 1-800-RED CROSS
Web: redcross.org

Line 64 - Other Designated Contribution 15 - Girl Scouts Councils in New Jersey Fund



Web: <http://girlscouts.org/councilfinder>

Line 64 - Other Designated Contribution 16 - Homeless Veterans Grant Fund



Email: Patty.Richter@dmava.nj.gov

Line 64 - Other Designated Contribution 17 - Leukemia & Lymphoma Society – New Jersey Fund



Leukemia & Lymphoma Society New Jersey Chapter,
14 Commerce Drive, Ste. 301, Cranford, NJ 07016
Phone: 908-956-6600 Fax: 908-956-6601
Web: www.lls.org/nj

Line 64 - Other Designated Contribution 18 - Northern New Jersey Veterans Memorial Cemetery Development Fund



Web: vva1002.org
Phone: 973-271-2413

Line 64 - Other Designated Contribution 19 - New Jersey Farm to School and School Garden Fund



Web: <http://bitly.com/njfarmtoschoolfund>

Line 64 - Other Designated Contribution 20 - Local Library Support Fund



Web: <http://www.njstatelib.org/local-library-support-fund>

Line 64 - Other Designated Contribution 21 - ALS Association Support Fund



Greater New York Chapter Greater Philadelphia Chapter
Web: www.als-ny.org Web: www.alsphiladelphia.org
Phone: 212-619-1400 Phone: 215-643-5434
Twitter: @ALSofGNY Twitter: @alsphiladelphia

Senior Gold Prescription Discount Program

Senior Gold Prescription Discount Program (Senior Gold) is a State-funded prescription program that helps eligible residents pay for prescribed legend drugs, insulin, and insulin supplies.

Eligibility Requirements

You are eligible for Senior Gold if you meet the following requirements:

- ♦ You are a New Jersey resident;
- ♦ You are 65 or older **or** you are 18 or older *and* receiving Social Security Title II Disability benefits (you do *not* qualify if you are under age 65 and receiving these benefits on behalf of someone else);
- ♦ You meet certain income limits. The annual income limits for 2015 were between \$26,575 and \$36,575 if you are single or between \$32,582 and \$42,582 if you are married or in a civil union (**NOTE:** these limits may change for 2016); and
- ♦ If you are Medicare-eligible, you are required to enroll in a Medicare Part D Prescription Drug Plan of your choice. You will be responsible for paying the monthly premium directly to the Medicare Part D plan. You also will be responsible for paying any late enrollment penalty imposed by Medicare for each month you were eligible to enroll in Medicare Part D but did not enroll.

Benefits

Senior Gold helps eligible New Jersey residents pay for prescription drugs, insulin, insulin needles and syringes, and needles for injectable medicines used for the treatment of multiple sclerosis. Only drugs approved by the Food and Drug Administration are covered. Drugs purchased outside the State of New Jersey are not covered, nor is any pharmaceutical product whose manufacturer has not agreed to provide rebates to the State of New Jersey. The Senior Gold card works together with Medicare Part D Prescription Drug Plans. Senior Gold can reduce out-of-pocket expenses associated with participation in Medicare Part D.

Where to Get Information

For more information about the Senior Gold Program call 1-800-792-9745 or visit the Department of Human Services' website at: www.state.nj.us/humanservices/doas/home/seniorgolddetail.html

Filing Information

- Your filing status and gross income determine whether you have to file a tax return.
- Age is not a factor in determining whether you must file. Even minors (including students) and senior citizens must file if they meet the income filing requirements.
- *Gross income* means taxable income after subtracting exclusions but before subtracting personal exemptions and deductions. It does not include nontaxable income. See page 18 for a list of exempt (nontaxable) income.
- Part-year residents, see page 6.
- Members of the Armed Forces (and their spouses), see page 8.

Use the chart to determine whether you must file a return. This chart is only a guide. It may not cover every situation. If you need help, contact the Division's Customer Service Center (see page 63).

Domicile. A domicile is the place you consider your permanent home—the place where you intend to return after a period of absence (e.g., vacation, business assignment, educational leave). You have only one domicile, although you may have more than one place to live. Your domicile does not change until you move to a new location with the intent to establish your permanent home there and to abandon your New Jersey domicile. Moving to a new location, even for a long time, does not change your domicile if you intend to return to New Jersey.

Your home, whether inside or outside New Jersey, is not permanent if you maintain it only for a temporary period to accomplish a particular purpose (e.g., temporary job assignment). If New Jersey is your domicile, you are considered a resident for New Jersey tax purposes *unless* you meet all three conditions for nonresident status (see chart). If New Jersey is not your domicile, you are only considered a New Jersey resident if you maintain a permanent home and spend more than 183 days here.

Who Must File a New Jersey Income Tax Return

You must file a return if— your filing status is:	and your gross income from everywhere for the entire year was more than the filing threshold:
Single	\$10,000
Married/CU partner, filing separate return	
Married/CU couple, filing joint return	\$20,000
Head of household Qualifying widow(er)/surviving CU partner	

Also file a return if—

- You had New Jersey income tax withheld and are due a refund.
- You paid New Jersey estimated taxes for 2015 and are due a refund.
- You are eligible for a New Jersey earned income tax credit or other credit and are due a refund.

Which Form to File

Full-Year Resident — Form NJ-1040

- New Jersey was your domicile (permanent legal residence) for the entire year; **or**
- New Jersey was not your domicile, but you maintained a *permanent** home here for the entire year and spent more than 183 days here. Members of the Armed Forces and their spouses/civil union partners, see page 8.

Part-Year Resident — Form NJ-1040

- New Jersey was your domicile (permanent legal residence) for part of the year; **or**
- New Jersey was not your domicile, but you maintained a *permanent** home here for part of the year and spent more than 183 days here. Members of the Armed Forces and their spouses/civil union partners, see page 8.

NOTE: You may have to file both a part-year resident and a part-year nonresident return if you received income from New Jersey sources while you were a nonresident (see page 6).

Nonresident — Form NJ-1040NR

- New Jersey was not your domicile, and you spent 183 days or less here; **or**
- New Jersey was not your domicile, you spent more than 183 days here, but you did not maintain a *permanent** home here.

You may also be considered a nonresident for **New Jersey income tax purposes** if you were domiciled in New Jersey and you met **all** three of the following conditions for the entire year:

1. You did not maintain a *permanent* home in New Jersey; **and**
2. You did maintain a *permanent* home outside New Jersey; **and**
3. You did not spend more than 30 days in New Jersey.

*A home (whether inside or outside New Jersey) is not permanent if it is maintained only during a temporary period to accomplish a particular purpose. A home used only for vacations is not a permanent home.

New Jersey Residents Working/Living Abroad. If New Jersey is your domicile *and* you are considered a New Jersey resident for tax purposes (see chart), you are subject to tax on income from all sources (worldwide income) regardless

of where you live. New Jersey residents living abroad are subject to the same filing and payment requirements, including estimated payment requirements (see “Estimated Tax” on page 12), as residents living in New Jersey. New Jersey

Filing Information - continued

residents who have income from abroad cannot claim a credit for taxes paid to other jurisdictions for taxes paid to any foreign country or territory (e.g., Canada, Puerto Rico). See page 41.

Part-Year Residents

Filing Requirements. If you became a resident of this State or moved out of this State during the year, you are subject to New Jersey income tax on any income received while you were a New Jersey resident. **Part-year residents must file a resident return and prorate all exemptions, deductions, credits, and the pension and other retirement income exclusions to reflect the period covered by the return.** If you received income from a New Jersey source while you were a nonresident, you must file a New Jersey nonresident return.

If you were a part-year resident, you are subject to tax and must file a return if your income for the *entire* year was more than the filing threshold amount for your filing status (see chart on page 5). This is true even if the income reported for your period of residence was equal to or below the threshold. If you are filing to get a refund and your income for the entire year was equal to or less than the filing threshold amount, you must enclose a copy of your Federal return. If you did not file a Federal return, include a statement to that effect.

NOTE: If you had any income from New Jersey sources while you were a nonresident, you may also need to file a New Jersey nonresident return. Allocate your withholdings between the resident and nonresident returns. Include only the actual amount withheld while you were a New Jersey resident on your resident return, and include only the amount withheld while you were a nonresident on your nonresident return. For more information, see Form NJ-1040NR, New Jersey nonresident return and instructions.

Line 14 - Wages. You must determine from each W-2 the portion of your "State wages, tips, etc." (Box 16) that you earned while you were a New Jersey resident. If your W-2 includes only wages

AVOIDING COMMON MISTAKES	
Check the following items to avoid mistakes that delay returns and refunds.	
✓	Use the correct form. Both part-year residents and full-year residents should use Form NJ-1040. Use only a 2015 return for the 2015 tax year.
✓	Read the instruction booklet before completing the return.
✓	Use only blue or black ink when completing forms.
✓	Enter all numbers within the boxes. Do not use dollar signs or dashes.
✓	Do not report a loss on Form NJ-1040. Make no entry on lines where the amount to be reported is zero or less, <i>except</i> for Line 45, Use Tax Due on Internet, Mail-Order, or Other Out-of-State Purchases. If you do not owe use tax, enter "0.00" on Line 45.
✓	Make no entry on unused lines.
✓	When rounding, enter zeros after the decimal point for cents.
✓	Check name, address, social security number, and county/municipality code for accuracy.
✓	Enter last name first on the return. This is different from the Federal return.
✓	Fill in only one oval for your filing status.
✓	Use "STATE WAGES" from Box 16 of your W-2, NOT Federal wages. You may need to adjust any amount received from employment outside New Jersey to reflect New Jersey tax law.
✓	Enclose all W-2s with your return. Also enclose 1099-Rs and 1099-MISCs that list NJ withholdings.
✓	Use the correct column for your filing status in the Tax Table when calculating your tax liability on Line 40.
✓	Request a refund by completing Line 66.
✓	Check your math.
✓	Sign and date your return. Both spouses/civil union partners must sign a joint return.
✓	Enclose a copy of the death certificate and fill in the oval above the signature line if a refund is due and you want the check issued in the name of the surviving spouse or estate (see page 11).
✓	Send only one return or property tax credit application per envelope.
✓	Keep a copy of your return and all supporting documents and schedules.
✓	Make changes or correct mistakes to your original return by filing an amended return (see page 12).

you earned while you were a resident, use the amount from Box 16. If your employer did not separate your resident and nonresident wages on the W-2, you must apportion the amount in Box 16 according to the time you lived in New Jersey. Include on Line 14 only the actual amount you earned while you were a resident.

If the total amount reported on a W-2 is for income derived from an out-of-State source while you were a nonresident, do not include that income on your resident return.

Other Income. For interest, dividends, pensions, and other income, include only the amounts you received while you were a resident of New Jersey. Partners and, in general, S corporation shareholders must prorate the entity's income based on the number of days in the entity's fiscal year that the partner or shareholder was a resident divided by 365 (366 for leap years). For more information, see Tax Topic Bulletins GIT-9P, *Income From Partnerships*, or GIT-9S, *Income From S Corporations*.

Line 27a - Pension Exclusion. If your total income for the *entire year* was \$100,000 or less before subtracting any

Part-Year Residents - continued

pension exclusion, and you meet the other eligibility requirements, you qualify for a pension exclusion. Prorate the exclusion by the number of months you were a New Jersey resident. For this calculation, 15 days or more is a month.

Line 27b - Other Retirement Income

Exclusion. If you (and/or your spouse/civil union partner if filing jointly) were 62 or older on the last day of the tax year, you may qualify to exclude other income on Line 27b. There are two parts to the total exclusion. Part I is the unclaimed portion of your prorated pension exclusion. Part II is a special exclusion for taxpayers who cannot receive Social Security or Railroad Retirement benefits. **Do not complete Worksheet D** on page 26 to calculate your total exclusion amount. Instead, calculate your total exclusion as follows:

Part I. Total the earned income (wages, net profits from business, partnership income, and S corporation income) you received for the *entire year*. If this amount was \$3,000 or less and you did not use your entire *prorated* pension exclusion at Line 27a, you may be able to use the unclaimed pension exclusion at Line 27b if your total income for the entire year before subtracting any pension exclusion was \$100,000 or less.

Part II. If you cannot receive Social Security or Railroad Retirement benefits, but would have been eligible if you had fully participated in either program, you may also be eligible for an additional exclusion on Line 27a.

For more information, see Tax Topic Bulletin GIT-6, *Part-Year Residents*.

Line 29 - Total Exemption Amount. You must prorate your total exemptions based on the number of months you were a New Jersey resident. For this calculation, 15 days or more is a month.

$$\frac{\text{Total Exemptions}}{12} \times \frac{\text{Mos. NJ Resident}}{12} = \text{Line 29}$$

See the instructions for Line 29 on page 27 to calculate the “total exemption amount” to prorate.

Lines 30 through 34 - Deductions. You may deduct the following based on the actual amounts paid during the time you lived in New Jersey:

- ♦ Medical expenses, qualified Archer medical savings account (MSA) contributions, and health insurance costs of the self-employed (use Worksheet E on page 28)
- ♦ Alimony and separate maintenance payments

- ♦ Qualified conservation contributions

In addition, eligible taxpayers may qualify for:

- ♦ A prorated Health Enterprise Zone (HEZ) deduction.
- ♦ An alternative business calculation adjustment based on the business income (losses) reported during their period of residence.

Line 38 - Property Tax Deduction. You may also be able to claim a deduction for property taxes you paid, or 18% of rent due and paid (this is the amount of your rent that constitutes property taxes) during the time you were a resident. When you do the calculation to determine whether the deduction or credit is better for you, prorate the minimum benefit of \$50 (\$25 if you and your spouse/civil union partner file separate returns but maintain the same principal residence) based on the number of months you occupied your New Jersey residence. For this calculation, 15 days or more is a month. Use the prorated amount instead of the minimum benefit amount at line 8, Worksheet F or line 5, Worksheet I.

Line 48 - Total New Jersey Income Tax Withheld. You must determine from your W-2, W-2G, and/or 1099 statement(s) the amount of New Jersey income tax withheld from wages you earned or other payments you received while you were a New Jersey resident. If your W-2 includes only wages you earned while you were a resident, report the total New Jersey tax withheld on the W-2. If your employer combined your resident and nonresident wages on the W-2, include only tax withheld while you were a New Jersey resident.

Line 49 - Property Tax Credit. You must prorate the amount of any property tax credit on Line 49 based on the number of months you occupied your qualified New Jersey residence. For this calculation, 15 days or more is a month.

Line 50 - New Jersey Estimated Payments/Credit From 2014 Tax Return. Enter the amount of estimated payments

TAXPAYERS' BILL OF RIGHTS

The New Jersey Taxpayers' Bill of Rights simplifies tax administration and ensures that all taxpayers—individuals and businesses alike—are better informed and receive fair and equitable treatment during the tax collection process. Highlights of the Taxpayers' Bill of Rights include:

Service—

- ♦ Division must respond to taxpayers' questions within a reasonable time period.
- ♦ Notices of taxes and penalties due must clearly identify the purpose of the notice and must contain information about appeal procedures.

Appeals—

- ♦ Time to appeal to the Tax Court is generally 90 days.

Interest on Refunds—

- ♦ Interest is paid at the prime rate on refunds for all taxes when the Division takes more than six months to send you a refund.
- ♦ You may request that your overpayment of this year's tax be credited towards next year's tax liability, however, interest will not be paid on overpayments that are credited forward.

For more information on the rights and obligations of both taxpayers and the Division of Taxation under the Taxpayers' Bill of Rights, see our publication ANJ-1, *New Jersey Taxpayers' Bill of Rights*.

Part-Year Residents - continued

you made to New Jersey while you were a resident. If you made estimated payments both as a resident and as a nonresident, enter only the payments you made to meet your tax liability while you were a resident. Also enter any amount you paid to qualify for an extension of time to file.

Line 51 - New Jersey Earned Income

Tax Credit. If you are eligible and filed for a Federal earned income credit, you may also qualify for a New Jersey earned income tax credit. You must prorate your credit based on the number of months you were a New Jersey resident. For this calculation, 15 days or more is a month.

For more information, see Tax Topic Bulletin GIT-6, *Part-Year Residents*.

Military Personnel**Determining Residency**


A member of the Armed Forces whose home of record (domicile) is outside New Jersey does not become a resident of this State when assigned to a duty station here. He or she is a *nonresident* for income tax purposes.

A member of the Armed Forces whose home of record (domicile) was New Jersey when entering the service remains a *resident* of New Jersey for income tax purposes unless he or she qualifies for nonresident status (see chart on page 5). Your domicile does not change when you are temporarily assigned to duty in another state or country.

If your home of record (and domicile) is New Jersey and you are stationed outside the State and you are living aboard ship, in barracks, or billets, bachelor officer quarters, apartment, or house, and you do not intend to remain outside New Jersey, you remain a New Jersey *resident* for income tax purposes. You are not considered to be maintaining a permanent home outside New Jersey. If you pay for and maintain an apartment or a home outside New Jersey, either by out-of-pocket payments or forfeiture of quarters allowance, that residence is considered a permanent home outside New Jersey. In this case, you will be considered a *nonresident* for income tax purposes.

Filing Requirements

Residents. As a New Jersey resident, you are subject to tax on all your income, regardless of where it is earned, unless the income is specifically exempt from tax under New Jersey law. You must report your military pay, including combat pay, as taxable income on your resident return. Mustering-out payments, subsistence and housing allowances are exempt.

TAX TIP  Military pensions are exempt from New Jersey income tax, regardless of your age or disability status. (See instructions for Line 19a on page 20.)

Nonresidents. If you are a nonresident, your military pay is not subject to New Jersey income tax, and you are not required to file a New Jersey return unless you received income from New Jersey sources other than military pay. Mustering-out payments, subsistence and housing allowances are also exempt. If you had income from New Jersey sources such as a civilian job in off-duty hours, income or gain from property located in New Jersey, or income from a business, trade, or profession carried on in this State, you must file a New Jersey nonresident return, Form NJ-1040NR.

If your permanent home (domicile) was New Jersey when you entered the military, but you have changed your state of domicile or you satisfy the conditions for nonresident status (see chart on page 5), then your military pay is not subject to New Jersey income tax. File Form DD-2058-1 or DD-2058-2 with your finance officer to stop future withholding of New Jersey income tax. If New Jersey income tax was erroneously withheld from your military pay, you must file a nonresident return (Form NJ-1040NR) to get a refund of the tax withheld. For more information, see the nonresident return instructions.

Spouses/Civil Union Partners of

Military Personnel. Under the Federal Military Spouses Residency Relief Act, P.L. 111-97, (the "Act") a military servicemember's nonmilitary spouse/civil union partner is allowed to keep a tax domicile while moving from state to state,

as long as he or she moves into a state to be with a spouse/civil union partner who is in the state on military orders.

If you are a nonmilitary spouse/civil union partner and you were domiciled outside New Jersey when you married (or entered into the civil union with) a member of the Armed Forces, you are not considered a New Jersey resident if:

- ♦ The principal reason for moving to this State was the transfer of your military spouse/civil union partner; and
- ♦ You maintain a domicile in another state; and
- ♦ You intend to leave New Jersey when your military spouse/civil union partner is transferred or leaves the service.

Under the Act, a nonmilitary spouse/civil union partner who meets these requirements is not subject to New Jersey income tax on earned income from services performed in New Jersey. If you are a nonmilitary spouse/civil union partner whose wages are exempt from New Jersey income tax, file Form NJ-165, Employee's Certificate of Nonresidence in New Jersey, with your employer to stop New Jersey income tax withholdings. You must notify your employer if you no longer meet the conditions for the withholding exemption. If your employer withheld New Jersey income tax or you made estimated payments in error, you must file a nonresident return (Form NJ-1040NR) to get a refund.

The Act applies only to earned income from services performed in New Jersey by a nonresident civilian spouse/civil union partner of a servicemember. Nonresident civilian spouses/civil union partners are subject to New Jersey income tax on all other types of income derived from New Jersey sources, such as gain from sale of property located in New Jersey, and must file a New Jersey nonresident return if required (see chart on page 5). Wages earned in New Jersey by a nonresident civilian spouse/civil union partner who lives *outside* New Jersey are also subject to New Jersey income tax. A nonresident civilian spouse/civil union partner who lives outside New Jersey may not use Form NJ-165 to claim an

continued

Military Personnel - continued

exemption from New Jersey income tax withholding on wages earned in this State as the nonmilitary spouse/civil union partner of a servicemember.

New Jersey law requires that a married couple's filing status for New Jersey income tax purposes be the same as for Federal income tax purposes unless they are a civil union couple. A married couple filing a joint Federal return must file a joint return in New Jersey. However, when one spouse/civil union partner is a New Jersey resident and the other is a nonresident for the entire year, the resident may file a separate return unless both agree to file jointly as residents. If they file a joint resident return, their joint income will be taxed as if both were residents.

Extensions

Special rules apply to members of the Armed Forces of the United States and civilians providing support to the Armed Forces (see "Military Extensions" below).

Death Related to Duty

When a member of the Armed Forces serving in a combat zone or qualified hazardous duty area dies as a result of wounds, disease, or injury received there, no income tax is due for the taxable year the death occurred, nor for any earlier years served in the zone or area.

For more information on military personnel (and the rules affecting their spouses/civil union partners), see Tax Topic Bulletin GIT-7, *Military Personnel*.

When to File

In general, your New Jersey income tax return is due when your Federal income tax return is due. If you are a calendar year filer, your 2015 New Jersey income tax return is due by April 18, 2016. If you are a fiscal year filer, you must file your New Jersey income tax return by the 15th day of the fourth month following the close of the fiscal year.

Postmark Date. All New Jersey income tax returns postmarked on or before the due date of the return are considered filed on time. Tax returns postmarked after the due date are considered filed late. If the

postmark date on your return is after the due date, the filing date for that return is the date the Division received your return, not the postmark date. Interest on unpaid liabilities is assessed from the due date of the return.

Extension of Time to File

An extension of time is granted only to file your New Jersey income tax return. There is no extension of time to pay tax due. We will notify you only if we deny your extension request, but not until after you actually file your return. **Penalties and interest are imposed whenever tax is paid after the original due date.**

Six-Month Extension

You may receive a six-month extension of time to file your New Jersey resident return only if you have paid at least 80% of your tax liability (Line 42 of the Form NJ-1040 you file) through withholdings, estimated payments, or other payments by the original due date, **and**

- 1. Federal extension filed.** You enclose a copy of your Federal Application for Automatic Extension with your final return and fill in the oval at the top of your NJ-1040 (or enter your confirmation number in the space provided at the top of Form NJ-1040 if you filed the extension application or payment online or by phone); **or**
- 2. No Federal extension filed.** You file a request for a six-month extension on Form NJ-630, Application for Extension of Time to File New Jersey Gross Income Tax Return, by the original due date of the return. Taxpayers who file Form NJ-630 will not receive an approved copy. We will notify you only if we deny your request, but not until after you actually file your return.

NOTE: If you file a Federal extension, you must still file Form NJ-630 by the original due date if you must make a payment to satisfy the 80% requirement.

Civil Union Couples. Civil union partners filing a joint return must either provide copies of the Federal extension application (or confirmation number) for both partners, or they must file Form NJ-630.

If you fail to satisfy the requirements outlined for an extension, or you fail to file your return by the extended due date, we will deny your extension request and impose penalties and interest from the original due date of the return. (See "Penalties, Interest, and Collection Fees" on page 12.)

There is an application for extension (Form NJ-630) at the front of this booklet. Do not use the preprinted Form NJ-630 if you filed a joint return last year and this year you are filing your return using only your own social security number, or you are filing a joint return with a different person. Or, you can file an extension application online until April 18, 2016, at www.state.nj.us/treasury/taxation/.

Military Extensions

Special rules apply to members of the Armed Forces of the United States and civilians providing support to the Armed Forces.

A person on active duty with the Armed Forces of the United States, who may not be able to file on time because of distance, injury, or hospitalization as a result of this service, will automatically receive a six-month extension by enclosing an explanation when filing the return.

Combat Zone. New Jersey allows extensions of time to file income tax returns and pay any tax due for members of the Armed Forces and civilians providing support to the Armed Forces serving in an area which has been declared a "combat zone" by executive order of the President of the United States or a "qualified hazardous duty area" by Federal statute. Once you leave the combat zone or qualified hazardous duty area, you have 180 days to file your tax return. Enclose a statement with your return to explain the reason for the extension.

In addition, if you are hospitalized outside New Jersey as a result of injuries you received while serving in a combat zone or qualified hazardous duty area, you have 180 days from the time you leave the hospital or you leave the combat zone or hazardous duty area, whichever is later.

continued

Extension of Time to File - continued


Qualifying military and support personnel, as defined on page 9, are granted an extension of time for paying tax for the period of combat service or hospitalization, plus 180 days.

Enclose a statement of explanation with your return when you file. No interest or penalties will be assessed during a valid extension for service in a combat zone or qualified hazardous duty area. This extension also applies to a taxpayer's spouse/civil union partner who files a joint return.

How to Pay

You must pay the balance of tax due in full by the original due date of the return. You may make your payment by check or money order, electronic check (e-check), or credit card. If you owe less than \$1, you do not have to make a payment.

Check or Money Order. There is a payment voucher (Form NJ-1040-V) at the front of this booklet. If you owe tax and are sending the payment with your return, enter the amount of tax due in the boxes on the voucher. Do not change any information that is preprinted on the voucher. Instead, make any necessary changes on your NJ-1040. Do not use the preprinted voucher if you filed a joint return last year and this year you are filing using only your own social security number, or you are filing a joint return with a different person. Form NJ-1040-V is available on the Division's website (see page 63).

TAX TIP  If you are paying by check or money order, enter the amount of your payment in the boxes below the signature line on the front of the return.

Make your check or money order payable to **State of New Jersey – TGI**. Write your social security number on the check or money order. If you are filing a joint return, include the social security numbers for both of you in the same order the names are listed on the return. Send your payment for the balance due with the voucher in the same envelope with your tax return. (See "Where to Mail Your Return" on page 11.)

John Smith
Jane Smith
123 Main Street
Trenton, NJ 08611

PAY TO THE ORDER OF _____ \$ DOLLARS

Anyplace Bank
Trenton, NJ 08611

For (250250025) (202020861) 1234

15-0000/0000 1234

Do not include the check number

You will need your bank's 9-digit routing number and your account number to make a payment by e-check. Do not enter the check number as part of the account number. **NOTE:** The routing and account numbers may be in different places on your check.

If you are paying a balance due for 2015 and also making an estimated tax payment for 2016, use separate checks or money orders for each payment. Send your 2016 estimated payment with an NJ-1040-ES voucher to the address on that voucher. **Do not include the estimated payment with your 2015 income tax return.**

Electronic Check (e-check). You may be able to pay your 2015 taxes or make an estimated payment for 2016 by e-check on the Division's website (www.state.nj.us/treasury/taxation/). If you do not have Internet access, you can make an e-check payment by contacting the Division's Customer Service Center or by visiting a Regional Office (see page 63). Do not send in the voucher if you pay by e-check, and do not enter the amount of your payment in the boxes on the front of the return.

You will need your social security number and date of birth to make an e-check payment. The social security number you enter must match the first social security number shown on the form related to your payment, and the date of birth you enter must be the date of birth for that person.

NOTE:

- (1) You must enter your social security number and date of birth properly, or you will not be able to pay by e-check.
- (2) If you are filing a New Jersey return for the first time, or your filing status is different than the filing status on your 2014 return, you may not be able to pay by e-check.
- (3) New Jersey will not accept e-check payments made using an account that is funded from a financial institution outside the United States.

Credit Card. You can pay your 2015 taxes or make an estimated tax payment for 2016 online (www.state.nj.us/treasury/taxation/) or by phone (1-888-673-7694) and use a Visa, American Express, MasterCard, or Discover credit card. You can also pay by credit card by contacting the Division's Customer Service Center or by visiting a Regional Office (see page 63). A usage fee will be added to the total tax payment. Do not send in the voucher if you pay by credit card, and do not enter the amount of your payment in the boxes on the front of the return.

Time Limit for Assessing Additional Taxes. The Division of Taxation has three years from the date you filed your return or the original due date of the return, whichever is later, to send you a bill for additional taxes you owe. There is no time limit if you did not file your return, or if you filed a false or fraudulent return with the intent to evade tax. The time limit may be extended if:

- ♦ You amended or the IRS adjusted your Federal taxable income or your Federal earned income credit;
- ♦ You amended your New Jersey taxable income;
- ♦ You entered into a written agreement with the Division extending the time to make an assessment;
- ♦ You omitted more than 25% of your gross income on your New Jersey income tax return; or
- ♦ The Division issued an erroneous refund as a result of fraud or misrepresentation by you.

Where to Mail Your Return

Use the envelope in your booklet to mail your NJ-1040, related enclosures, payment voucher, and check or money order for any tax due. **Send only one return or property tax credit application per envelope.** On the envelope flap are pre-printed address labels with different addresses for different categories of returns.

To mail your return properly:

1. Remove all labels from envelope flap along perforations; and
2. Attach only the correct label to the front of the envelope.

Payment Due Label

Mail returns with tax due (include payment voucher and check or money order, if applicable) to:

STATE OF NEW JERSEY
DIVISION OF TAXATION
REVENUE PROCESSING CENTER – PAYMENTS
PO BOX 111
TRENTON NJ 08645-0111

Refund and Property Tax Credit Application Label

Mail returns requesting a refund (or with no tax due)

or

Mail property tax credit applications filed without income tax returns to:

STATE OF NEW JERSEY
DIVISION OF TAXATION
REVENUE PROCESSING CENTER – REFUNDS
PO BOX 555
TRENTON NJ 08647-0555

Do not staple, paper clip, tape, or use any other fastening device for your return and enclosures.

Refunds

You must file a return to claim a refund for overpayment of tax. If the refund is \$1 or less, you must enclose a statement requesting it.

Time Period for Refunds. To get a refund, you generally must file your return within three years from the date the return was due (including extensions). If you and the Division agree in writing to extend the period of assessment, the period for filing a refund claim will also be extended.

Interest Paid on Refunds. If the Division takes more than six months to send your refund, you have a right to receive interest on that refund. Interest at the prime rate, compounded annually, will be paid from the *later* of:

- ♦ The date the refund claim was filed;
- ♦ The date the tax was paid; or
- ♦ The due date of the return.

No interest will be paid when an overpayment is credited to the next year's tax liability or on an overpayment or portion of an overpayment which consists of a New Jersey earned income tax credit.

Under New Jersey law, if you owe any money to the State of New Jersey, any of its agencies, the Internal Revenue Service, or another claimant state or city that has a personal income tax set-off agreement with New Jersey, we will deduct it from your refund or credit. Homestead benefits may also be affected. These debts include, among other things, money you owe for past due taxes, child support due under a court order, school loans, hospital bills, and IRS levies. If the Division applies your refund, credit, or benefit to any of these debts, we will notify you by mail.

Deceased Taxpayers

If a person received income in 2015 but died before filing a return, the surviving spouse/civil union partner or personal representative (executor or administrator of an estate or anyone who is in charge of the decedent's personal property) should file the New Jersey return. The due date for filing is the same as for Federal purposes.

Filing Status. Use the same filing status that was used on the final Federal income tax return, unless the decedent was a partner in a civil union.

Name and Address

- ♦ *Joint return.* Write the name and address of the decedent and the surviving spouse/civil union partner in the name and address fields. Print "Deceased" and the date of death above the decedent's name.


- ♦ *Other filing status.* Write the decedent's name in the name field and the personal representative's name and address in the remaining fields. Print "Deceased" and the date of death above the decedent's name.

Exemptions and Deductions. Prorate exemptions or deductions *only if* the decedent was a New Jersey resident for part of the year and a nonresident for part of the year.

Signatures

- ♦ *Personal representative.* A personal representative filing on behalf of a deceased taxpayer must sign the return in his or her official capacity. If it is a joint return, the surviving spouse/civil union partner must also sign.
- ♦ *No personal representative.* When filing a return where there is no personal representative for the deceased, the surviving spouse/civil union partner signs the return and writes "Filing as Surviving Spouse" or "Filing as Surviving Civil Union Partner" in the signature section.

If there is no personal representative and there is *no* surviving spouse/civil union partner, the person in charge of the decedent's property must file and sign the return as "personal representative."

TAX TIP  If there is a refund due and you want the Division to issue the check to the decedent's surviving spouse/civil union partner or estate:

- ♦ Fill in the oval above the signature line (below the signature line if filing Form NJ-1040-H), **and**
- ♦ Enclose a copy of the decedent's death certificate.

Income in Respect of a Decedent. If you had the right to receive income that the deceased person would have received had he or she lived, and the income was not included on the decedent's final return, you must report the income on your own return when you receive it. Include the income or gain on Line 25 as "Other" income.

Estates and Trusts

Filing Requirements for Estates and Trusts. The fiduciary of an estate or trust may be required to file a New Jersey income tax return for that estate or trust. The return must be filed on a New Jersey Fiduciary Return, Form NJ-1041. The fiduciary must also provide each beneficiary with a New Jersey Schedule NJK-1, which shows the beneficiary's share of the estate or trust income actually distributed or required to be distributed during the taxable year.

Revocable grantor trusts must file Form NJ-1041 where there is sufficient nexus with New Jersey and the statutory filing requirement is met. For more information, see the NJ-1041 instructions.

Filing Requirements for Beneficiaries.

The net income earned by an estate or trust does not retain its character (i.e., interest, partnership income); rather, it is a specified income category – “Net Gains or Income Derived Through Estates or Trusts.” You must report the Total Distribution shown on your Schedule NJK-1, Form NJ-1041 as net income from estates or trusts on Line 25, Other Income. If you did not receive a Schedule NJK-1, you must adjust the interest, dividends, capital gains, business or partnership income, etc. listed on your Federal K-1 to reflect New Jersey tax law. Net the adjusted amounts together, and include the total on the “Other” income line. Enclose a copy of your NJK-1 or Federal K-1 with your return.

If the income from a grantor trust is reportable by or taxable to the grantor for Federal income tax purposes, it is also taxable to the grantor for New Jersey income tax purposes. See instructions for Line 25 on page 24 for reporting requirements.


Partnerships

A partnership is not subject to gross income tax. Individual partners are subject to tax on the income they earned from the partnership under the Federal Internal

Revenue Code and the New Jersey Gross Income Tax Act. See page 24 for information on reporting income from a partnership. Every partnership having a New Jersey resident partner or income from New Jersey sources must file a New Jersey Partnership Return, Form NJ-1065, by the 15th day of the fourth month following the close of the partnership's taxable year. For more information on partnership filing, see Form NJ-1065 and instructions.

Estimated Tax

Estimated tax means the amount which you estimate to be your income tax for the taxable year after subtracting withholdings and other credits.

TAX TIP  You must make estimated payments using Form NJ-1040-ES if your estimated tax is more than \$400. Instructions for calculating your estimated tax and making the payments accompany the form. Review the amount of New Jersey income tax on your expected income (after deductions and credits) to determine if you need to make estimated payments for 2016.

You can avoid making estimated payments by asking your employer to withhold more tax from your wages. To do this, complete Form NJ-W4 and give it to your employer. Failure to file a Declaration of Estimated Tax or pay all or part of an underpayment *will result in interest charges* on the underpayment.

Underpayment of Estimated Tax. If you failed to make all of the required estimated payments as described above, you should complete Form NJ-2210, Underpayment of Estimated Tax by Individuals, Estates or Trusts, to determine if interest is due and calculate the amount. Enter on Line 46 the amount of interest due from line 19, Form NJ-2210. Fill in the oval below Line 46 and enclose Form NJ-2210 with your return.

For more information, see Tax Topic Bulletin GIT-8, *Estimating Income Taxes*.

Amended Returns

If you received an additional tax statement (W-2 or 1099) after filing your return, or you found that you made a mistake on your return, file an amended resident return, Form NJ-1040X.

Changes in Your Federal Income Tax or Federal Earned Income Credit. If you receive a notice that the Internal Revenue Service changed your reported income, and that change alters your New Jersey taxable income, or if the IRS changed your Federal earned income credit, and that change alters your New Jersey earned income tax credit, you must notify the Division of the change in writing within 90 days. File an amended tax return and pay any additional tax due. If you file an amended Federal return that changes your New Jersey taxable income or your Federal earned income credit, you must file an amended resident return, Form NJ-1040X, within 90 days.

Accounting Method

Use the same accounting method for New Jersey income tax that you used for Federal income tax purposes. Income must be recognized and reported in the same period as it is recognized and reported for Federal income tax purposes.

Rounding Off to Whole Dollars

When completing your return and the accompanying schedules, you may show the money items in whole dollars. If you round off, do so for all amounts. To round, drop any amount under 50 cents, and increase any amount 50 cents or more to the next dollar. If you have to add two or more items to calculate the total to enter on a line, include cents when adding the items and round off only the total. **When rounding, enter zeros after the decimal point for cents.**

Penalties, Interest, and Collection Fees

Penalty and interest should be included with the payment of any tax due.

*Penalties, Interest, and Collection Fees - continued***Late Filing Penalty**

5% per month (or part of a month) up to a maximum of 25% of the outstanding tax liability when you file a return after the due date or extended due date. A penalty of \$100 for each month the return is late may also be imposed.

Late Payment Penalty

5% of the outstanding tax balance may be imposed.

Interest

3% above the prime rate for every month or part of a month the tax is unpaid, compounded annually. At the end of each calendar year, any tax, penalties, and interest remaining due (unpaid) will become part of the balance on which interest is charged.

Collection Fees

In addition, if your tax bill is sent to our collection agency, a referral cost recovery fee of 10% of the tax due will be added to your liability. If a certificate of debt is issued for your outstanding liability, a fee for the cost of collection of the tax may also be imposed.

Signatures

Sign and date your return in blue or black ink. Both spouses/civil union partners must sign a joint return. If you are filing *only* a property tax credit application (Form NJ-1040-H), you must sign and date the application in ink. The signature(s) on the form you file must be original; photocopied signatures are not acceptable. We cannot process a return without the proper signatures and will return it to you. This causes unnecessary processing delays and may result in penalties for late filing.


Don't Need Forms Mailed to You Next Year? If you do **not** need a booklet mailed to you next year, fill in the oval above the signature line. Telling us this will help us reduce printing and mailing costs.

Preparer Authorization. Because of the strict provisions of confidentiality, Division of Taxation personnel may not discuss your return or enclosures with anyone other than you without your

written authorization. If you want a Division of Taxation representative to discuss your tax return with the person who signed your return as your "Paid Tax Preparer," fill in the oval above the preparer's signature line to give your permission.

Tax Preparers. Anyone who prepares a return for a fee must sign the return as a "Paid Preparer" and enter his or her social security number or Federal preparer tax identification number. Include the company or corporation name and Federal identification number, if applicable. A tax preparer who fails to sign the return or provide a tax identification number may incur a \$25 penalty for each omission. Someone who prepares your return but does not charge you should not sign your return.

NOTE: Preparers that reasonably expect to prepare 11 or more individual resident income tax returns (including those filed for trusts and estates) during the tax year must use electronic methods to file those returns for which an electronic filing option is available. A tax preparer is liable for a penalty of \$50 for each return he or she fails to file electronically when required to do so.

TAX TIP  **Opting Out of Electronic Filing.** If your tax preparer is required to file all returns electronically but you want to file a paper return, you can opt out by enclosing Form NJ-1040-O, E-File Opt-Out Request Form, with your paper return. Both you and your preparer must sign the form, and your preparer must fill in the oval above his or her signature on your return to indicate that Form NJ-1040-O is enclosed.

Keeping Tax Records

Keep copies of your tax returns and the supporting documentation of income, age and/or disability, deductions, and credits until the statute of limitations has expired for each return. Generally, this is three years after the filing date or two years from the date the tax was paid, whichever is later.

Privacy Act Notification

The Federal Privacy Act of 1974 requires an agency requesting information from individuals to inform them why the request is being made and how the information is being used.

The Division of Taxation uses your social security number primarily to account for and give credit for tax payments. We also use social security numbers to administer and enforce all tax laws for which we are responsible. In addition, the Division is required by law to forward an annual list to the Administrative Office of the Courts containing the names, addresses, and social security numbers of individuals who file a New Jersey resident tax return or property tax credit application. This list will be used to avoid duplication of names on jury lists. The Division is also required to transmit to the Department of Human Services (DHS) annually information from New Jersey resident tax returns that will permit DHS to identify individuals who do not have health insurance and who may be eligible for Medicaid or the NJ FamilyCare Program.

Federal/State Tax Agreement

The Division of Taxation and the Internal Revenue Service have entered into a Federal/State Agreement to exchange income tax information in order to verify the accuracy and consistency of information reported on Federal and New Jersey income tax returns.


Fraudulent Return

Anyone who deliberately fails to file a return, files a fraudulent return, or attempts to evade the tax in any manner may be liable for a penalty up to \$7,500 or imprisonment for three to five years or both.

Name and Address

Place the peel-off label at the front of this booklet in the name and address section at the top of the return. **Do not use the label if any of the information is incorrect.**

If your label contains inaccurate information or you do not have a label, print or type your name (last name first), complete address, and zip code in the spaces provided. Also include your spouse's/civil union partner's name if filing jointly. Your refund and next year's form will be sent to the address you provide. If your legal residence and the address on the return differ, enclose a statement of explanation to avoid a delay in processing.

TAX TIP  Fill in the "Change of Address" oval if your address has changed since you last filed a New Jersey return or if any of the address information on your label is incorrect.

Social Security Number

Your social security number is not printed on your name and address label. **You must enter your social security number** in the space provided on the return, one digit in each box. If your filing status is married/CU couple, filing joint return, remember to report both filers' numbers in the order in which the names are listed on the return.

If you (or your spouse/civil union partner) do not have a social security number, file Form SS-5 with the Social Security Administration to apply for one. Taxpayers who are not eligible for a social security number must file Form W-7 with the Internal Revenue Service to obtain an individual taxpayer identification number (ITIN). Enter on Form NJ-1040 the same number (social security number or ITIN) that you entered on your Federal income tax return. If you (or your spouse/civil union partner) applied for but have not received an ITIN by the return due date, enclose a copy of your Federal Form W-7 application with your New Jersey income tax return.

NOTE: A copy of Form W-7 (or W-7A) cannot be used in place of a valid social security number, ITIN, or ATIN for a dependent when completing Line 13, Dependents' Information.

County/Municipality Code

Enter your four-digit county/municipality code, one digit in each box, from the table on page 51. This code identifies the county and municipality of your current residence. The county and municipality codes in these instructions are for Division of Taxation purposes only.

If the local name of the place where you live is not listed, enter the code for the municipality where the property taxes were paid on your dwelling. (Go to www.state.nj.us/infobank/locality.htm for a listing of local names in the State and the county and municipality in which they are located.)

NJ Residency Status


If you were a New Jersey resident for only part of the taxable year, list the month, day, and year your residency began and the month, day, and year it ended. List all months as two-digit numbers using 01 for January, 02 for February, 03 for March, etc. Enter the correct number for the beginning and ending months directly in the boxes containing the letter "M," one digit in each box.

List the days of the months as two-digit numbers beginning with 01 for the first day of the month and ending with 31 for the last day of the month. Enter the correct number for the beginning and ending dates directly in the boxes containing the letter "D," one digit in each box.

Calendar year filers should enter the number 15 for the year directly in the boxes containing the letter "Y," one digit in each box. Fiscal year filers should enter the appropriate year in the "Y" boxes.

Filing Status (Lines 1–5)

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. Indicate the appropriate filing status. Fill in only **one** oval.

TAX TIP  Partners in a civil union recognized under New Jersey law **must file** their

New Jersey income tax returns using the same filing statuses accorded spouses under New Jersey Gross Income Tax Law. Civil union partners may not use the filing status single. Any reference in this booklet to a spouse also refers to a spouse that 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. More information on civil unions, including legally sanctioned same-sex relationships established outside New Jersey, can be found on the Division's website (www.state.nj.us/treasury/taxation/).

Single. Your filing status is single if you are unmarried or not a partner in a civil union on the last day of the tax year, and you do not qualify for head of household or qualifying widow(er)/surviving CU partner status (see below).

Married/Civil Union Couples. 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 may 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 you are filing separately, be sure to enter the social security number of your spouse/civil union partner in the boxes provided at the top of the tax return.

NOTE: You may file jointly or separately only if you were married or a partner in a civil union on the last day of the tax year.

Head of Household. If you meet the requirements to file as head of household for Federal income tax purposes, you may

continued

Filing Status (Lines 1–5) - continued

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.

Qualifying Widow(er)/Surviving CU Partner. If your spouse/civil union partner died during 2015, 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 2015 **only** if your spouse/CU partner died in either 2013 or 2014, you did not remarry or enter into a new civil union before the end of 2015, and you meet the other requirements to file as qualifying widow(er) with dependent child for Federal purposes.

Domestic Partners. If you were a member of a domestic partnership registered in New Jersey, you are not considered to be married or in a civil union. Do not use either the joint or separate filing statuses at Lines 2 and 3. However, if you also entered into a legally sanctioned same-sex relationship outside New Jersey, you may still be able to use the joint or separate filing statuses for married/CU couples.

For more information, see the Division’s website (www.state.nj.us/treasury/taxation/) and Tax Topic Bulletin GIT-4, *Filing Status*.

Exemptions - Personal

Line 6 - Regular Exemptions

As a taxpayer, you may claim a personal exemption for yourself, even if you are a minor who is claimed as a dependent on your parents’ return. For your convenience, “Yourself” is already filled in. If you are married or in a civil union and filing a joint return, fill in the spouse/CU partner oval as well.

If you were a member of a domestic partnership that was registered in New Jersey on the last day of the tax year, you may claim an exemption for your domestic partner **only if he or she does not file a New Jersey income tax return.** You

must enclose a copy of your New Jersey Certificate of Domestic Partnership the first time you claim the exemption, and you may be asked to provide additional information at a later date. If you are claiming this exemption, fill in the domestic partner oval. Add the number of ovals filled in and enter the result in the box on Line 6.

Line 7 - Age 65 or Older

If you were 65 or older on the last day of the tax year, you are eligible for an additional exemption. If you are filing a joint return, an additional exemption is also available if your spouse/civil union partner was 65 or older on the last day of the tax year. This exemption is not available for a domestic partner or for your dependents. *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).* Fill in the appropriate oval(s). Add the number of ovals filled in and enter the result in the box on Line 7.

Line 8 - Blind or Disabled

If you were blind or disabled on the last day of the tax year, you are eligible for an additional exemption. If you are filing a joint return, an additional exemption is also available if your spouse/civil union partner was blind or disabled on the last day of the tax year. This exemption is not available for a domestic partner or for your dependents. “Disabled” means total and permanent inability to engage in any substantial gainful activity because of any physical or mental impairment, including 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).* This information need not be submitted each year provided there is no change in your condition. Fill in the appropriate oval(s). Add the number of ovals filled in and enter the result in the box on Line 8.

Exemptions - Dependency

Line 9 - Dependent Children

You may claim an exemption for each dependent child who qualifies as your

dependent for Federal income tax purposes. Enter the number of your dependent children in the box on Line 9.

Line 10 - Other Dependents

You may claim an exemption for each other dependent who qualifies as your dependent for Federal income tax purposes. Enter the number of your other dependents in the box on Line 10.

Line 11 - Dependents Attending Colleges

You may claim an additional exemption for each dependent claimed on Line 9 or 10 if all the requirements below are satisfied. **This exemption is not available to you or your spouse/civil union partner or your domestic partner.**

Requirements

- ♦ Student must be **under age 22** on the last day of the tax year. (This means the student will not turn 22 until 2016 or later.)
- ♦ Student must attend full-time. “Full-time” is determined by the institution.
- ♦ Student must spend at least some part of each of five calendar months of the tax year at school.
- ♦ The educational institution must be an accredited college or postsecondary institution, maintain a regular faculty and curriculum, and have a body of students in attendance.
- ♦ You must have paid one-half or more of the tuition and maintenance costs for the student. Financial aid received by the student is not calculated into your cost when totaling one-half of your dependent’s tuition and maintenance. However, the money earned by students in College Work Study Programs is income and is taken into account.

Enter the number of exemptions for your qualified dependents attending colleges in the box on Line 11.

Line 12 - Totals

Add Lines 6, 7, 8, and 11 and enter the total in the box on Line 12a. Add Lines 9 and 10 and enter that total in the box on Line 12b.

Line 13 - Dependents' Information

You must enter on Line 13 the full name, social security number, and year of birth for each dependent child or other dependent claimed on Lines 9 and/or 10.

You must also fill in the oval for each dependent who does *not* have health insurance coverage (including NJ FamilyCare/Medicaid, Medicare, 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.** This information will be transmitted to the New Jersey Department of Human Services and will be used to identify and reach out to residents who are uninsured to make them aware of the availability of health care coverage under the Medicaid and NJ FamilyCare Programs.

If you have more than four dependents, enter the required information for the first four dependents on Lines 13a - d and enclose a statement with the return listing the information for the additional dependents.

The dependents you list must be the same persons who qualify as your dependent children or other dependents for Federal income tax purposes. Enter the same social security number, individual taxpayer identification number (ITIN), or adoption taxpayer identification number (ATIN) for each dependent that you entered on your Federal return. If you do not provide a valid social security number, ITIN, or ATIN for a dependent claimed on Lines 9 and/or 10, the exemption will be disallowed.

To obtain an ATIN, file Form W-7A, Application for Taxpayer Identification Number for Pending U.S. Adoptions, with the Internal Revenue Service. See page 14 for information on obtaining a social security number or ITIN.

NOTE: If you qualify for the New Jersey earned income tax credit (see the instructions for Line 51) and you listed a "qualifying child" on your Federal Schedule EIC who is not claimed as your dependent for New Jersey purposes, you must enter on Line 13 the child's name, social security number, and birth year.

Gubernatorial Elections Fund

The Gubernatorial Elections Fund, financed by taxpayer designated \$1 contributions, provides partial public financing to qualified candidates for the office of Governor of New Jersey. With its contribution and expenditure limits, the Gubernatorial Public Financing Program has since 1977 assisted in 70 candidacies, allowing candidates to conduct their campaigns free from the improper influence of excessive campaign contributions. Operation of the program has also permitted candidates of limited financial means to run for election to the State's highest office. As a condition of their receipt of public financing, candidates must agree to participate in two debates which provide the public with an opportunity to hear the views of each candidate. For more information on the Gubernatorial Public Financing Program, contact the New Jersey Election Law Enforcement Commission at 1-888-313-ELEC (toll-free within New Jersey) or 609-292-8700 or write to:


NJ ELECTION LAW ENFORCEMENT COMMISSION
PO Box 185
TRENTON NJ 08625-0185

Lists of contributors to gubernatorial candidates and copies of reports filed by gubernatorial candidates may be viewed on the Election Law Enforcement Commission website at: www.elec.state.nj.us.

Participation in the \$1 income tax check-off protects the continuity and integrity of the Gubernatorial Elections Fund by providing that funds will be reserved for future gubernatorial elections thereby deterring the use of needed funding for other purposes. If you want to designate \$1 to go to help candidates for governor pay campaign expenses, fill in the "Yes" oval in the Gubernatorial Elections Fund section of the return. If you are filing a joint return, your spouse/civil union partner may also designate \$1 to this fund. **Filling in the "Yes" oval will not in any way increase your tax liability or reduce your refund.**

Income (Lines 14–25)

Gross income means all income you received in the form of money, goods, property, and services unless specifically exempt by law. As a New Jersey resident you must report all taxable income you receive, whether from New Jersey or not, on your return.


TAX TIP  **Important! A net loss in any category of income cannot be reported as such on Form NJ-1040. A loss within one category of income may be applied against other income within the same category. However, a net loss in one category of income cannot be applied against income or gains in another on Form NJ-1040. In the case of a net loss in any category, make no entry on the corresponding line. Under New Jersey law, no carryback or carryover of losses is allowed when reporting income on Form NJ-1040.**

If you have income that is taxed both by New Jersey and by another jurisdiction outside New Jersey, you may be eligible for a credit against your New Jersey income tax. (See instructions for Schedule A, Credit for Income or Wage Taxes Paid to Other Jurisdiction, on page 41.)

Line 14 - Wages, Salaries, Tips, etc.

Enter the total amount you received during the taxable year from wages, salaries, tips, fees, commissions, bonuses, and other payments received for services performed as an employee. Include all payments you received whether in cash, benefits, or property.

Enter the total of State wages, salaries, tips, etc. from **all** employment both inside and outside New Jersey.

TAX TIP  **Be sure to take the figure from the "State wages" box on your W-2s. (See sample W-2 on page 19.)**

NOTE: The "State wages" figure on W-2s you received from employment outside New Jersey may need to be adjusted to reflect New Jersey tax law.

continued

Line 14 - Wages, Salaries, Tips, etc. - continued

All W-2s must be enclosed with your tax return. **Do not** staple W-2s to your return. If you have also paid taxes to another jurisdiction on the wages entered on this line, see page 41 for more information.

Pension and annuity income or early retirement benefits should not be included on this line but should be reported on Lines 19a and 19b.

Retirement Plans. Under New Jersey law, contributions to retirement plans (other than 401(k) Plans) are included in the State wages figure on the W-2 in the year the wages are earned. This may cause your State wages figure to be higher than your Federal wages figure.

Meals and/or Lodging. You may exclude from the amount reported on Line 14 meals and/or lodging reported as wages on your W-2 provided that:

1. The meals and/or lodging were furnished on the business premises of your employer; and
2. The meals and/or lodging were furnished for the convenience of your employer; and
For lodging only:
3. You were required to accept the lodging as a condition of your employment.

If you exclude the value of meals and/or lodging from your wages, you **must** enclose a signed statement explaining how you have met these conditions. If the statement is not enclosed, your wages will be adjusted to represent the full amount shown on your W-2.

Food and maintenance payments made to New Jersey State Police officers as part of their union contract **cannot** be excluded from income. These payments do not meet the criteria above.

Employee Business Expenses. Employee business expenses are **not** deductible for New Jersey income tax purposes. However, you may exclude from the amount reported on Line 14 reimbursements for employee business expenses reported as wages on your W-2 provided that:

1. The expenses for which you are reimbursed are job-related expenses;
2. You are required to and do account for these expenses to your employer; and
3. You are reimbursed by your employer in the exact amount of the allowable expenses.

If you receive excludable reimbursements for employee business expenses which are included in your wages on your W-2, enclose a statement explaining the amount you are excluding and your reasons for excluding this amount. Also enclose a copy of your Federal Form 2106.

Federal Statutory Employees. If you are considered a “statutory employee” for Federal income tax purposes, you may not deduct your business expenses unless you are self-employed or an independent contractor under New Jersey law. The Federal label of “statutory employee” has no meaning for New Jersey income tax purposes. Business expenses may only be deducted from the business income of a self-employed individual. See the instructions for Schedule NJ-BUS-1, Part I (Net Profits From Business).

Moving Expenses. Moving expenses are **not** deductible for New Jersey income tax purposes. However, you may exclude from the amount reported on Line 14 reimbursements for the following moving expenses if the Federal requirements to claim moving expenses were met and the expenses were included in wages on your W-2.

1. The cost of moving your household goods and personal effects from the old home to the new home.
2. The actual expenses incurred by you for traveling, meals, and lodging when moving you and your family from your old residence to your new residence.

Gross 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 (unless they satisfy the conditions on page 25)
- ♦ Value of residence provided by employer
- ♦ Fees for services rendered, including jury duty

New Jersey gross 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

Do not include the following income when deciding if you must file a return. These items should **not** appear anywhere on your form except for tax-exempt interest, which is reported on Line 15b.

- ♦ 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 (see Line 15b)
- ♦ 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" (see Line 15b)
- ♦ 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). See Technical Bulletin TB-39.
- ♦ Benefits received from certain employer-provided commuter transportation benefit plans (but not salary reduction plans). See Technical Bulletin TB-24R.
- ♦ 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 benefits, FAIR rebates, and NJ SAVER rebates
- ♦ Property tax reimbursements (benefits received under 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
- ♦ Cancellation of debt
- ♦ Amounts received as damages for wrongful imprisonment

Reimbursements for any other moving expense may not be excluded from income.

If you receive excludable reimbursements for moving expenses which are included in your wages on your W-2, enclose a statement explaining the amount you are excluding and your reasons for excluding this amount. Also enclose a copy of your Federal Form 3903.

Compensation for Injuries or Sickness.

Certain amounts received for personal injuries or sickness are not subject to tax. You may exclude from the amount reported on Line 14 such amounts included as wages on your W-2 provided that:

1. The payments must be compensation for wage loss which results from absence due to injury or sickness of the employee; and
2. The payments must be due and payable under an enforceable contractual obligation under the plan; and
3. The payments must not relate to sick leave wage continuation, the taking of which is largely discretionary and the payments are made regardless of the reason for absence from work.

If such payments are included in the State wage figure on your W-2, you must file Form NJ-2440 with your New Jersey return to exclude them.

Line 15a - Taxable Interest Income

Report all of your taxable interest from sources both inside and outside New Jersey on Line 15a. New Jersey taxable interest income includes interest from the following:

- ♦ Banks
- ♦ Savings and loan associations
- ♦ Credit unions
- ♦ Savings accounts
- ♦ Earnings on nonqualified withdrawals from qualified state tuition program accounts, including the New Jersey Better Educational Savings Trust Program (NJBEST) accounts

Line 15a - Taxable Interest Income - continued

- Distributions from Coverdell education savings accounts (ESAs), but only the earnings portion
- Checking accounts
- Bonds and notes
- Certificates of deposit
- Ginnie Maes
- Fannie Maes
- Freddie Macs
- Repurchase agreements
- Life insurance dividends
- Obligations of states and their political subdivisions, other than New Jersey
- Any other interest not specifically exempt

Interest received by your sole proprietorship is reportable as net profits from business on Line 17. Your portion of interest earned and received by a partnership, an estate or trust or, in general, an S corporation is reportable as distributive share of partnership income on Line 20, net

income from estates or trusts on Line 25, or net pro rata share of S corporation income on Line 21. For detailed information regarding the reporting of partnership or S corporation income, see Tax Topic Bulletins GIT-9P, *Income From Partnerships*, or GIT-9S, *Income From S Corporations*. For information regarding grantor trusts, see the reporting instructions for Line 25 on page 24. Interest paid or deemed to have been paid to you by a partnership or an S corporation and reportable to you on Form 1099 must be included on Line 15a.

Forfeiture Penalty for Early Withdrawal. If you incur a penalty by withdrawing a time deposit early, you may subtract the amount of the penalty from your interest income.

If your taxable interest income on Line 15a is more than \$1,500, enclose a copy of Schedule B, Federal Form 1040 or 1040A.

Line 15b - Tax-Exempt Interest Income

Report all of your tax-exempt interest, as well as exempt interest dividends from a New Jersey Qualified Investment Fund, on Line 15b. **If Line 15b is more than \$10,000, you must include an itemized schedule detailing the amount received from each source.** New Jersey tax-exempt interest income includes interest from:

- Obligations of the State of New Jersey or any of its political subdivisions
- Direct Federal obligations such as U.S. Savings Bonds and Treasury Bills, Notes, and Bonds
- Earnings on qualified withdrawals from qualified state tuition program accounts, including the New Jersey Better Educational Savings Trust Program (NJBEST) accounts
- Sallie Maes
- CATS
- TIGRs

Sample W-2 (This form is for illustration only and is not reproducible.)

22222		Void <input type="checkbox"/>	a Employee's social security number		For Official Use Only ▶ OMB No. 1545-0008		
b Employer identification number (EIN)			1 Wages, tips, other compensation		2 Federal income tax withheld		
c Employer's name, address, and ZIP code			3 Social security wages		4 Social security tax withheld		
d Control Number			5 Medical insurance and tips		6 Medicare tax withheld		
			7 Social security tips		8 Allocated tips		
e Employee's name and address			9 Other compensation		10 Dependent care benefits		
f Employee's address and ZIP code			11 Nonqualified plans		12a See instructions for box 12		
			13 Salaried employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b		
15 State Employer's state ID number			14 Other		12c		
			UI/WF/SWF - \$136.00 DI - \$80.00 DI P.P. #(Private Plan No.)		12d		
NJ 234-567-890/000		16 State wages, tips, etc. 32,250.00		17 State income tax 525.00		18 Local wages, tips, etc.	
FLI P.P. #		(Private Plan No.)		28.80 - FLI		19 Local income tax	
20 Locality name							

- ♦ Certain distributions from “New Jersey Qualified Investment Funds”
- ♦ Distributions paid by mutual funds to the extent the distributions are attributable to interest earned on Federal obligations

New Jersey Qualified Investment Funds.

A New Jersey Qualified Investment Fund is a regulated investment company in which at least 80% of the fund's investments (other than cash or receivables) are obligations issued either directly by the Federal government or the State of New Jersey or any of its political subdivisions. The Fund must complete and retain Form IF-1, Certification of Qualified Investment Fund, to document its status. This certification need not be filed with the Division of Taxation but must be made available upon request.

If you received a distribution from a qualified investment fund, you may exclude from your income only the portion of the distribution which comes from qualified exempt obligations. Although excluded from income, the tax-exempt portion is reported on Line 15b. The taxable portion of the distribution, if any, is reported as dividends on Line 16. By February 15, shareholders should be notified by the New Jersey qualified investment fund of the portion of their distribution that may be excluded from income. Contact your broker to determine whether your fund qualifies.

Do not report interest earned on your IRA(s) on Line 15b, Tax-Exempt Interest Income. If you made a withdrawal from your IRA during the year, see the instructions for Line 19a and Line 19b.

When you total your interest income on Lines 15a and 15b, the amount should match the total of the taxable and tax-exempt interest you reported on your Federal income tax return (if you filed a Federal 1040). Enclose a statement with your NJ-1040 explaining the difference if the amounts do not match. For more information on tax-exempt interest income, see Tax Topic Bulletin GIT-5, *Exempt Obligations*.

Line 16 - Dividends

Enter on Line 16 the amount of dividends received during the year from investments (e.g., from stocks, mutual funds) or other income-producing activities which do not constitute a trade or business. The total amount of taxable dividends received, **regardless of where earned**, must be reported.

Dividends received by your sole proprietorship are reportable as net profits from business on Line 17. Your portion of dividends earned and received by a partnership, an estate or trust or, in general, an S corporation is reportable as distributive share of partnership income on Line 20, net income from estates or trusts on Line 25, or net pro rata share of S corporation income on Line 21. For detailed information regarding the reporting of partnership income or S corporation income and distributions, see Tax Topic Bulletins GIT-9P, *Income From Partnerships*, or GIT-9S, *Income From S Corporations*. For information regarding grantor trusts, see the reporting instructions for Line 25 on page 24.

Capital Gains Distributions. Capital gains distributions you receive from mutual funds or other regulated investment companies are reported on Line 2, Schedule B and are not to be included on Line 16 as dividends.

Tax-Free Distributions. A distribution which is a return of your investment or capital and does not come from earnings or profits is a nontaxable capital or tax-free distribution. These distributions reduce the basis of the stock or investment and are not taxable until your investment is fully recovered.

Insurance Premiums. Dividends received from insurance companies are not taxable unless the dividends received exceed the premiums paid. Any interest from accumulated insurance dividends is taxable and must be reported on Line 15a.

Line 17 - Net Profits From Business


Complete Part I of New Jersey Schedule NJ-BUS-1, Business Income Summary Schedule, and enter on Line 17 the amount of net profits from business from Line 4 of Part I. **If the amount on Line 4 is a loss, make no entry on Line 17.** Enclose Schedule NJ-BUS-1 and a copy of the Federal Schedule C (or C-EZ or F) for each business with your return (see page 46).

Line 18 - Net Gains or Income From Disposition of Property

Enter on Line 18 the amount of net gains from New Jersey Schedule B, Line 4. **If the amount on Line 4 is zero, make no entry on Line 18.** Enclose Schedule B with your return (see page 45).

Line 19a - Pensions, Annuities, and IRA Withdrawals

Pensions, annuities, and certain IRA withdrawals are taxable on the New Jersey return and must be reported on Line 19a, although the taxable amount may differ from the Federal amount. See page 22 for information on Roth IRAs.

TAX TIP  If you (and/or your spouse/civil union partner if filing jointly) were 62 or older or disabled and met the other requirements, you may be able to use the pension and other retirement income exclusions to reduce your income. (See the instructions for Line 27a and Line 27b on pages 25 and 26.)

All state and local government, teachers', and Federal pensions, and Keogh Plans are treated in the same manner as pensions from the private sector. Amounts received as “early retirement benefits” and amounts reported as pension on Schedule NJK-1, Partnership Return Form NJ-1065 are also taxable. Social Security and Railroad Retirement benefits are exempt from New Jersey income tax and should not be reported as pension income on Form NJ-1040. Pension payments received by reason of total and

permanent disability are also exempt. However, if you retired before age 65 on a total and permanent disability pension and continue to receive pension payments after age 65, your disability pension is then treated as an ordinary pension. (See definition of “disabled” on page 15.)

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 regardless of your age or disability status. Do not include such payments on Form NJ-1040.

Military pensions are those resulting from service in the Army, Navy, Air Force, Marine Corps, or Coast Guard. This exemption does not apply to civil service pensions or annuities, even if the pension or annuity is based on credit for military service. Most military pensions and survivor’s benefit payments are received from the U.S. Defense Finance and Accounting Service, while a civil service annuity is received through the U.S. Office of Personnel Management.

Retirement plans (pensions, annuities, IRAs) are either noncontributory or contributory. A noncontributory plan is one to which you have not made contributions. A contributory plan is one to which **you have made contributions**, usually through payroll deductions. The amount you report on Line 19a will depend on whether or not you made contributions to the plan.

Noncontributory Plans. Amounts you receive from noncontributory plans are fully taxable. Enter on Line 19a the total amount of the pension or annuity from your 1099-R.

Contributory Plans (Other Than IRAs). The total value of your pension or annuity consists of your contributions, your employer’s contributions (if any), and earnings. In general, your contributions to a pension or annuity were taxed when they were made and are not taxed by New Jersey when withdrawn (except for 401(k) Plans). Therefore, you must determine the taxable part of any distribution you receive. Use Worksheet A above to

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. _____
2. Your contributions to the plan	2. _____
3. Subtract line 2 from line 1	3. _____
(a) If line 3 is “0” or more, <i>and</i> 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)	

determine whether you should use the Three-Year Rule Method or the General Rule Method for your pension or annuity.

NOTE:

- ♦ If you received a distribution from a 401(k) Plan, see the section on 401(k) Plans on page 22 before continuing.
- ♦ The taxable amount of an IRA withdrawal must be determined by completing Worksheet C, IRA Withdrawals, on page 23. **Do not use Worksheet A or B for an IRA withdrawal.**

Three-Year Rule Method. If you will recover your contributions within three years from the date you receive the first payment from the plan, and both you **and** your employer contributed to the plan, you may use the Three-Year Rule Method to determine your New Jersey taxable pension income. The Three-Year Rule allows you to exclude your pension and annuity payments from income until the payments you receive equal your contributions to the plan. Until that time, the amounts you receive, because they are considered your contributions, should not be reported as taxable income on Line 19a. However, these amounts must be included on Line 19b (see page 23). Once you have received (recovered) an amount equal to the amount you contributed, the payments you receive are fully taxable. Since the Three-Year Rule has been repealed for Federal income tax purposes, if you retired after July 1, 1986, the taxable amount of pension or annuity that you report on your New Jersey return when using this method will differ from the amount you report on your Federal return.

General Rule Method. If you will not recover your contributions within three years from the date you receive the first payment from the plan, or your employer did not contribute to the plan, you must use the General Rule Method to determine your New Jersey taxable pension income. From the first year you receive your pension and every year thereafter, part of your pension will be excludable (the amount that represents your contributions) and part will be taxable. Use Worksheet B on page 22 to determine the taxable amount as well as the amount to be excluded.

Complete Worksheet B the year in which you receive your first pension payment. Once calculated, use the percentage on line 3 to determine the taxable and excludable amounts year after year. You must recalculate the percentage only if your annual pension payments decrease.

Contributions to Plans Prior to Residence. Any contributions you made to a pension, annuity, or IRA prior to moving to New Jersey are treated in the same way as the contributions would have been treated had you resided in New Jersey at the time. Contributions to plans other than 401(k) Plans are considered to have been previously taxed. Use the appropriate method to determine the taxable and excludable amounts.

Lump-Sum Distributions and Rollovers. When a lump-sum distribution of the entire balance from a qualified employee pension, annuity, profit-sharing, or other plan is made, the amount received in excess of the contributions to the plan

that have already been taxed must be included in your income in the year received. New Jersey has no provisions for income averaging of lump-sum distributions. Report the taxable amount of a lump-sum distribution on Line 19a and the excludable amount on Line 19b.

A lump-sum distribution from an IRA or a qualified employee pension or annuity plan which you roll over into an IRA or other eligible plan should not be reported as income on Line 19a or 19b if the rollover qualifies for deferral for Federal income tax purposes. The amount rolled over (minus previously taxed contributions) is taxable later when it is withdrawn. As under Federal law, the rollover must be made within the 60-day period after distribution.

401(k) Plans. Beginning on January 1, 1984, New Jersey's treatment of 401(k) Plan contributions changed. After that date, employee contributions to 401(k) Plans were no longer included in taxable wages when earned. If you made contributions to your 401(k) Plan prior to January 1, 1984, your distribution will be treated differently than if you made all of your contributions after this date.

1. All contributions made on or after January 1, 1984. If all of your contributions to the 401(k) Plan were

made on or after January 1, 1984, then your distributions from the plan are fully taxable unless your contributions exceeded the Federal limit.

2. Contributions made before January 1, 1984. If you made contributions to the 401(k) Plan before January 1, 1984, or you made contributions beyond the Federal limit, calculate the taxable and excludable portions of your distributions from the plan using one of the methods described under contributory plans.

For more detailed information on reporting pension and annuity income on your New Jersey return, see Tax Topic Bulletin GIT-1, *Pensions and Annuities*.

IRAs. Your IRA consists of your contributions and earnings plus certain amounts, if any, rolled over from pension plans. In general, your contributions were taxed when they were made and are not taxed by New Jersey when withdrawn. If your contributions have been previously taxed, only the portion of your distribution that represents earnings is taxable.

Earnings credited to an IRA are not subject to tax until withdrawn. The interest, dividends and other earnings, as well as amounts which were tax-free rollovers, will become taxable when withdrawn. If the total amount in the IRA is withdrawn,

the entire amount of the interest or accumulated gains becomes taxable in the year the withdrawal is made.

If, however, the withdrawal from an IRA is made over a period of years, the portion of the annual distribution that represents interest income and accumulated gains in the IRA is subject to tax. A distribution from a rollover IRA which is fully taxable for Federal income tax purposes may be treated differently for New Jersey purposes if your contributions were subject to New Jersey income tax when the contributions were made.

Use Worksheet C on page 23 to determine the taxable and excludable portions of your IRA withdrawal. Report the taxable amount of an IRA withdrawal on Line 19a. For multiple IRAs, you may use a separate worksheet for each IRA, or you may combine all IRAs on one worksheet.

Roth IRAs. Contributions to a Roth IRA are subject to New Jersey tax in the year they are made. However, if the requirements are satisfied, "qualified distributions" from a Roth IRA are excludable and do not have to be included in New Jersey income in the year received.

A "qualified distribution" is one made after the five-taxable-year period beginning with the first taxable year in which a contribution was made to your IRA, and which is:

1. Made on or after the date on which an individual reaches age 59½; or
2. Made to a beneficiary (or the individual's estate) after the individual's death; or
3. Made because the individual becomes disabled; or
4. Made as a qualified first-time home buyer distribution as defined by the Internal Revenue Code.

A payment or distribution cannot be treated as a qualified distribution if it is made within the five-taxable-year period which begins with the year the first contribution was made. A payment or distribution of an allowable rollover contribution (or income earned on the amount rolled over) from an IRA other than a Roth

continued

**Worksheet B
General Rule Method**

- | | |
|--|-----------|
| 1. Your previously taxed contributions to the plan | 1. _____ |
| 2. Expected return on contract* | 2. _____ |
| 3. Percentage excludable (Divide line 1 by line 2) | 3. _____% |
| 4. Amount received this year | 4. _____ |
| 5. Amount excludable (Multiply line 4 by line 3)
Enter here and on Line 19b, Form NJ-1040 | 5. _____ |
| 6. Taxable amount (Subtract line 5 from line 4.
Enter here and on Line 19a, Form NJ-1040) | 6. _____ |

*The expected return on the contract is the amount receivable. If life expectancy is a factor under your plan, Federal actuarial tables must be used to compute the expected return. The Federal actuarial tables are contained in the Internal Revenue Service's Publication 939, *General Rule for Pensions and Annuities*. Contact the IRS for this publication. If life expectancy is not a factor under your plan, the expected return is found by totaling the amounts to be received.

(Keep for your records)

Worksheet C - IRA Withdrawals 2015

Part I

1. **Value of IRA** on 12/31/15.
Include contributions made for the tax year from 1/1/16–4/15/16 1. _____
 2. **Total distributions from IRA during the tax year.** Do not include tax-free rollovers..... 2. _____
 3. **Total value of IRA.**
Add lines 1 and 2 3. _____
- 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. _____
 - 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 12/31/15.** Subtract either line 4a or 4b from line 3 5. _____
 6. Divide line 5 by line 3 and enter the result as a decimal 6. _____
 7. **Taxable portion of this year's withdrawal.**
Multiply line 2 by decimal amount on line 6.
Enter here and on Line 19a, Form NJ-1040 7. _____
 8. **Excludable portion of this year's withdrawal.** Subtract line 7 from line 2.
Enter here and on Line 19b, Form NJ-1040 8. _____

Part II—Unrecovered Contributions

(For Second and Later Years)

- (a) **Last year's unrecovered contributions.**
From line 4 of last year's worksheet* (a) _____
- (b) **Amount withdrawn last year.**
From line 2 of last year's worksheet (b) _____
- (c) **Taxable portion of last year's withdrawal.** From line 7 of last year's worksheet (c) _____
- (d) **Contributions recovered last year.** Subtract line (c) from line (b) (d) _____
- (e) **This year's unrecovered contributions.**
Subtract line (d) from line (a) (e) _____
- (f) **Contributions to IRA during current tax year.** Do not include tax-free rollovers (f) _____
- (g) **Total unrecovered contributions.**
Line (e) plus line (f). Enter here and on Part I, line 4b (g) _____

*If you did not complete a worksheet in prior year(s), skip Part II and calculate the amount of unrecovered contributions as follows:

- A. Determine the total amount of **withdrawal(s)** made from the IRA in previous years.
- B. Total the portion(s) of these previous year withdrawal(s) already reported as income on prior New Jersey tax returns.
- C. Subtract the amount of previous year withdrawals reported (B) from the total amount of previous year withdrawals (A). This difference is the amount of contributions that have been *recovered* thus far.
- D. Subtract the amount of *recovered* contributions (C) from the *total* amount of contributions made to the IRA. This is the amount of **unrecovered** contributions to enter on **line 4b of Part I**.

(Keep for your records)

IRA, is not a qualified distribution if it is made within the five-taxable-year period which begins with the year in which the rollover contribution was made.

If you received a nonqualified distribution from a Roth IRA, you must report the earnings as income on Line 19a, and report the excludable portion on Line 19b.

If you converted an existing IRA to a rollover Roth IRA during tax year 2015, any amount from the existing IRA that would be taxable if withdrawn must be included in your income on Line 19a.

For more detailed information on IRA withdrawals, see Tax Topic Bulletin GIT-2, *IRA Withdrawals*, or Technical Bulletin TB-44.

Line 19b - Excludable Pensions, Annuities, and IRA Withdrawals



TAX TIP Enter on Line 19b the excludable portion of any distribution you received from a contributory pension, annuity, or IRA. This is the amount that represents your

previously taxed contributions to the plan, calculated as described below.

Three-Year Rule Method. If you use this method for your pension or annuity, include the full amount received until you have recovered all of your contributions (see page 21).

General Rule Method. If you use this method for your pension or annuity, enter the amount from Worksheet B, line 5 (see page 22).

IRA Withdrawals. Enter the amount from Worksheet C, line 8. If you converted an existing IRA to a rollover Roth IRA, report the excludable portion on Line 19b.

Lump-Sum Distribution. If you received a lump-sum distribution from a pension, annuity, or IRA, report the excludable portion on Line 19b.

For more detailed information, see Tax Topic Bulletins GIT-1, *Pensions and Annuities*, and GIT-2, *IRA Withdrawals*.

Line 20 - Distributive Share of Partnership Income

Complete Part II of New Jersey Schedule NJ-BUS-1, Business Income Summary Schedule, and enter on Line 20 the distributive share of partnership income from Line 4 of Part II. **If the amount on Line 4 is a loss, make no entry on Line 20.** Enclose Schedule NJ-BUS-1 and a copy of Schedule NJK-1, Form NJ-1065, for each partnership with your return. If you did not receive a Schedule NJK-1, you must enclose a copy of the Federal Schedule K-1 (see page 47).

Line 21 - Net Pro Rata Share of S Corporation Income

Complete Part III of New Jersey Schedule NJ-BUS-1, Business Income Summary Schedule, and enter on Line 21 the net pro rata share of S corporation income from Line 4 of Part III. **If the amount on Line 4 is a loss, make no entry on Line 21.** Enclose Schedule NJ-BUS-1 and a copy of Schedule NJ-K-1, Form CBT-100S, for each S corporation with your return. If you did not receive a Schedule NJ-K-1, you must enclose a copy of the Federal Schedule K-1 (see page 47).

Line 22 - Net Gains or Income From Rents, Royalties, Patents, and Copyrights

Complete Part IV of New Jersey Schedule NJ-BUS-1, Business Income Summary Schedule, and enter on Line 22 the amount of net income from Line 4

of Part IV. **If the amount on Line 4 is a loss, make no entry on Line 22.** Enclose Schedule NJ-BUS-1 with your return (see page 47).

Line 23 - Net Gambling Winnings

New Jersey Lottery winnings from prize amounts exceeding \$10,000 are taxable for New Jersey income tax purposes. The individual prize amount, not the total amount of New Jersey Lottery winnings over the year, determines taxability.

Enter on Line 23 the amount of your net gambling winnings. You may deduct your gambling losses from your winnings that occurred during the same year. **You may use New Jersey Lottery losses to offset other gambling winnings.** If your net gambling winnings are less than zero, make no entry.

You must be able to substantiate gambling losses used to offset winnings reported on your New Jersey income tax return. Evidence of losses may take several forms, including a daily log or journal of wins and losses, canceled checks, losing race track pari-mutuel tickets, losing lottery tickets, etc. With respect to winnings or losses resulting from casino gambling, letters from casinos which purport to "rate" the gambling activity of an individual or "estimate" losses are acceptable as **part** of the evidential material required to prove losses.

Remember, do not include any winnings from prizes in the amount of \$10,000 or less from the New Jersey State Lottery.

Although no specific rider to the New Jersey income tax return is required to substantiate gambling losses, it is suggested that if you enter gambling winnings net of losses on Line 23 of the return, you should note the total winnings and total losses on a supporting schedule. This procedure may eliminate certain questions in the event the return is selected for audit.

Line 24 - Alimony and Separate Maintenance Payments Received

Enter on Line 24 the total amount of alimony and separate maintenance payments you received which were required under a decree of divorce/dissolution or separate maintenance. Do not include payments received for child support.

Line 25 - Other

Enter on Line 25:

Amounts Received as Prizes and Awards. A prize won in a raffle, drawing, television or radio quiz show, contest, or any other event is taxable and must be included on Line 25. Any prizes or awards received in goods or services must be included as income at fair market value.

Income in Respect of a Decedent. If you had the right to receive income that the deceased person would have received had he or she lived, and the income was not included on the decedent's final return, you must report the income on your own return when you receive it. The income is reported on Line 25, "Other" income. Enclose a schedule of the items of income reported together and included on Line 25.

Income From Estates and Trusts. Beneficiaries receiving income from an estate or trust must include on Line 25 the Total Distribution reported on Schedule NJK-1, Form NJ-1041. If a Schedule NJK-1 was not received, include on Line 25 the net of the items listed on the Federal K-1 received. Interest, dividends, capital gains, business or partnership income, etc. as listed on the Federal K-1(s) must be adjusted to reflect New Jersey tax law and then netted together before inclusion on Line 25, "Other" income. Be sure to include income which is not subject to Federal income tax but is subject to New Jersey income tax, such as interest from and losses on the disposition of obligations of states and their political subdivisions, other than New Jersey and its political subdivisions, and exclude income and losses not subject to New Jersey tax, such as gains on New Jersey tax-exempt securities.

Line 25 - Other - continued

For tax years beginning on or after January 1, 2004, New Jersey income tax law has uncoupled from certain changes in Federal depreciation and expense deduction limits. The Gross Income Tax Depreciation Adjustment Worksheet GIT-DEP instructions explain the New Jersey adjustments required to determine income reportable in the various net income categories.

For taxable years beginning after December 31, 2004, New Jersey income tax law has uncoupled from some provisions of the IRC Section 199 deduction. The New Jersey allowable IRC section 199 deduction must be calculated on Form 501-GIT, Domestic Production Activities Deduction.

Enclose a copy of the NJK-1(s) or Federal K-1(s).

If the income from a grantor trust is reportable by or taxable to the grantor for Federal income tax purposes, it is also taxable to the grantor for New Jersey income tax purposes. The grantor must report the interest, dividends, capital gains, business income, partnership income, net pro rata share of S corporation income, etc. in the categories of income as required for New Jersey purposes and not as income from Estates and Trusts. Enclose a copy of the New Jersey or Federal Grantor Trust Attachment.

For more information see Tax Topic Bulletin GIT-12, *Estates and Trusts*.

Scholarships and Fellowships. Scholarships and fellowship grants are taxable and must be included on Line 25 unless they satisfy **all** of the following conditions:

1. The primary purpose of the grant is to further the recipient's education or training; and
2. The grant neither represents payments for past, present, or future services nor payments for services which are subject to the direction or supervision of the grantor (e.g., a fellowship given in exchange for teaching); and
3. The grant is not for the benefit of the grantor.

Maximum Pension Exclusion	
Amount:	For Filing Status:
\$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

Residential Rental Value or Allowance Paid by Employer. Enter on Line 25

either the rental value of a residence furnished by an employer or the rental allowance paid by an employer to provide a home. The rental value of the residence furnished is excludable and should not be reported provided that:

1. The lodging is provided on the business premises of the employer; and
2. The lodging is furnished for the convenience of the employer; and
3. The employee is required to accept such lodging as a condition of employment.

Other. Enter on Line 25 the amount of any taxable income for which a place has not been provided elsewhere on the return. Income from sources both legal and illegal is subject to tax.

NOTE: If the amount on Line 26 is more than \$100,000, you are not eligible for the pension exclusion. You may still be eligible for a special exclusion of up to \$6,000. See the instructions for Line 27b on page 26 to determine if you qualify for this special exclusion.

If you qualify for the pension exclusion, you may exclude all or a part of the income you received during the year from taxable pensions, annuities, and IRA withdrawals. You may exclude up to the maximum amount for your filing status. (See Maximum Pension Exclusion chart above.)

Enter on Line 27a the lesser of the amount reported on Line 19a or the amount next to your filing status from the chart. The amount on Line 27a should never be more than the amount on Line 19a. (Part-year residents, see page 6.)

Line 26 - Total Income

Enter on Line 26 the total of Lines 14, 15a, 16, 17, 18, 19a, 20, 21, 22, 23, 24, and 25.

Line 27a - Pension Exclusion

You qualify for the New Jersey 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 the last day of the tax year; **and**
- ♦ Total income from Line 26 for the entire year was \$100,000 or less.

When you and your spouse/civil union partner file a joint return and only one of you is disabled or 62 or older, you may still claim the maximum pension exclusion. However, only the pension, annuity, or IRA withdrawal of the spouse/civil union partner who is 62 or older or disabled may be excluded.

TAX TIP If you and/or your spouse/civil union partner were 62 or older on the last day of the tax year and did not use the maximum pension exclusion amount for your filing status, or you did not use the pension exclusion because you did not report any income on Line 19a, you may still qualify for other income exclusions. (See the instructions for Line 27b, "Other Retirement Income Exclusion.")



Line 27b - Other Retirement Income Exclusion

If you (and/or your spouse/civil union partner if filing jointly) were 62 or older on the last day of the tax year, you may qualify to exclude other income on Line 27b. There are two parts to the total exclusion: Part I, the unclaimed portion of your pension exclusion, and Part II, a special exclusion for taxpayers who are unable to receive Social Security or Railroad Retirement benefits. Each part has different eligibility requirements. Use Worksheet D to calculate the total exclusion amount you are eligible to claim. If you were a part-year resident, do not complete the worksheet (see page 6).

I. Unclaimed Pension Exclusion. You are eligible to use the unclaimed portion of your pension exclusion on Line 27b if:

- ♦ You (and/or your spouse/civil union partner if filing jointly) were 62 or older on the last day of the tax year; **and**
- ♦ Total income from Line 26 for the entire year was \$100,000 or less; **and**
- ♦ Income from wages, net profits from business, distributive share of partnership income, and net pro rata share of S corporation income totaled \$3,000 or less; **and**
- ♦ You did not use the maximum pension exclusion on Line 27a (your taxable pension, annuity, or IRA withdrawal was less than the exclusion amount for your filing status or you did not receive pension, annuity, or IRA withdrawal income).

II. Special Exclusion for Taxpayers Unable to Receive Social Security or Railroad Retirement Benefits. This benefit is not related to the pension exclusion and, if you qualify, you may claim it whether or not you use the maximum pension exclusion. You qualify for this additional exclusion on Line 27b if:

- ♦ You (and/or your spouse/civil union partner if filing jointly) were 62 or older on the last day of the tax year; **and**

Worksheet D Other Retirement Income Exclusion Age Requirement: 62 or older Part-year residents, do not complete this worksheet. (See instructions on page 6.)	
Part I – Unclaimed Pension Exclusion Is total income from Line 26, NJ-1040 for the entire year MORE than \$100,000? <input type="radio"/> Yes. Do not complete Part I. Enter “0” on line 8 and continue with Part II. <input type="radio"/> No. Continue with line 1.	
1. Enter the amount from Line 14, NJ-1040	1. _____
2. Enter the amount from Line 17, NJ-1040	2. _____
3. Enter the amount from Line 20, NJ-1040	3. _____
4. Enter the amount from Line 21, NJ-1040	4. _____
5. Add lines 1, 2, 3, and 4	5. _____
Is the amount on line 5 MORE than \$3,000? <input type="radio"/> Yes. Enter “0” on line 8 and continue with Part II. <input type="radio"/> 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	
7. Enter the amount from Line 27a, NJ-1040	7. _____
8. Unclaimed Pension Exclusion. Subtract line 7 from line 6. If zero, enter “0.” Continue with Part II	
8. _____	8. _____
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? <input type="radio"/> No — Continue with item 9b <input type="radio"/> 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? <input type="radio"/> No — Enter “0” on line 9 and continue with line 10 <input type="radio"/> 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. _____	
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. _____	
(Keep for your records)	

Line 27b - Other Retirement Income Exclusion - continued

- ♦ You (and your spouse/civil union partner if filing jointly) are unable to receive Social Security or Railroad Retirement benefits, but would have been eligible for benefits had you fully participated in either program.

NOTE: When you and your spouse/civil union partner file a joint return and only one of you is 62 or older, you may claim the full exclusion. However, only the income of the spouse/civil union partner who is 62 or older may be excluded.


For more detailed information on using the income exclusions on Line 27b, see Tax Topic Bulletin GIT-1, *Pensions and Annuities*.

Line 27c - Total Exclusion Amount

Add Line 27a and Line 27b and enter the total on Line 27c.

Line 28 - New Jersey Gross Income

Subtract Line 27c from Line 26 and enter the result on Line 28. If less than zero, make no entry.

TAX TIP  If you were a New Jersey resident for the entire year and your Gross Income on Line 28 is \$20,000 or less (\$10,000 if filing status is single or married/CU partner, filing separate return), you have no tax liability to New Jersey and no return must be filed. If you are filing a return only to obtain a refund of taxes withheld or estimated payments made, do not complete Lines 29 through 44. Continue completing the return with Line 45. (See instructions on page 36.)

NOTE: If you qualify, you may receive a New Jersey earned income tax credit even if you have no tax liability to New Jersey and are not required to file a return. (See the instructions for Line 51.)

Homeowners and tenants age 65 or older or disabled who are not required

to file a New Jersey income tax return (because of income equal to or less than the filing threshold amount) and who meet the qualifications for a property tax credit may file only Form NJ-1040-H to claim the credit. (See the instructions on page 49.)

You may claim an exemption from withholding if you expect to have no New Jersey income tax liability for the taxable year because your gross income will be equal to or less than the filing threshold amount. Complete Form NJ-W4 and submit it to your employer to claim the exemption.

If you were a New Jersey resident for only part of the year, see “Part-Year Residents” on page 6.

Exemptions and Deductions (Lines 29–35)

New Jersey allows deductions only for:

- ♦ Exemptions
- ♦ Certain medical expenses
- ♦ Qualified Archer medical savings account (MSA) contributions
- ♦ Health insurance costs of the self-employed
- ♦ Alimony and separate maintenance payments
- ♦ Qualified conservation contributions,
- ♦ A health enterprise zone deduction for qualified taxpayers
- ♦ An alternative business calculation adjustment for taxpayers with business losses

No deduction is allowed for adjustments taken on the Federal return such as employee business expenses, IRA contributions, and Keogh Plan contributions. However, be sure to keep records of all contributions to IRAs and Keogh Plans. You will need this information when you make withdrawals in future years. Part-year residents must follow the guidelines on page 6.

Line 29 - Total Exemption Amount

Calculate your total exemption amount as follows:

From Line 12a _____ × \$1,000 = _____

From Line 12b _____ × \$1,500 = _____

Total Exemption Amount _____

Enter the number of exemptions from Line 12a, Form NJ-1040. Multiply the number by \$1,000 and enter the result.

Enter the number of exemptions from Line 12b, Form NJ-1040. Multiply the number by \$1,500 and enter the result.

Add together the exemption amounts calculated above and enter the total on Line 29, Form NJ-1040.

Line 30 - Medical Expenses

You may deduct certain medical expenses that you paid during the year for yourself, your spouse/civil union partner or domestic partner, and your dependents. However, you cannot deduct expenses for which you were reimbursed. Only expenses in excess of 2% of your income may be deducted. You may also deduct qualified Archer MSA contributions and certain health insurance costs if you are self-employed. Use Worksheet E on page 28 to calculate your deduction.

Allowable Medical Expenses. *Medical expenses* means nonreimbursed payments for costs such as:

- ♦ Physicians, dental, and other medical fees
- ♦ Prescription eyeglasses and contact lenses
- ♦ Hospital care
- ♦ Nursing care
- ♦ Medicines and drugs
- ♦ Prosthetic devices
- ♦ X-rays and other diagnostic services conducted by or directed by a physician or dentist
- ♦ Amounts paid for transportation primarily for and essential to medical care

Line 30 - Medical Expenses - continued

- ♦ Insurance (including amounts paid as premiums under Part B of Title XVIII of the Social Security Act, relating to supplementary medical insurance for the aged) covering medical care

As a general rule, medical expenses allowed for Federal income tax purposes will be allowed for New Jersey income tax purposes.

NOTE: Do not include on line 1, Worksheet E

- ♦ Contributions you made to an Archer MSA or any amounts paid or disbursed from an Archer MSA that have been excluded from income; or
- ♦ Any amounts taken as a deduction on line 5, Worksheet E, for the health insurance costs of the self-employed.

Archer MSA Contributions. Enter on line 4, Worksheet E the amount of your qualified Archer MSA contributions from Federal Form 8853. New Jersey follows the Federal rules for this deduction. Your contribution may not exceed 75% of the amount of your annual health plan deductible (65% if you have a self-only plan). Enclose Federal Form 8853 with your return. Excess contributions that you withdraw before the due date of your tax return are not taxable. However, you must report the earnings associated with

the excess contributions you withdraw as wages on Line 14.

Self-Employed Health Insurance Deduction. If you are considered a self-employed individual for Federal income tax purposes, or you received wages in 2015 from an S corporation in which you were a more-than-2% shareholder, you may deduct the amount you paid during the year for health insurance for yourself, your spouse/civil union partner or domestic partner, and your dependents. The amount of the deduction may not exceed the amount of your earned income, as defined for Federal income tax purposes, derived from the business under which the insurance plan is established. You may not deduct any amounts paid for health insurance coverage for any month during the year in which you were eligible to participate in any subsidized health plan maintained by your (or your spouse's/civil union partner's or domestic partner's) employer.

NOTE: For Federal purposes you may be able to deduct amounts paid for health insurance for any child of yours who was under age 27 at the end of 2015. However, for New Jersey purposes you may deduct such amounts only if the child was your dependent. For more information, see Technical Advisory Memorandum TAM 2011-14.

Line 31 - Alimony and Separate Maintenance Payments

Enter on Line 31 the amount of alimony and separate maintenance paid which was required under a decree of divorce/dissolution or separate maintenance. Do not include payments for child support.

Line 32 - Qualified Conservation Contributions

Enter on Line 32 the amount of any contribution you made for conservation purposes of a qualified real property interest in property located in New Jersey. The amount of the deduction is the amount of the contribution allowed as a deduction in computing your taxable income for Federal income tax purposes. If you are required to file Federal Form 8283 with your Federal Form 1040, enclose a copy.

Line 33 - Health Enterprise Zone Deduction

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) enter the amount of their HEZ deduction on Line 33. Partners and S corporation shareholders of a qualified practice enter the HEZ deduction amount listed on Schedule NJK-1, Form NJ-1065, or Schedule NJ-K-1, Form CBT-100S. Sole proprietors must calculate the amount of their HEZ deduction for Line 33. For information on eligibility requirements and how to calculate the HEZ deduction, see Technical Bulletin TB-56.

Line 34 - Alternative Business Calculation Adjustment

If you completed Schedule NJ-BUS-1 and had a loss on Line 4 of either Part I, II, III, or IV, you may be eligible for an income adjustment. You may also be eligible if you had a loss carryforward on Schedule NJ-BUS-2 from a prior year. Complete Schedule NJ-BUS-2, Alternative Business Calculation Adjustment. Enter on Line 34 the amount from

**Worksheet E
Deduction for Medical Expenses**

1. Total nonreimbursed medical expenses 1. _____
2. Enter Line 28, Form NJ-1040 _____ × .02 = 2. _____
3. Medical Expenses Deduction. Subtract line 2 from line 1 and enter result here. If zero or less, enter zero 3. _____
4. Enter the amount of your qualified Archer MSA contributions from Federal Form 8853 4. _____
5. Enter the amount of your self-employed health insurance deduction 5. _____
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. _____

(Keep for your records)

Line 34 - Alternative Business Calculation Adjustment - continued

Schedule NJ-BUS-2, Line 11. If zero, make no entry.

Enclose a copy of Schedule NJ-BUS-2 with your return and retain a completed copy for your records. **You may need the information from this schedule to complete your return in future years.**

Line 35 - Total Exemptions and Deductions

Enter on Line 35 the total of Lines 29, 30, 31, 32, 33, and 34.

Line 36 - Taxable Income

Subtract Line 35 from Line 28 and enter the result on Line 36. If Line 36 is zero or less, make no entry.

Line 37a - Total Property Taxes (18% of Rent) Paid

Enter on Line 37a the property taxes due and paid (either directly or through rent) during 2015 on your qualified principal residence in New Jersey. **Read all the instructions below to make sure you enter the correct amount based on your circumstances.**

Complete Worksheet F-1 before entering an amount on Line 37a if:

- You had more than one New Jersey residence during 2015, or
- Your principal residence had multiple owners (or multiple tenants), or
- Your principal residence was a unit in a multiunit property you owned.

Property Taxes Paid Means...

For Tenants: 18% of the rent paid during the year is considered property taxes paid.

For Homeowners: In order to calculate the correct amount of property taxes paid you must know whether you received a homestead benefit during 2015, the amount of the benefit, and whether the benefit was paid as a credit on your 2015 property tax bill or in the form of a check.

- **If you did not receive a homestead benefit** during 2015, use the amount of property taxes paid to your

municipality on your principal residence for 2015.

- **If you received a homestead benefit as a credit** on your property tax bill during 2015, use the amount of property taxes paid to your municipality on your principal residence for 2015 plus the amount of the adjustment you received on your property tax bill for May 2015 for the homestead benefit.
- **If you received a homestead benefit in the form of a check** during 2015, use the amount of property taxes paid to your municipality on your principal residence for 2015.
- **If you do not know whether you received a homestead benefit** during 2015, the amount of the benefit, or whether the benefit was paid as a credit or in the form of a check, visit the Division's website or call the Customer Service Center to obtain this information (see page 63).

Claiming the 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 or a refundable credit. Most taxpayers will use the amount from Line 37a to determine whether they will receive a greater tax benefit by claiming a property tax deduction on Line 38 or a property tax credit on Line 49. (See the instructions for determining the amount of your property tax deduction/credit on page 33.) **You must complete Line 38 or Line 49 to receive a deduction or credit.**

Principal Residence

A principal residence means a homestead, either owned or rented, actually and continually occupied as your permanent residence. Do not include property taxes paid for a vacation home, a "second home," or property which the owner rents to someone else.

Homeowners

Enter on Line 37a the property taxes paid for the home in New Jersey that you owned and lived in as your principal residence. Both single-family homes and

certain multiunit properties may qualify (see below).

Multiple Owners. If you own your principal residence with someone else (other than your spouse/civil union partner), *enter the amount of property taxes paid that reflects your percentage of ownership in the property.* The taxes must be apportioned even if only one of the owners occupies the property and pays all of the taxes. Complete Worksheet F-1 to calculate the amount.

Multiunit Properties. If you own a multiunit property and occupy a portion of the property as your principal residence, *enter the property taxes paid for the percentage of the property you occupy.* The taxes must be apportioned equally among the number of units, unless the local tax assessor has determined that the units are not equal in size. Complete Worksheet F-1 to calculate the amount. Enter an amount on Line 37a only if the property contains four units or less, and of these four units, only one may be used for commercial purposes.

Condominiums and Co-ops. A condominium unit or a unit in a cooperative housing complex or mutual housing corporation is considered a single-family dwelling.

Continuing Care Communities. As a resident in a continuing care retirement community, you are considered a homeowner if the continuing care contract requires you to pay the proportionate share of property taxes attributable to your unit.

Disabled Veterans. Totally and permanently disabled veterans who have a 100% exemption from local property taxes do **not** enter an amount on Line 37a. If any portion of the dwelling is rented to a tenant and property taxes are paid by the disabled veteran owner on the rented portion, such taxes may not be entered on Line 37a of the property owner's return. However, eligible tenants may enter 18%

Line 37a - Total Property Taxes (18% of Rent) Paid - continued

of the rent paid on their own income tax returns.

P.I.L.O.T. Payments. Do not enter on Line 37a P.I.L.O.T. (Payments-in-Lieu-of-Tax) payments you made to your municipality as a homeowner. These payments are not property taxes.

Life Tenancy. You are considered to be a homeowner if you have life tenancy rights or hold a lease for 99 years or more.

Tenants

Enter on Line 37a the amount of property taxes paid for a home or apartment you rented in New Jersey and lived in as your principal residence, provided that the building is subject to local property taxes, and your dwelling unit contains its own separate kitchen and bathroom that you did not share with occupants of other units in the building. *For tenants, 18% of the rent paid during the year is considered property taxes paid.*

Mobile Homes. If you own a mobile home that is located in a mobile home park, you are considered a tenant. For more information on mobile homes, contact the Division's Customer Service Center (see page 63).

Tax-Exempt, Subsidized, and Campus Housing. Certain properties are not subject to local property taxes. Tenants living in such dwellings do not enter 18% of the rent paid on Line 37a. This includes: tenants living in tax-exempt housing or other dwellings owned by the State, County, Municipal, or Federal government; students living in on-campus apartments at State colleges and universities; tenants living in dwellings owned by religious, charitable, or other nonprofit organizations (including on-campus apartments at private nonprofit colleges and universities) if the property is exempt from local property taxes; and tenants who lived in a dwelling on which P.I.L.O.T. (Payments-in-Lieu-of-Tax) payments were made to the municipality.

Enter a figure on Lines 37a - 37c, Line 38, or Line 49 of the tax return only if the dwelling you rent is subject to local property taxes. If you are not sure whether the dwelling you rent is subject to local property taxes, contact your building manager or the municipal tax assessor for information. The Division of Taxation audits returns to ensure compliance with these requirements.

Calculating the Amount to Enter on Line 37a

Review the information below for determining the amount of property taxes to enter on Line 37a if:

- ♦ You had more than one New Jersey residence during 2015; **or**
- ♦ Your principal residence had multiple owners or multiple tenants; **or**
- ♦ Your principal residence was a unit in a multiunit property you owned; **or**
- ♦ You and your spouse/civil union partner file separate returns but maintain the same principal residence; **or**
- ♦ You were a part-year resident.

Multiple Residences, Owners, Units, or Tenants. Complete Worksheet F-1 on page 31 before completing Line 37a if:

- ♦ You lived in more than one New Jersey residence during 2015; **or**
- ♦ You shared ownership of a principal residence during the year with anyone other than your spouse/civil union partner; **or**
- ♦ Your principal residence was a unit in a multiunit property you owned; **or**
- ♦ Anyone other than your spouse/civil union partner occupied and shared rent with you for an apartment or other rental dwelling unit; **or**
- ♦ You were both a homeowner and a tenant during the year.

Enter the information from Worksheet F-1 on Line 37a as follows:

- ♦ **Homeowner Only:** Enter the amount from line 4.
- ♦ **Tenant Only:** Enter the amount from line 9.
- ♦ **Both Homeowner and Tenant:** Add the amounts from line 4 and line 9, and enter the total.

If you lived for part of the year in a residence that did not meet the requirements on page 29 (e.g., tax-exempt housing), do not enter on Line 37a any property taxes paid for the period of time you lived in that residence. However, if you moved during the year and lived for part of the year in a residence that qualifies, complete Worksheet F-1 for the qualified residence only. Do not list any information pertaining to the nonqualified residence.

Spouses/Civil Union Partners Filing Separate Returns, but Maintaining Same Principal Residence. If you and your spouse/civil union partner file separate returns but maintain the same principal residence, enter on Line 37a one-half of the property taxes (or one-half of 18% of rent) due and paid.

Part-year residents. If you were a part-year New Jersey resident, and you were either a qualified homeowner or tenant, or both a homeowner and a tenant during the part of the year you lived in this State, enter on Line 37a the total amount of property taxes (or 18% of rent) due and paid during your period of residence (see page 6).

NOTE: Part-year residents must complete Worksheet F-1 **only** if one or more of the conditions listed under "Multiple Residences, Owners, Units, or Tenants" above apply.

Worksheet F-1

PART I: HOMEOWNERS

Principal residences you owned in New Jersey during 2015

Address	(1) Number of days in 2015 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.					
2.					
3.					
4. Your share of total property taxes paid in 2015 for your principal residences (total of column 5) Use this amount to complete Line 37a*, and fill in the oval at Line 37c.					

PART II: TENANTS

Principal residences you rented in New Jersey during 2015

Address	(1) Number of days in 2015 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.				
6.				
7.				
8. Your share of total rent paid in 2015 for your principal residences (total of column 4).....				
9. Rent constituting property taxes (line 8 × 0.18) Use this amount to complete Line 37a*, and fill in the oval at Line 37c.				

* 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 37a.

(Keep for your records)

Part I - Homeowners

Principal Residences Owned in New Jersey (Lines 1–3)

List the address of each qualified New Jersey residence you owned and occupied as your principal residence during 2015. Complete column 1 through column 5 for each address.

If you were **both** an owner and a tenant at the same address, enter the required information in **both** Part I and Part II.

Column 1

Enter the number of days you owned and occupied this home as your principal residence in 2015. If this was your residence for all of 2015, enter 365. The total number of days in Part I and Part II may not exceed 365.

Column 2

Enter the share (percentage) of this residence you (and your spouse/civil union partner) owned. Enter this figure as a decimal (e.g., if the share is 50%, enter 0.50). If you (and your spouse/civil union partner) were the sole owner(s), enter 1.00.

Example: You and your wife owned a single-family home with your sister. You lived in the home with your wife. Your sister did not live with you, and you and your wife paid all the property taxes. You must enter 0.50 because you and your wife owned only one-half (50%) of the property.

Column 3

If this property consists of more than one unit, indicate the share (percentage) of the property used as your principal residence.

Enter this figure as a decimal (e.g., enter 25% as 0.25).

Example: You owned a four-unit property. The units were equal in size, and one of the units was your principal residence. You must enter 0.25 because you occupied one-fourth (25%) of the property as your principal residence.

Column 4

Enter the total property taxes paid on this property during 2015 for the period indicated in column 1. Be sure to review the instructions for Line 37a on page 29 before entering an amount here.

Column 5

Multiply the decimal in column 3 by the property tax amount in column 4. If there

Worksheet F-1 - continued

is no figure in column 3, use the decimal in column 2. Enter the result in column 5.

Example: Total property taxes paid were \$2,000, column 2 is 1.00, and column 3 is 0.50. The calculation for column 5 is $0.50 \times \$2,000 = \$1,000$.

Line 4 - Property Taxes

Add your share of property taxes paid in column 5, lines 1 through 3, and enter the total on line 4.

Part II - Tenants

Principal Residences Rented in New Jersey (Lines 5–7)

List the address of each qualified New Jersey residence you rented and occupied as your principal residence during 2015. Complete column 1 through column 4 for each address.

If you were **both** an owner and a tenant at the same address, enter the required information in **both** Part I and Part II.

Column 1

Enter the number of days you rented and occupied this home as your principal residence in 2015. If this was your residence for all of 2015, enter 365. The total number of days in Part I and Part II may not exceed 365.

Column 2

If you lived with someone (other than your spouse/civil union partner) and shared the rent with them, enter the total number of tenants who shared the rent, including yourself. For this purpose you and your spouse/civil union partner are considered one tenant.

Column 3

Enter the total amount of rent paid by all tenants, including yourself, during 2015 for the period indicated in column 1.

Column 4

Divide the amount in column 3 by the number in column 2, and enter the result in column 4.

Line 8 - Rent

Add your share of rent paid in column 4, lines 5 through 7, and enter the total on line 8.

Line 9 - Rent Constituting Property Taxes

Multiply the amount on line 8 by 18% (0.18) and enter the result on line 9.

2015 Form NJ-1040 Line-by-Line Instructions

Line 37b - Block/Lot/Qualifier

If you were a homeowner during 2015, enter the Block and Lot Numbers of the property that you owned and occupied as your principal residence on December 31, 2015, provided property taxes were paid on that home. If you were not a homeowner on December 31, enter the

information for the last home you owned and occupied during the year. Include qualifier if applicable (condominiums only). You can obtain this information from your property tax bill or from your local tax assessor. If you were a tenant, make no entry.

Enter the Block and Lot Numbers in the boxes as shown in the following example:

Example: Block 3105.62 Lot 14.3

Block	<input type="text" value="3"/>	<input type="text" value="1"/>	<input type="text" value="0"/>	<input type="text" value="5"/>	.	<input type="text" value="6"/>	<input type="text" value="2"/>	<input type="text"/>	<input type="text"/>
Lot	<input type="text"/>	<input type="text"/>	<input type="text" value="1"/>	<input type="text" value="4"/>	.	<input type="text" value="3"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Line 37c - County/Municipality Code

If you completed Line 37b, enter the four-digit code for the location of that residence (see table on page 51). If you were a tenant, make no entry.

If you were a homeowner, and you completed Worksheet F-1 to calculate the amount of property taxes to enter on Line 37a, fill in the oval on this line.

Eligibility for the Property Tax Deduction/Credit (Lines 38 and 49)

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 or a refundable credit.

Seniors or Blind/Disabled Persons Not Required to File Form NJ-1040

If you (or your spouse/civil union partner if filing jointly) were 65 or older or blind or disabled on the last day of the tax year, and your income on Line 28 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 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 2015 homestead benefit because you were a New Jersey homeowner on October 1, 2015,** your credit will automatically be included with your homestead benefit. If you are filing Form NJ-1040, **do not** complete Line 38 to claim a property tax deduction **or** Line 49 to claim a property tax credit. Information on eligibility and how to apply for a homestead benefit can be found on the Division's website (www.state.nj.us/treasury/taxation/).
- ♦ **Are not eligible for a 2015 homestead benefit** because you were not a homeowner on October 1, 2015, 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 (see page 49). **Do not file both Form NJ-1040 and Form NJ-1040-H.**

continued

Eligibility for the Property Tax Deduction/Credit (Lines 38 and 49) - continued

The property tax **deduction** reduces your taxable income. Therefore, the tax benefit varies depending on the amount of your taxable income, the amount of your property taxes or rent, and your filing status. The property tax **credit** reduces your tax due. The credit increases the total payments and/or credits on Line 55, Form NJ-1040. These payments and/or credits are subtracted directly from your tax liability. To determine the actual tax benefit you will receive (how much you will reduce your tax liability) when claiming a property tax deduction, you must calculate your tax liability both with a deduction and without a deduction. Taxpayers who do not reduce their tax liability by \$50 or more (\$25 if spouses/civil union partners file separate returns but maintain the same principal residence) when claiming the property tax deduction should claim the property tax credit instead.

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 2015; 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 income on Line 28 is more than the filing threshold amount for your filing status (see chart on page 5), **or** you (and/or your spouse/civil union partner if filing jointly) were 65 or older or blind or disabled on the last day of the tax year.

Taxpayers with gross income of \$20,000 or less (\$10,000 if filing status is single or married/CU partner, filing separate return) are eligible for a property tax credit **only** if they were 65 or older or blind or disabled on December 31, 2015.

If you are not eligible for a property tax deduction or credit, leave Line 38 and Line 49 blank, and continue completing the return with Line 39.

Line 38 - Property Tax Deduction

If you satisfied the eligibility requirements above, you may be able to deduct up to 100% of property taxes due and paid **or** up to \$10,000, whichever is less. For tenants, 18% of the rent paid during the year is considered property taxes paid.

TAX TIP  If you were an eligible homeowner or a tenant **during some part of 2015,** you qualify for a property tax deduction or credit even if you were not a homeowner or a tenant on October 1, 2015.

If you are eligible for a property tax deduction or credit, and you:

- ♦ **Are not** claiming credit for taxes paid to other jurisdictions, complete Worksheet F on page 34 to determine the amount of your property tax deduction and whether you should elect to take the property tax credit on Line 49 instead of the deduction on Line 38.
- ♦ **Are** claiming credit for taxes paid to other jurisdictions, first complete lines 1 and 2 of Worksheet F. Then complete Schedule A and Worksheet I to determine whether you will receive a greater tax benefit by taking the property tax deduction or the property tax credit. (See the instructions for Schedule A on page 41.)

If you will receive a greater tax benefit by taking the property tax deduction, enter on Line 38 the amount of the property tax deduction from Worksheet F or Schedule A, as appropriate, and make no entry on Line 49.

Completing Worksheet F

Line 1 - Property Tax/Rent

Enter on line 1 your property taxes (or 18% of rent) paid during 2015 on your qualified New Jersey residence from Line 37a, Form NJ-1040.

Property Tax Reimbursement (Senior Freeze) Applicants. If you are eligible for a property tax reimbursement for 2015, complete that application before continuing.

If you file your application on Form PTR-1, enter on line 1 the amount of your **2014 property taxes** as reported on your 2015 Form PTR-1. (For mobile home owners this is 18% of 2014 site fees.)

If you file your application on Form PTR-2, enter on line 1 the amount of your **base year property taxes** as reported on your 2015 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 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.

Line 2 - Property Tax Deduction

Enter the amount from line 1 or \$10,000, whichever is less. Also enter this amount on line 4, column A.

NOTE: If you and your spouse/civil union partner file separate returns but maintain the same principal residence, and line 1 is \$5,000 or more, enter \$5,000 on line 2. If line 1 is less than \$5,000, enter the amount from line 1.

Worksheet F – Property Tax Deduction/Credit

Review the eligibility requirements on page 33 before completing Worksheet F. Part-year residents, see instructions on page 6.

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 I.

1. **Property Tax.** Enter the property taxes you paid in 2015 from Line 37a of Form NJ-1040. 1. _____
 Property tax reimbursement (Senior Freeze) applicants do not enter the amount from Line 37a. (See instructions on page 33.)

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 on page 33.) 2. _____

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 I. (See instructions on page 41.)

3. Taxable Income (Copy from Line 36 of Form NJ-1040)

4. Property Tax Deduction (Copy from line 2 of this worksheet)

5. Taxable Income After Property Tax Deduction (Subtract line 4 from line 3)

6. Tax you would pay on line 5 amount (From Tax Table or Tax Rate Schedules)

7. Subtract line 6, column A from line 6, column B and enter the result here

	Column A	Column B
3.		3.
4.		4. - 0 -
5.		5.
6.		6.
7.		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 38	Line 4, column A
Line 39	Line 5, column A
Line 40	Line 6, column A
Line 49	Make no entry

No. You receive a greater tax benefit from the Property Tax Credit. (**Part-year residents**, see instructions on page 6 before answering “No.”) Make the following entries on Form NJ-1040.

Form NJ-1040	Enter amount from:
Line 38	Make no entry
Line 39	Line 5, column B
Line 40	Line 6, column B
Line 49	\$50 (\$25 if you and your spouse/civil union partner file separate returns but maintain the same principal residence). Part-year residents , see instructions on page 6.

(Keep for your records)

Worksheet F - continued

Line 3 - Taxable Income

For each column, enter on line 3, Worksheet F the amount from Line 36, Form NJ-1040.

NOTE: If you are claiming a credit for taxes paid to other jurisdictions, do not complete lines 3 through 8 of Worksheet F. Complete only lines 1 and 2. Then complete Schedule A and Worksheet I.

Line 4 - Property Tax Deduction

Enter on line 4, column A the amount from line 2 Worksheet F.

Line 5 - Taxable Income After Property Tax Deduction

For each column, subtract line 4 from line 3 and enter the result on line 5.

Line 6 - Tax on Line 5

For each column, enter on line 6 the amount of tax on the income shown on line 5. Use the Tax Table on page 53 or the Tax Rate Schedules on page 62 to calculate the amount of tax.

Lines 7 and 8 - Deduction/Credit Determination

To determine whether a property tax deduction or a property tax credit is more

beneficial to you, subtract line 6, column A from line 6, column B and enter the result on line 7. **Part-year residents, see instructions on page 6 before continuing.** If the amount on line 7 is \$50 or more (\$25 if you and your spouse/civil union partner file separate returns but maintain the same principal residence), you will receive a greater benefit by taking the property tax deduction. If the amount on line 7 is less than \$50 (\$25 if you and your spouse/civil union partner file separate returns but maintain the same principal residence), you will receive a greater benefit by taking the property tax credit. Follow the instructions on Worksheet F for completing Lines 38, 39, 40, and 49, Form NJ-1040.

2015 Form NJ-1040 Line-by-Line Instructions

Line 39 - New Jersey Taxable Income

Subtract Line 38 from Line 36. If zero or less, make no entry.

Line 40 - Tax on Amount on Line 39

Compute your tax by using one of the following methods.

Tax Table. If your New Jersey taxable income is less than \$100,000, you may use the New Jersey Tax Table on page 53 or the New Jersey Tax Rate Schedules on page 62 to find your tax. When using the tax table, be sure to use the correct column. After you have found your tax, enter the amount on Line 40.

Tax Rate Schedules. You must use the New Jersey Tax Rate Schedules on page 62 if your New Jersey taxable income is \$100,000 or more. Use the correct schedule for your filing status. After you have calculated your tax, enter the amount on Line 40.

amount from Line 9, Column B, Schedule A(s).

The credit on Line 41 may not exceed your tax on Line 40. Enclose Schedule A(s) with your return. (See the instructions for Schedule A on page 41.)

Enter in the boxes at Line 41 the code for the jurisdiction for which you are claiming a credit (see chart). If you are claiming credit for taxes paid to more than one jurisdiction (e.g., New York State and New York City or Delaware and Maryland), use the code for "Multiple Jurisdictions." If the jurisdiction to which you paid taxes is not listed, use the code for "Other."

Jurisdiction Codes (Line 41)			
	Code		Code
Alabama	01	Nebraska	27
Arizona	03	New Hampshire	29
Arkansas	04	New Mexico	31
California	05	New York	32
Colorado	06	North Carolina	33
Connecticut	07	North Dakota	34
Delaware	08	Ohio	35
Georgia	10	Oklahoma	36
Hawaii	11	Oregon	37
Idaho	12	Pennsylvania	38
Illinois	13	Rhode Island	39
Indiana	14	South Carolina	40
Iowa	15	Tennessee	42
Kansas	16	Utah	44
Kentucky	17	Vermont	45
Louisiana	18	Virginia	46
Maine	19	West Virginia	48
Maryland	20	Wisconsin	49
Massachusetts	21	Dist. of Columbia	51
Michigan	22	Philadelphia	52
Minnesota	23	Other	53
Mississippi	24	Multiple	
Missouri	25	Jurisdictions	99
Montana	26		

Line 41 - Credit for Income Taxes Paid to Other Jurisdictions

Enter on Line 41 the amount of credit allowed as calculated on Schedule A. If you are claiming credit for income or wage taxes paid to more than one jurisdiction, complete a Schedule A for each (see instructions on page 41) and enter on Line 41 the total amount of the credits allowed from each Schedule A. If you are claiming a property tax deduction or credit, you must also complete Worksheet I to determine the amount of your benefit. If you are not eligible for a property tax benefit, enter on Line 41 the

Line 42 - Balance of Tax

Subtract Line 41 from Line 40 and enter the result on Line 42.

Line 43 - Sheltered Workshop Tax Credit

Enter on Line 43 your Sheltered Workshop Tax Credit for the current year from Part IV, line 12 of Form GIT-317. Enclose a copy of Form GIT-317 with your return and retain a completed copy for your records.

Worksheet G – Use Tax Calculation

Did you purchase any taxable items or services without paying New Jersey sales tax? This includes any Internet, phone, mail-order, or out-of-State purchases on which New Jersey sales tax was not collected, or purchases on which tax was collected at a rate less than 7%. If the answer is “Yes,” you owe use tax to New Jersey. If you have already paid all use tax due with Form ST-18, answer “No.”

- Yes. Complete Parts I, II, and III to calculate the amount of use tax due.
- No. Enter “0.00” on Line 45, Form NJ-1040.

Do not leave Line 45 blank.

Part I – Use tax due on purchases of items or services costing less than \$1,000 each
Complete lines 1a – 1d OR line 2.

If you know the exact amount of your purchases...

- 1a. Enter the exact amount of your taxable purchases on which no New Jersey sales tax was collected 1a. _____
- 1b. Multiply line 1a by 7% (.07) 1b. _____
- 1c. Enter the amount of sales tax collected by other states for purchases on line 1a, up to 7%. Do not include sales tax collected by foreign countries.. 1c. _____
- 1d. Subtract line 1c from line 1b. Continue with Part II 1d. _____

OR

If you do not know the exact amount of your purchases...

- 2. Enter the amount of use tax from the Estimated Use Tax Chart below that corresponds to the income you reported on Line 28, Form NJ-1040. Continue with Part II..... 2. _____

Part II – Use tax due on purchases of items or services costing \$1,000 or more each

- 3a. Enter the exact amount of your taxable purchases on which no New Jersey sales tax was collected 3a. _____
- 3b. Multiply line 3a by 7% (.07) 3b. _____
- 3c. Enter the amount of sales tax collected by other states for purchases on line 3a, up to 7%. Do not include sales tax collected by foreign countries.. 3c. _____
- 3d. Subtract line 3c from line 3b. Continue with Part III..... 3d. _____

Part III – Total Use Tax Due

- 4. Add the amount from either line 1d or line 2 to the amount on line 3d. Enter here and on Line 45, Form NJ-1040..... 4. _____

(Keep for your records)

Estimated Use Tax Chart

(for Part I, line 2 only)

If your New Jersey gross income is:	Use Tax	If your New Jersey gross income is:	Use Tax
up to \$15,000.....	\$ 14	\$100,001 – \$150,000.....	134
\$15,001 – \$30,000.....	44	\$150,001 – \$200,000.....	170
\$30,001 – \$50,000.....	64	\$200,001 and over.....	.0852% (.000852)
\$50,001 – \$75,000.....	84		of income, or \$494,
\$75,001 – \$100,000.....	106		whichever is less.

Line 44 - Balance of Tax After Credit

Subtract Line 43 from Line 42 and enter the result on Line 44.

Line 45 - Use Tax Due on Internet, Mail-Order, or Other Out-of-State Purchases

Complete Worksheet G to determine the amount to report on Line 45.

When you purchase taxable items or services to be used in New Jersey but do not pay sales tax, you owe use tax. This commonly occurs when purchases are made on the Internet, by phone or mail order, or outside the State from sellers who do not collect New Jersey sales tax. The New Jersey use tax rate is the same as the sales tax rate: 7%. If you paid sales tax to another state at a rate less than 7% on a purchase that would have been taxed in New Jersey, you owe use tax based on the difference between the two rates. For example, if you paid 6% sales tax to another state, you owe 1% use tax to New Jersey. No credit is allowed for sales tax paid to a foreign country. You must pay 7% use tax to New Jersey on such purchases.

The following are some items that are often purchased without paying sales tax. Residents would then owe use tax based on the purchase price, including any delivery/shipping charges.

- ♦ Electronics
- ♦ Furniture
- ♦ Music
- ♦ Artwork
- ♦ Computers
- ♦ Video games
- ♦ Antiques
- ♦ Appliances
- ♦ Jewelry
- ♦ Books
- ♦ Software
- ♦ CDs and DVDs
- ♦ Carpet

For example:

- ♦ You purchased several DVDs on the Internet for \$100 with free shipping and paid no sales tax. Your use tax liability to New Jersey on these items is \$7 (\$100 × .07 = \$7).
- ♦ You purchased a computer for \$1,550 plus \$50 for shipping from a seller located outside New Jersey and paid no sales tax. Your use tax liability to New

Line 45 - Use Tax Due on Internet, Mail-Order, or Other Out-of-State Purchases - continued

Jersey on this item is \$112 ($\$1,600 \times .07 = \112).

- ♦ On a trip to Maine, you purchased an antique desk for \$4,000 and paid Maine sales tax at the rate of 5.5%. The difference, \$60 (1.5% of the purchase price), is due to New Jersey as use tax.
- ♦ You sent a watch to a Pennsylvania jeweler to be repaired and the watch was returned to you via UPS. You paid \$45 for the repair plus \$5 for shipping and paid no sales tax. Your use tax liability to New Jersey on this service is \$3.50 ($\$50 \times .07 = \3.50).

There are two ways for individual taxpayers to report and remit use tax:

1. By completing and filing a Use Tax Return (Form ST-18) within 20 days after property is brought into New Jersey, or
2. By reporting any use tax due on Line 45 of their resident income tax return, Form NJ-1040.

Form ST-18 is provided in this booklet for your convenience (in the center of the booklet with other tax forms).

If you do not owe use tax, enter "0.00" on Line 45. Do not leave this line blank. You must enter an amount on Line 45.

If you owe use tax and are remitting it with Form NJ-1040, use Worksheet G to calculate the amount you owe.

NOTE: Using the Estimated Use Tax Chart when calculating the amount of use tax to report on Line 45 does not preclude the Division of Taxation from auditing your account. New Jersey does have access to records maintained by out-of-State businesses, and if additional tax is due, you may receive an assessment for the amount of use tax owed, plus applicable penalties and interest.

For more information about which items and services are subject to New Jersey sales and use tax, see Tax Topic Bulletin

S&U-4, *New Jersey Sales Tax Guide*. For more information about New Jersey use tax, see publication ANJ-7, *Use Tax in New Jersey*.

Line 46 - Penalty for Underpayment of Estimated Tax

New Jersey's income tax is a "pay as you go" tax. You must pay the tax as you earn or receive income throughout the year. If you do not pay enough tax on the income you received, you may owe interest. (See "Estimated Tax" on page 12.)

To determine the amount of interest for the underpayment of estimated tax, complete Form NJ-2210, Underpayment of Estimated Tax by Individuals, Estates or Trusts. Enter on Line 46 the amount of interest due from line 19, Form NJ-2210. Be sure to fill in the oval below Line 46 and enclose Form NJ-2210 with your return.

Line 47 - Total Tax and Penalty

Enter on Line 47 the total of Lines 44, 45, and 46.

Line 48 - Total New Jersey Income Tax Withheld

Enter on Line 48 the total New Jersey income tax withheld, as shown on your W-2, W-2G, and/or 1099 statement(s). All W-2 and 1099 statements must reflect your correct social security number for the withholdings to be credited. If the social security number is missing or incorrect, you must obtain a corrected statement. Only your employer/payer can issue or correct these forms. If you have not received a W-2 or 1099 form by February 15, or if the form you received is incorrect, contact your employer/payer immediately.

Form W-2. The W-2 must indicate the amount of New Jersey tax withheld and the "State" box must indicate that the tax withheld was New Jersey income tax. (See sample W-2 on page 19.) **Enclose the state copy of each withholding statement (W-2, W-2G).**

Do not include on Line 48 amounts withheld as New Jersey unemployment insurance/workforce development partnership fund/supplemental workforce fund contributions (shown on the W-2 as UI/WF/SWF, if combined, or UI, WF, and SWF if stated separately), New Jersey disability insurance contributions (may be shown as DI), or New Jersey family leave insurance contributions (shown as FLI). These are **not** New Jersey income tax withholdings and may not be used as credits on Line 48.

See instructions for Lines 52, 53, and 54 for more information on excess unemployment insurance/workforce development partnership fund/supplemental workforce fund contributions, disability insurance contributions, and/or family leave insurance contributions.

Form 1099. Although most 1099 forms do not show state withholding, New Jersey income tax may have been withheld from income you received that was reported on Form 1099-R or 1099-MISC. Enter on Line 48 the total amount of New Jersey income tax withheld, if any, shown on those statements. **Enclose the state copy of Form 1099-R or 1099-MISC with your return only if New Jersey income tax was withheld.**

NOTE: Do not include tax paid on your behalf by partnership(s) on this line. Such payments may not be claimed by New Jersey residents as credits on Form NJ-1040 and will be disallowed.

Line 49 - Property Tax Credit

If you satisfied the eligibility requirements (see page 33) and you did not claim a property tax deduction on Line 38, you qualify for a property tax credit.

Do not complete Line 49 if:

- ♦ You claimed a property tax deduction on Line 38; or
- ♦ Your 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).

Line 49 - Property Tax Credit - continued

NOTE: If you are 65 or older or blind or disabled, and you are not required to file Form NJ-1040 because your income on Line 28 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 separate returns but maintain the same principal residence). See "Seniors or Blind/Disabled Persons Not Required to File Form NJ-1040" on page 32 before completing Line 49.

Line 50 - New Jersey Estimated Payments/Credit From 2014 Tax Return

Enter on Line 50 the total of:

- ♦ Estimated tax payments made for 2015 (See "Estimated Tax" on page 12.)
- ♦ Credit applied from your 2014 tax return*
- ♦ Amount, if any, paid to qualify for an extension of time to file

*This is the amount of overpayment that you chose to carry forward on Line 58 of your 2014 NJ-1040 as a credit towards your income tax liability for 2015. If you received a refund check for 2014, do not enter the amount of that refund check on Line 50.

Payments Made Under Another Name or Social Security Number. If you changed your name because of marriage/civil union, divorce/dissolution, etc., and you made estimated tax payments using your former name, enclose a statement

**Worksheet H
Earned Income Tax Credit**

1. Enter the amount of your Federal earned income credit from your 2015 Federal Form 1040 or Form 1040A 1. _____
Fill in the first oval below Line 51 if you asked the IRS to calculate your Federal earned income credit.
Civil union couples, see instructions.

2. Enter 30% of amount on line 1 here and on Line 51, Form NJ-1040 2. _____
Part-year residents, see instructions.
(Keep for your records)

with your return explaining all the payments you and/or your spouse/civil union partner made for 2015 and the name(s) and social security number(s) under which you made payments.

If your spouse/civil union partner died during the year and any estimated payment(s) were made under the deceased spouse's/civil union partner's social security number and other payments were made under your social security number, you must enclose a statement with your return listing the social security numbers and the amounts submitted under each social security number.

NOTE: Do not include tax paid on your behalf by partnership(s) on this line. Such payments may not be claimed by New Jersey residents as credits on Form NJ-1040 and will be disallowed.

Line 51 - 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.

NOTE: 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 income is equal to or less than the filing threshold amount (see chart on page 5).

New for 2015 For tax year 2015, 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 30% of the Federal benefit.

Use Worksheet H above to calculate the amount of your New Jersey earned income tax credit for Line 51. If you asked the Internal Revenue Service to calculate your Federal earned income credit, fill in the first oval below Line 51. (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. See the instructions on page 39.) The IRS will provide information regarding Federal earned income credit recipients to the Division of Taxation in October 2016. 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 New Jersey earned income tax credit must be prorated based on the number of months you were a New Jersey resident. For this

continued

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Line 51 - New Jersey Earned Income Tax Credit - continued

calculation 15 days or more is a month. Use this prorated figure on Line 51.

The Division of Taxation audits returns to ensure compliance with the eligibility requirements for this credit. You may be asked to provide additional documentation to support your claim.

Civil Union Couples. If you are filing a joint return for New Jersey purposes, and either one or both of you are eligible and file for a Federal earned income credit, you might also be able to receive a New Jersey earned income tax credit. A civil union partner filing a separate return is not eligible for a New Jersey earned income tax credit.

If you file a joint Federal return, use Worksheet H on page 38 to calculate the amount of your New Jersey earned income tax credit.

If you did *not* file a joint Federal return, the only way to determine if you are eligible for a New Jersey credit is to prepare a Federal return as if you were married, filing jointly and calculate the amount of the Federal earned income credit, if any, you would have been eligible to receive on a joint Federal return. Once you have determined the amount of the Federal credit you would have received as joint filers, you must use that amount on Worksheet H to calculate your New Jersey credit. Be sure to fill in only the second oval below Line 51 indicating you are a civil union couple. You may be asked to provide documentation to substantiate your calculation of the Federal earned income credit you would have been eligible to receive if you had filed a joint Federal return.

UI/WF/SWF; DI; FLI Credits (Lines 52–54)

You may take credit for excess unemployment insurance (UI)/workforce development partnership fund (WF)/supplemental workforce fund (SWF) contributions, disability insurance (DI) contributions, and/or family leave insurance (FLI) contributions withheld by two or more employers. For 2015, the maximum employee UI/WF/SWF contribution was \$136.00, the

maximum employee DI contribution was \$80.00, and the maximum employee FLI contribution was \$28.80. If you had two or more employers and you contributed more than the maximum amount(s), you must enclose a completed Form NJ-2450 with your return to claim the credit.

If any single employer withheld more than the maximum for either UI/WF/SWF (\$136.00), DI (\$80.00), or FLI (\$28.80) contributions, enter only the maximum amount for that category on Form NJ-2450. You must contact the employer who withheld contributions in excess of the legal maximum for a refund.

All information on Form NJ-2450 must be substantiated by W-2 statements or the claim will be denied. The amounts of UI/WF/SWF contributions, DI contributions, and FLI contributions withheld must be reported separately on all W-2 statements. The employer's New Jersey taxpayer identification number **or** approved private plan number must also be shown. (See sample W-2 on page 19.)

Be careful when completing Form NJ-2450 and check that your W-2 verifies the information you provide. If **all** New Jersey Department of Labor and Workforce Development requirements are not met, your income tax credit must be denied. You must then refile your claim with the Department of Labor and Workforce Development using their Form UC-9A, "Employee's Claim for Refund of Excess Contributions." Once your income tax credit for excess UI/WF/SWF contributions, DI contributions, and/or FLI contributions has been denied, it can **only** be claimed through the Department of Labor and Workforce Development.

Line 52 - Excess New Jersey UI/WF/SWF Withheld

Enter on Line 52 the excess unemployment insurance/workforce development partnership fund/supplemental workforce fund contributions withheld from Line 4 of Form NJ-2450. Enclose Form NJ-2450 with your return.

Line 53 - Excess New Jersey Disability Insurance Withheld

Enter on Line 53 the excess disability insurance contributions withheld from Line 5 of Form NJ-2450. Enclose Form NJ-2450 with your return.

Line 54 - Excess New Jersey Family Leave Insurance Withheld

Enter on Line 54 the excess family leave insurance contributions withheld from Line 6 of Form NJ-2450. Enclose Form NJ-2450 with your return.

Line 55 - Total Payments and Credits

Add Lines 48 through 54 and enter the result on Line 55.

Amount You Owe or Overpayment (Lines 56 and 57)

Compare Lines 55 and 47.

- ♦ If Line 55 is less than Line 47, you have a balance due. Complete Line 56.
- ♦ If Line 55 is more than Line 47, you have an overpayment. Complete Line 57.

Line 56 - Amount You Owe

Subtract Line 55 (Total Payments/Credits) from Line 47 (Total Tax and Penalty) and enter the result on Line 56.

If you have a balance due, you may make a donation on Lines 59, 60, 61, 62, 63, and/or 64 by adding the amount of your donation to your payment.

Make your check or money order for the total amount payable to "State of New Jersey – TGI." Send your payment with the payment voucher in the same envelope with your return. Enter the amount of your payment in the boxes below the signature line on the front of the return.

You may also pay your 2015 New Jersey income taxes by electronic check (e-check) or credit card (Visa, American

Line 56 - Amount You Owe - continued

Express, MasterCard, or Discover). See “How to Pay” on page 10. Fill in the oval below Line 56 if you are paying by e-check or credit card. Do not send in the payment voucher if you pay your taxes by e-check or credit card, and do not enter the amount of your payment on the front of the return.

NOTE: If the amount of tax you owe (Line 56) is more than \$400, you may want to increase your estimated payments or contact your employer for Form NJ-W4 to increase your withholdings to avoid future interest assessments.

Line 57 - Amount of Overpayment

Subtract Line 47 (Total Tax and Penalty) from Line 55 (Total Payments/Credits) and enter the result on Line 57.

Line 58 - Credit to Your 2016 Tax

Enter on Line 58 the amount of your overpayment that you wish to credit to your 2016 tax liability.

Contributions (Lines 59–64)

Whether you have an overpayment or a balance due, you may make a donation to any of the following funds:

- ◆ Endangered Wildlife Fund
- ◆ Children’s Trust Fund
- ◆ Vietnam Veterans’ Memorial Fund
- ◆ Breast Cancer Research Fund,
- ◆ U.S.S. New Jersey Educational Museum Fund.

You may also make a donation to one of the following funds on Line 64:

- ◆ Drug Abuse Education Fund (01)
- ◆ Korean Veterans’ Memorial Fund (02)
- ◆ Organ and Tissue Donor Awareness Education Fund (03)
- ◆ NJ-AIDS Services Fund (04)

- ◆ Literacy Volunteers of America – New Jersey Fund (05)
- ◆ New Jersey Prostate Cancer Research Fund (06)
- ◆ World Trade Center Scholarship Fund (07)
- ◆ New Jersey Veterans Haven Support Fund (08)
- ◆ Community Food Pantry Fund (09)
- ◆ Cat and Dog Spay/Neuter Fund (10)
- ◆ New Jersey Lung Cancer Research Fund (11)
- ◆ Boys and Girls Clubs in New Jersey Fund (12)
- ◆ NJ National Guard State Family Readiness Council Fund (13)
- ◆ American Red Cross – NJ Fund (14)
- ◆ Girl Scouts Councils in New Jersey Fund (15)

New for 2015

- ◆ Homeless Veterans Grant Fund (16)
- ◆ Leukemia & Lymphoma Society – New Jersey Fund (17)
- ◆ Northern New Jersey Veterans Memorial Cemetery Development Fund (18)
- ◆ New Jersey Farm to School and School Garden Fund (19)
- ◆ Local Library Support Fund (20)
- ◆ ALS Association Support Fund (21)

For more information on the funds, see page 3.

Indicate the amount you want to contribute by checking the appropriate box(es) or entering any amount you want to contribute.

If you are making a donation on Line 64, also enter the code number (01, 02, 03, etc.) for the fund of your choice.

The amount you donate will reduce your refund or increase your balance due. Be sure to enter an amount when making a contribution.

If you are making a donation on Line 59, 60, 61, 62, 63, and/or 64, and you have a balance due, increase the amount of your payment by the amount you want to contribute. If you are paying your tax due by check or money order and including a donation, your check or money order must be made out to “State of New Jersey – TGI,” not to the charity or charities you selected. Your donation will be deposited in the appropriate fund(s) when your return is processed.

Line 65 - Total Deductions From Overpayment

Add any amounts on Lines 58, 59, 60, 61, 62, 63, and/or 64. Enter the result on Line 65.

Line 66 - Refund

Subtract Line 65 from Line 57 (Overpayment). Enter the result on Line 66. This is the amount of your refund.

Schedule A - Taxes Paid to Other Jurisdiction

Requirements. As a New Jersey resident, you may be eligible for a tax credit against your New Jersey income tax if you have income from sources outside New Jersey. To qualify, your income must be subject to **both** the New Jersey income tax and the income or wage tax imposed by another jurisdiction outside New Jersey for the same year. For this purpose, “jurisdiction” means any state of the United States or political subdivision of such state, including the District of Columbia. **Pennsylvania residents, see page 42.** No credit is permitted for taxes paid to the U.S. Government, Canada, Puerto Rico, or any foreign country or territory.

To receive the credit for taxes paid to another jurisdiction you must:

1. Complete Schedule A in its entirety. You may be required to complete more than one Schedule A in certain situations. See below.
2. Enclose Schedule A(s) with your NJ-1040 income tax return.

Completing More Than One Schedule A.

You must complete a separate Schedule A for each jurisdiction for which you are claiming a credit. You must also complete a separate Schedule A for each tax imposed by a jurisdiction.

- ♦ *Two or more jurisdictions (i.e., a state and political subdivision(s) therein) impose tax on the same income.* For example, when both a state and a city within that state tax the same income, you may have to complete and enclose a separate Schedule A for each jurisdiction. (See “Same Income Taxed by More Than One Jurisdiction” on page 42.)
- ♦ *Different jurisdictions impose tax on different income.* For example, if you had wages from State A and a gain from the sale of property from State B, you must complete a separate Schedule A for each state.

NOTE: New Jersey does not require that a copy of the income tax return(s) filed with the other jurisdiction(s) be enclosed with Form NJ-1040. However, you should retain complete copies of any returns filed with other jurisdiction(s). If your return is audited, you will be asked to provide:

- a) A complete copy of the income tax return(s) filed with the other jurisdiction(s) — if one was filed or required to be filed. If you filed electronically in the other jurisdiction, a copy of the Electronic Filing Income Tax Return *along with* schedules, worksheets, etc. which establish the nature and source of the income being taxed by the other jurisdiction must be submitted.
- b) If you participated in a composite return filed in another jurisdiction, you must submit a statement, on the filing entity’s letterhead, that lists the jurisdiction, your share of the gross income taxed by the other jurisdiction, and your share of the tax paid.
- c) If no return is required to be filed with the other jurisdiction, you must submit the following as applicable:
 - ♦ W-2 which lists the wage taxes paid and the name of the taxing jurisdiction.
 - ♦ A statement from the business entity which filed a tax return based on income that lists your share of the gross income taxed by the other jurisdiction, the name of the tax, and your share of the tax paid.

- ♦ *Same jurisdiction imposes more than one type of tax.* For example, if you had wages and business income from a city that imposes both a wage tax and a different tax on business income, you must complete one Schedule A for the wage tax and a separate Schedule A for the tax on business income.

Property Tax Deduction/Credit (Worksheet I). Schedule A provides taxpayers who are eligible for a property tax benefit with a method for calculating the credit for taxes paid to another jurisdiction both with and without the property tax deduction. If you are eligible to receive a property tax deduction/credit you must complete Schedule A for each jurisdiction for which you are claiming a credit for taxes paid. Then you must complete Worksheet I on page 43 to determine whether you receive a greater benefit from claiming the property tax deduction or taking the property tax credit.

If you are claiming a credit for taxes paid to another jurisdiction but you are not eligible for a property tax benefit (see page 33 for eligibility requirements), only complete Column B of Schedule A. Enter the amount from Line 9, Column B on

Line 41, Form NJ-1040. Make no entry on Lines 38 or 49, Form NJ-1040.

Line 1 - Income Properly Taxed by Both New Jersey and Other Jurisdiction

Enter on Line 1 the amount of gross income you received during the year after adjustments have been made by the other jurisdiction but before personal exemptions and standard and/or other itemized deductions are subtracted which also meets all the criteria listed on page 42. Also enter the name of the taxing jurisdiction in the space provided. Any income included on Line 1 of Schedule A must also be included on Line 2 since to be eligible for the credit, the same income must be taxed by **both** New Jersey and the other jurisdiction.

Include on Line 1 only amounts properly taxable by the other jurisdiction. In general, this includes compensation for services performed; net profits from a business, trade, or profession carried on in the other jurisdiction; S corporation or partnership income allocated to the other jurisdiction **but not allocated to New Jersey**; or income or gains from

Schedule A - continued

the ownership or sale of real or personal property in the other jurisdiction.

To be eligible for credit, the income entered on Line 1 must meet *all* of the following criteria:

1. The income must be taxed by **both** New Jersey and the other jurisdiction; and
2. The income must have been properly included and taxed as income by the other jurisdiction; and
3. The individual amount of each item of income taxed by the other jurisdiction cannot exceed the amount of that same item of income being taxed by New Jersey; and
4. The income cannot be deemed "Allocated to New Jersey."

Amounts received as interest, dividends, gains on sale of securities, and other income from intangible personal property such as savings accounts, stocks, bonds, and other securities, cannot be included on Line 1 unless (1) the income was derived from a business, trade, or profession carried on in the other jurisdiction, or (2) you are required to and file a resident return with the other jurisdiction as well as with New Jersey and report the income on both returns.

Do **not** include on Line 1:

- ♦ Income which is not subject to New Jersey income tax (even though the item(s) may be subject to tax by the other jurisdiction, e.g., unemployment compensation).
- ♦ Income which has been excluded or deducted in arriving at the income actually taxed in the other jurisdiction. Items such as IRA and Keogh contributions, employee business expenses, moving expenses, and alimony, if allowed as adjustments to income, would have been deducted from gross income.
- ♦ Income subject to tax by any foreign country, U.S. possession, or territory.

- ♦ If you are required to file a resident return in the other jurisdiction, any amount of S corporation income allocated to New Jersey.

Same Income Taxed by More Than One Jurisdiction. Income can only be reported once on Schedule A. When you pay tax to two jurisdictions on the same income, and the amount of income taxed by each jurisdiction is the same, complete only *one* Schedule A. When you pay tax to two jurisdictions on the same income and the amount of income taxed by each jurisdiction differs, you may be eligible to claim two credits. The first credit is based on the amount of income taxed by both jurisdictions, and the second credit is based only on the difference between the amounts taxed by the two jurisdictions.

For example, New Jersey taxed \$150,000 in business income of a business in city Y located in state Z. Both city Y and state Z taxed the business income. If state Z imposed \$8,200 tax on \$120,000 of income, and city Y imposed \$5,600 tax on \$140,000 of income, complete two Schedule As. Line 1, Schedule A of the first credit calculation will be \$120,000 (the amount of income taxed by both city Y and state Z). To determine the credit available on the \$120,000 which was jointly taxed, add together and enter in Box 9a, Line 9 the taxes paid to state Z (\$8,200) and the portion of the city Y tax on \$120,000 (\$4,800). (Do not use \$5,600 for the amount of city Y tax, since that is the tax paid on \$140,000 of income.) Compare the allowable credit calculated on Line 8, Schedule A to the amount in Box 9a (\$13,000). The credit allowed is the lesser of Line 8 or Box 9a. For the second Schedule A, the amount on Line 1 is \$20,000. This is the difference between the amount taxed by both city Y and state Z (\$120,000) on which a credit has already been calculated, and the amount taxed by city Y (\$140,000).

NOTE: When calculating the credit for income taxed by more than one jurisdiction and the actual tax paid to the other jurisdiction is less than the allowable credit, enter on Line 9, Box 9a of each Schedule A **only** the tax paid on the amount of income entered on Line 1. In the example above, Line 9, Box 9a of the second Schedule A would show \$800, the tax paid to city Y on \$20,000 of income, not \$5,600, the tax paid on \$140,000 of income.

Income From New York. New Jersey residents working in or earning taxable income from New York are often taxed on an amount less than their actual income earned in New York due to the many allowable New York income tax adjustments. New York determines the rate (% of tax) that will be imposed by including all the income earned as if the taxpayer was a resident. New York then computes the percentage of the New York source income by dividing the New York State income by the Federal income (worldwide income). The percentage is then multiplied by the total calculated tax liability, as if a resident, to determine the actual tax liability of the nonresident. When claiming credit for taxes paid to New York, Line 1, Schedule A of the NJ-1040 should reflect the "New York State Amount" actually taxed by New York from the New York IT-203. Certain adjustments may be necessary to determine the income actually taxed by New York State.

For New Jersey residents subject to the New York State income tax on lump-sum distributions, separate Schedule A calculations for taxes paid to New York State on first the ordinary income and second on taxes paid to New York State on the lump-sum distribution should be made to arrive at the total credit for taxes paid. Both Schedule As must be enclosed with your return.

Income From Pennsylvania. As a result of the Reciprocal Personal Income Tax Agreement between the Commonwealth of Pennsylvania and the State of New Jersey, compensation paid to New Jersey residents employed in Pennsylvania is not subject to the Pennsylvania income

Worksheet I
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.		1.	
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.		2.	
3. Balance of Tax Due. Subtract line 2 from line 1 in each column.....	3.		3.	
4. Subtract line 3, column A from line 3, column B and enter result here.....			4.	
5. Is the line 4 amount \$50 or more (\$25 if you and your spouse/civil union partner file separate returns but maintain the same principal residence)? <input type="radio"/> Yes. You receive a greater tax benefit by taking the Property Tax Deduction. Make the following entries on Form NJ-1040. <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><i>Form NJ-1040</i></p> <p>Line 38</p> <p>Line 39</p> <p>Line 40</p> <p>Line 41</p> <p>Line 49</p> </div> <div style="width: 45%;"> <p><i>Enter amount from:</i></p> <p>Line 5, Column A, Schedule A</p> <p>Line 6, Column A, Schedule A</p> <p>Line 7, Column A, Schedule A</p> <p>Line 2, Column A, Worksheet I</p> <p>Make no entry</p> </div> </div> <input type="radio"/> No. You receive a greater tax benefit from the Property Tax Credit. (Part-year residents , see instructions on page 6 before answering “No.”) Make the following entries on Form NJ-1040. <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><i>Form NJ-1040</i></p> <p>Line 38</p> <p>Line 39</p> <p>Line 40</p> <p>Line 41</p> <p>Line 49</p> </div> <div style="width: 45%;"> <p><i>Enter amount from:</i></p> <p>Make no entry</p> <p>Line 6, Column B, Schedule A</p> <p>Line 7, Column B, Schedule A</p> <p>Line 2, Column B, Worksheet I</p> <p>\$50 (\$25 if you and your spouse/civil union partner file separate returns but maintain the same principal residence). Part-year residents, see instructions on page 6.</p> </div> </div> <p align="center">(Keep for your records)</p>				

tax. Compensation means salaries, wages, tips, fees, commissions, bonuses, and other remuneration received for services rendered as an employee.

You may **not** claim a credit on Schedule A for taxes paid to Pennsylvania on compensation earned in Pennsylvania because these earnings are not subject to tax in Pennsylvania. If Pennsylvania income tax was withheld from your wages, you must file a Pennsylvania return to obtain a refund. To stop the withholding of Pennsylvania income tax, complete a Pennsylvania Employee’s Nonwithholding Application Certificate (Pennsylvania Form REV-419) and give it to your employer. You may obtain Form REV-419 from the Pennsylvania Department of Revenue (www.revenue.state.pa.us/).

The Reciprocal Agreement covers compensation only. If you are self-employed or receive other income (for example, gain from sale of property) which is taxable in both states, you may claim a credit for taxes paid to Pennsylvania on that income by completing Schedule A.

Income From Philadelphia or Other Pennsylvania Municipalities. The Reciprocal Agreement between Pennsylvania and New Jersey (see “Income From Pennsylvania” on page 42) does not apply to the wage or income tax imposed and collected by the City of Philadelphia or any other municipality in Pennsylvania. Therefore, income subject to both New Jersey income tax and any municipal wage or income tax may be included on Line 1, Schedule A.

The amount of income taxable to Philadelphia is sometimes different than the New Jersey State wages figure on the W-2 statement. To determine the proper amount of income to enter on Line 1 of Schedule A of the NJ-1040, you must divide the wage tax deducted from your pay by the Philadelphia tax rate as follows:

$$\frac{\text{Philadelphia Wage Tax Paid}}{\text{Philadelphia Wage Tax Rate}} = \text{Line 1, Sched. A}$$

Do not report at Line 1 an amount that is more than the amount reported at Line 14, NJ-1040 as Philadelphia wages.

Information about the Philadelphia wage tax rate is available on the Philadelphia Revenue Department’s website at www.phila.gov/revenue/.

Schedule A - continued

Sole Proprietorship or Partnership

Income From Philadelphia. If you are a sole proprietor or partner in a partnership whose income is subject to Pennsylvania income tax and Philadelphia Business Income and Receipts Tax and Net Profits Tax, you must consider the taxes paid (based on income) to all jurisdictions when calculating the credit. The Philadelphia Business Income and Receipts Tax imposes two taxes, one based on income and one based on gross receipts. Only the tax imposed based on income qualifies for the credit calculation.

S Corporation Income. If you paid income taxes or wage taxes to another jurisdiction on your S corporation income and that income is also taxed in New Jersey for the same tax year, you may be eligible for a credit. No credit is allowed, however, for tax imposed by another jurisdiction on S corporation income which is allocated to New Jersey. Nor is a credit allowed for the amount of any taxes paid or accrued on or measured by profits or income imposed on or paid on behalf of a person other than you, whether or not you may be held liable for the tax. In addition, you may not claim a credit against New Jersey tax attributable to distributions. Distributions that are taxable to you as dividends or gains from disposition of property are intangible income and not subject to tax in the other jurisdiction.

Line 2 - Income Subject to Tax by New Jersey

Enter on Line 2 the amount of income reported on Line 28, Form NJ-1040 (New Jersey Gross Income).

Line 3 - Maximum Allowable Credit Percentage

Divide Line 2 into Line 1 and enter the percentage on Line 3. Carry your results to seven (7) decimal places, rounding up if the seventh place is 5 or more (i.e., .2412378 becomes 24.1238%). Since Line 1 can never be more than Line 2, the result will be 100% or less.

If you are not eligible to claim a property tax deduction or credit, only complete Column B to determine your credit for taxes paid to other jurisdictions. Total the amounts from Line 9, Column B of all Schedule As completed and enter that amount on Line 41, Form NJ-1040. Make no entry on Lines 38 or 49, Form NJ-1040.

Line 4 - Taxable Income

For each column, enter on Line 4 the amount of your taxable income from Line 36, Form NJ-1040.

Line 5 - Property Tax and Deduction

If you were a qualified homeowner or tenant during the tax year, you may be eligible for a property tax deduction or property tax credit. See instructions on page 33 to determine if you qualify. If you qualify, complete Line 5 as follows:

Box 5a. Enter in Box 5a your property taxes (or 18% of rent) due and paid during 2015 on your qualified residence from line 1 of Worksheet F (see page 34).

Column A (Line 5). Enter on Line 5 in Column A, your property tax deduction amount from line 2 of Worksheet F (see page 34).

Line 6 - New Jersey Taxable Income

For each column, subtract Line 5 from Line 4 and enter the result on Line 6.

Line 7 - Tax on Line 6 Amount

For each column, enter on Line 7 the amount of tax due on the income entered on Line 6. Use the Tax Table on page 53 or the Tax Rate Schedules on page 62 to calculate the amount of tax due.

If you are not eligible for a property tax benefit, and you are completing only Column B of Schedule A, the amount on Line 7, Column B should be the same as the amount you entered on Line 40, Form NJ-1040.

Line 8 - Allowable Credit

For each column, multiply the amount on Line 7 by the percentage on Line 3 and enter the result on Line 8.

Line 9 - Credit for Taxes Paid to Other Jurisdiction

Enter in Box 9a the total amount of income or wage tax paid to the other jurisdiction(s) on the amount of income shown on Line 1. Enter the total tax liability to the other jurisdiction from the other jurisdiction's tax return. If the other jurisdiction does not require the filing of a tax return, Box 9a of Schedule A may be the taxes withheld for the jurisdiction.

If you adjusted the income on Line 1 of this Schedule A because you had income taxed by more than one jurisdiction, enter only the tax paid on the adjusted amount shown on this Schedule. (See example on page 42.)

For each column, enter on Line 9 the lesser of Line 8, Allowable Credit, or the amount in Box 9a, amount of income or wage tax paid to the other jurisdiction(s) on the income shown on Line 1, Schedule A.

If you are eligible for a property tax deduction or credit, complete Worksheet I on page 43. Part-year residents, see instructions on page 6.

If you are not eligible for a property tax deduction or credit, enter the amount from Line 9, Column B, Schedule A on Line 41, Form NJ-1040 and leave Line 38 and Line 49 blank. If you completed more than one Schedule A, total the amounts from Line 9, Column B of all Schedule As and enter on Line 41.

For more information on claiming a credit for taxes paid to another jurisdiction, 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)*.


Schedule B - Disposition of Property

Your portion of the gain or loss derived from the disposition of property owned by a sole proprietorship, partnership, an estate or trust or, in general, an S corporation is reportable as net profits from business on Line 17, distributive share of partnership income on Line 20, income from estates and trusts on Line 25, or net pro rata share of S corporation income on Line 21. For information regarding grantor trusts, see the reporting instructions for Line 25 on page 24.

Use Schedule B to report all other capital gains and income from the sale or exchange of any property. In arriving at your gain, you may deduct expenses of the sale and your basis in the property. The basis to be used for computing gain or loss is the cost or adjusted basis determined for Federal income tax purposes.

New Jersey income tax law has uncoupled from certain changes in Federal depreciation and expense deduction limits. A New Jersey depreciation adjustment may be required for assets placed in service on or after January 1, 2004. Complete the Gross Income Tax Depreciation Adjustment Worksheet GIT-DEP to calculate the adjustment.

The New Jersey allowable IRC Section 199 deduction must be calculated on Form 501-GIT, Domestic Production Activities Deduction. The result should be taken into consideration in calculating the gain or loss on disposition of applicable property.

TAX TIP  If you had an interest in a partnership, a sole proprietorship, or an S corporation which sold or disposed of virtually all of its assets in conjunction with the **complete liquidation** of the entity, then your portion of the gain or loss from the entity's sale or disposition of its assets must be reported as net gains or income from the disposition of property.

If you sold an interest in a partnership, a sole proprietorship, or rental property, you may be required to use a New Jersey adjusted basis. If you sold shares in an S corporation, you **must** use your New Jersey adjusted basis. The gain or loss from your sale or liquidation of a sole proprietorship, a partnership interest, or shares of S corporation stock must be reported as net gains or income from disposition of property on Schedule B.

For information on calculating your New Jersey adjusted basis and your New Jersey reportable gain or loss, refer to rules N.J.A.C. 18:35-1(c)5 (trade or business property), 18:35-1.3(d)2 (partnerships), or 18:35-1.5(k) (S corporations) and Tax Topic Bulletins GIT-9P, *Income From Partnerships*, or GIT-9S, *Income From S Corporations*.

All gains derived from installment sales must be reported in the same year as reported for Federal income tax purposes. If the New Jersey basis differs from the Federal basis, a New Jersey installment sale calculation must be made and the New Jersey gain must be reported.

If the spaces provided are not sufficient, enclose a statement with the return listing any additional transactions along with Schedule B.

Sale of a Principal Residence. 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.

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 married/CU partner, filing 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.

Line 1 - List of Transactions

List at Line 1, Schedule B any New Jersey taxable transaction(s) as reported on your Federal Schedule D, indicating the gain or loss for each transaction in Column f. In listing the gain or loss on

Schedule B - continued

disposition of rental property, the New Jersey adjustment from the Gross Income Tax Depreciation Adjustment Worksheet GIT-DEP, Part 1, line 6 must be taken into consideration. Be sure to retain the completed worksheet for your records.

Do not include gains or losses from the sale of exempt obligations. For more information on tax-exempt obligations, see Tax Topic Bulletin GIT-5, *Exempt Obligations*.

The Gross Income Tax Act does not distinguish between active and passive losses, nor does it authorize carryback or carryforward of such losses when

reporting income on Form NJ-1040. You may deduct Federal passive losses in full in the year incurred against any gain within the **same category** of income, but only in the year that it occurred.

Line 2 - Capital Gains Distributions

Enter on Line 2 the total amount of all capital gains distributions from your Form 1099-DIV(s) or similar statement(s). Do not include capital gains from a "New Jersey Qualified Investment Fund" which are attributable to qualified exempt obligations or gains from mutual funds to the extent attributable to Federal obligations.

For more information on "New Jersey Qualified Investment Funds," see page 20.

Line 3 - Other Net Gains

Enter on Line 3 the total amount of net gains or income less net losses from disposition of property not included on Lines 1 or 2 of Schedule B.

Line 4 - Net Gains

Enter on Line 4 the total of the amounts listed on Line 1, Column f and Lines 2 and 3, netting gains with losses. Enter this amount on Line 18, Form NJ-1040. If the netted amount is a loss, enter zero here and make no entry on Line 18, Form NJ-1040.

2015 Schedule NJ-BUS-1

Schedule NJ-BUS-1 Business Income Summary Schedule

Part I - Net Profits From Business

Use Part I to report the net profits or loss from every business, trade, or profession in which you were engaged. If the spaces provided are not sufficient, enclose a statement with the return listing any additional businesses and the related profit or loss along with Schedule NJ-BUS-1.

To determine your New Jersey profit or loss, first complete a Federal Schedule C (or Schedule C-EZ or F) for each business. Use the same accounting method (cash or accrual) that you used for Federal income tax purposes.

To comply with New Jersey income tax law you must make the following adjustments to your Federal Schedule C (or C-EZ or F):

1. Add any amount you deducted for taxes based on income.
2. Subtract interest you reported on Federal Schedule C (or C-EZ or F) which is exempt for New Jersey

purposes but taxable for Federal purposes.

3. Add interest not reported on Federal Schedule C (or C-EZ or F) from states or political subdivisions outside New Jersey which is exempt for Federal purposes.
4. Deduct the remaining 50% of meal and entertainment expenses (that were disallowed on the Federal return).
5. Deduct your qualified contributions to a self-employed 401(k) plan. Contributions to a plan in excess of the Federal limits, which are not an allowable deduction for Federal tax purposes, are also not deductible for New Jersey purposes.
6. Add interest and dividends derived in the conduct of a trade or business.
7. Add or subtract income or losses derived in the conduct of a trade or business from rentals, royalties, patents, or copyrights.
8. Add or subtract gains or losses from the sale, exchange, or other disposition of the trade or business's property.

9. Add or subtract the net adjustment from the Gross Income Tax Depreciation Adjustment Worksheet GIT-DEP, Part 1, line 7. Be sure to retain the completed worksheet for your records.

10. Subtract the New Jersey allowable IRC Section 199 deduction, which must be calculated on Form 501-GIT, Domestic Production Activities Deduction.

Sole proprietors 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 on Line 33. For information on eligibility requirements and how to calculate the HEZ deduction, see Technical Bulletin TB-56.

Anyone engaged in a business, trade, profession, or occupation in New Jersey must register with the State for tax purposes by filing a Business Registration Application, Form NJ-REG. Form NJ-REG may be filed online through the Division of Revenue and Enterprise Services' NJ Business Gateway Services at: www.state.nj.us/treasury/revenue/.

Schedule NJ-BUS-1 - continued

Lines 1-3

Business Name. Enter the name of each business as listed on Federal Schedule C (or C-EZ or F).

Social Security Number/Federal EIN. Enter the social security number or Federal employer identification number of each business.

Profit or (Loss). Enter the profit or (loss) for each business as adjusted for New Jersey purposes.

Line 4

Add the amounts in the "Profit or (Loss)" column and enter the total on Line 4, netting profits with losses. Enter this amount on Line 17, Form NJ-1040. **If the netted amount is a loss, make no entry on Line 17.**

Part II - Distributive Share of Partnership Income

Use Part II to report your share of income or loss derived from partnership(s), whether or not the income was actually distributed. If the spaces provided are not sufficient, enclose a statement with the return listing any additional partnerships and the related income or loss along with Schedule NJ-BUS-1.

For detailed information regarding reporting partnership income or loss, including adjustments to the amount reported in Part II, see Tax Topic Bulletin GIT-9P, *Income From Partnerships*.

Lines 1-3

Partnership Name. Enter the name of each partnership as listed on Schedule NJ-K-1 (or Federal Schedule K-1).

Federal EIN. Enter the Federal employer identification number of each partnership.

Share of Partnership Income or (Loss). Enter your share of income or (loss) as reported to you by each partnership on Schedule NJ-K-1. The appropriate amount to enter appears on the schedule in column A of the line labeled "Distributive Share of Partnership Income."

If you did not receive a Schedule NJ-K-1, you must enclose a copy of the Federal Schedule K-1 and complete Reconciliation Worksheet A contained in Tax Topic Bulletin GIT-9P, *Income From Partnerships*. Be sure to retain the completed worksheet for your records.

Line 4

Add the amounts in the "Share of Partnership Income or (Loss)" column and enter the total on Line 4, netting income with losses. Enter this amount on Line 20, Form NJ-1040. **If the netted amount is a loss, make no entry on Line 20.**

Part III - Net Pro Rata Share of S Corporation Income

Use Part III to report the amount of your net pro rata share of S corporation income or loss, whether or not the income was actually distributed. If the spaces provided are not sufficient, enclose a statement with the return listing any additional S corporations and the related income or loss along with Schedule NJ-BUS-1.

For detailed information regarding the reporting of S corporation income, see Tax Topic Bulletin GIT-9S, *Income From S Corporations*.

Lines 1-3

S Corporation Name. Enter the name of each S corporation as listed on Schedule NJ-K-1 (or Federal Schedule K-1).

Federal EIN. Enter the Federal employer identification number of each S corporation.

Pro Rata Share of S Corporation Income or (Usable Loss). Enter your share of each S corporation's income or (usable loss) as reported to you by the S corporation(s) on Schedule NJ-K-1.

If you did not receive a Schedule NJ-K-1, you must enclose a copy of the Federal Schedule K-1 and complete Reconciliation Worksheet B contained in Tax Topic Bulletin GIT-9S, *Income From S Corporations*. Be sure to retain the completed worksheet for your records.

Line 4

Add the amounts in the "Pro Rata Share of S Corporation Income or (Usable Loss)" column and enter the total on Line 4, netting income with losses. Enter this amount on Line 21, Form NJ-1040.

If the netted amount is a loss, make no entry on Line 21.

Part IV - Net Gains or Income From Rents, Royalties, Patents, and Copyrights

Your portion of net gains or losses derived from rents, royalties, patents, and copyrights from property owned by a sole proprietorship, partnership, an estate or trust or, in general, an S corporation is reportable as net profits from business in Part I, distributive share of partnership income in Part II, net pro rata share of S corporation income in Part III, or income from estates and trusts on Line 25, Form NJ-1040. For information regarding grantor trusts, see the reporting instructions for Line 25 on page 24.

Use Part IV to report all other net gains or income less net losses from rents, royalties, patents, and copyrights. If the spaces provided are not sufficient, enclose a statement with the return listing any additional property and income or loss along with Schedule NJ-BUS-1.

New Jersey income tax law has uncoupled from certain changes in Federal depreciation and expense deduction limits. A New Jersey depreciation adjustment may be required for assets placed in service on or after January 1, 2004. Complete the Gross Income Tax Depreciation Adjustment Worksheet GIT-DEP to calculate the adjustment.

The New Jersey allowable IRC Section 199 deduction must be calculated on Form 501-GIT, Domestic Production Activities Deduction. The result should be taken into consideration in calculating the net gain, income, or loss resulting from the rental of applicable property.

The Gross Income Tax Act does not distinguish between active and passive

Schedule NJ-BUS-1 - continued

losses, nor does it authorize carryback or carryforward of such losses when reporting income on Form NJ-1040. Thus, you may deduct Federal passive losses in full in the year incurred against any gain within the **same category** of income.

Lines 1-3

Source of Income or Loss. Enter the property name or description. If the property is rental real estate, enter the physical address of the property.

Social Security Number/Federal EIN. Enter the social security number or Federal employer identification number for each income source.

Type. Enter the number that corresponds with the type of property. For example, if you received royalty income, enter "2."

Income or (Loss). Enter the gain or (loss) for each type of property. For rentals, in listing the income or loss for each rental property as determined on your Federal Schedule E, the New Jersey adjustments

from the Gross Income Tax Depreciation Adjustment Worksheet GIT-DEP, Part 1, lines 4 and 5 must be taken into consideration. Be sure to retain the completed worksheet for your records.

Line 4

Add the amounts in the "Income or (Loss)" column and enter the total on Line 4, netting gains with losses. Enter this amount on Line 22, Form NJ-1040. **If the netted amount is a loss, make no entry on Line 22.**

Assembling Your Return

Be sure to check the following before mailing your completed return:

- ♦ **Check your math.**
- ♦ **Sign and date your return (or property tax credit application).** Both spouses/civil union partners must sign a joint return.
- ♦ **Enclose** all supporting documents and schedules with the return including:
 - W-2s
 - 1099-Rs and 1099-MISCs that indicate NJ withholdings
 - If applicable, New Jersey Form(s): Schedules A, B, NJ-BUS-1 and NJ-BUS-2, NJ-630, NJ-1040-O, NJ-2210, NJ-2440, NJ-2450, GIT-317, Schedule NJK-1 (or copy of Federal Schedule K-1, Form 1065), Schedule NJ-K-1 (or copy of Federal Schedule K-1, Form 1120S), Schedule NJK-1, Form NJ-1041 (or copy of Federal Schedule K-1, Form 1041)
 - Proof of age and/or disability the first time you claim the exemption(s) on your return or property tax credit application
 - Copy of your New Jersey Certificate of Domestic Partnership the first time you claim the exemption on your return or property tax credit application
 - If applicable, death certificate of a deceased taxpayer
 - Copy of Federal tax return to document income equal to or less than the filing threshold amount for the entire year for a part-year resident
 - If applicable, copy of Federal Form(s):

Schedule B for interest over \$1,500	Form 4868 for filing under a Federal extension
Schedule C, C-EZ, or F for business income	Form 8283 for Qualified Conservation Contributions
Form 2106 for employee business expenses	Form 8853 for Archer MSA contributions
Form 3903 for moving expenses	
- ♦ **Balance due.** Complete the Payment Voucher, Form NJ-1040-V, and return it with your payment if paying by check or money order. Write your social security number on your check or money order. If you pay your taxes by check or money order, enter the amount of your payment in the boxes below the signature line on the front of the return. If paying by e-check or credit card, do not include the payment voucher, and do not enter the amount of your payment on the front of the return.
- ♦ **Use the return envelope** to mail Form NJ-1040 or NJ-1040-H with related enclosures, payment voucher, and check or money order. **Send only one return or property tax credit application per envelope.** On the flap of the envelope you will find two address labels. Choose the label that applies.
- ♦ **Keep a copy** of your return and all supporting documents or schedules.

Use of Form NJ-1040-H

If you were either a homeowner or a tenant and you meet the eligibility requirements for a property tax credit (see page 33), you qualify for a credit in the amount of \$50 (\$25 if you and your spouse/civil union partner file separate returns but maintain the same principal residence).

USE Form NJ-1040-H to apply for the credit only if you:

- ◆ Were 65 or older or blind or disabled on the last day of the tax year, and
- ◆ Have not filed and will not file a 2015 New Jersey resident income tax return (Form NJ-1040), and
- ◆ Had New Jersey gross income for 2015 of \$20,000 or less (\$10,000 or less if filing status is single or married/CU partner, filing separate return), and
- ◆ Did **not** own your principal residence in New Jersey on October 1, 2015.

DO NOT USE Form NJ-1040-H if you:

- ◆ Have filed or will file a New Jersey resident income tax return (Form NJ-1040), or
- ◆ Owned your principal residence in New Jersey on October 1, 2015, or
- ◆ Were under age 65 and not blind or disabled on the last day of the 2015 tax year, or
- ◆ Had New Jersey gross income for 2015 of more than \$20,000 (more than \$10,000 if filing status is single or married/CU partner, filing separate return).

Homeowner on October 1, 2015.

Form NJ-1040-H is not a Homestead Benefit Application. If you were a homeowner on October 1, 2015, and meet the eligibility requirements, your property tax credit will automatically be included with your homestead benefit, provided you file the homestead benefit application.

When to File

Residents have until April 18, 2016, to file Form NJ-1040-H for 2015.

Identification Section

Name and Address

Place the peel-off label from the front of this booklet in the name and address section at the top of the application. **Do not use the label if any of the information is incorrect.** If your label contains inaccurate information or you do not have a label, print or type your name (last name first), complete address, and zip code in the spaces provided. Also include your spouse's/civil union partner's name if filing jointly.



TAX TIP Fill in the "Change of Address" oval if your address has changed since you last filed a New Jersey return or if any of the address information on your label is incorrect.

Social Security Number

Your social security number(s) is not printed on your name and address label. **You must enter your social security number(s)** in the space provided on the application, one digit in each box. If your filing status is married/CU couple, filing joint return, remember to report both filers' numbers in the order in which the names are listed on the application.

If you (or your spouse/civil union partner) do not have a social security number, see "Social Security Number" on page 14 for more information.

County/Municipality Code

Enter your four-digit county/municipality code, one digit in each box, from the table on page 51. This code identifies the county and municipality of your current residence. The county and municipality codes in these instructions are for Division of Taxation purposes only.

If the local name of the place where you live is not listed, go to www.state.nj.us/infobank/locality.htm for a listing of local

names in the State and the county and municipality in which they are located.

Filing Status (Lines 1–5)

You must use the same filing status on your property tax credit application as you would have used if you had filed a New Jersey income tax return (Form NJ-1040). Indicate the appropriate filing status. Fill in only **one** oval. For more information on determining your filing status, see "Filing Status" on page 14.

NJ Residency Status (Line 6)

If you were a New Jersey resident for only part of the taxable year, list the month, day, and year your residency began and the month, day, and year it ended. List all months as two-digit numbers using 01 for January, 02 for February, 03 for March, etc. Enter the correct number for the beginning and ending months directly in the boxes containing the letter "M," one digit in each box.

List the days of the months as two-digit numbers beginning with 01 for the first day of the month and ending with 31 for the last day of the month. Enter the correct number for the beginning and ending dates directly in the boxes containing the letter "D," one digit in each box.

Calendar year filers should enter the number 15 for the year directly in the boxes containing the letter "Y," one digit in each box. Fiscal year filers should enter the appropriate year in the "Y" boxes.

Application Section

Age 65 or Older or Blind or Disabled (Lines 7a and 7b)

Line 7a — Age 65 or Older. Indicate whether you were 65 or older on the last day of the 2015 tax year. Fill in the appropriate oval to the right of "Yourself." If your filing status is married/CU couple, filing joint return, fill in the appropriate oval to the right of "Spouse/CU partner."

Proof of Age. The first time you (or your spouse/civil union partner) file a property tax credit application and indicate that you (or your spouse/civil union partner)

Application Section - continued

are 65 or older you must enclose proof of age such as a copy of a birth certificate, driver's license, or church records.

Line 7b — Blind or Disabled. Indicate whether you were eligible to claim a personal exemption as a blind or disabled taxpayer on the last day of the 2015 tax year. Fill in the appropriate oval to the right of "Yourself." If your filing status is married/CU couple, filing joint return, fill in the appropriate oval to the right of "Spouse/CU partner."

Proof of Disability. Disabled means total and permanent inability to engage in any substantial gainful activity because of any physical or mental impairment, including blindness. The first time you (or your spouse/civil union partner) file a property tax credit application and indicate that you (or your spouse/civil union partner) are blind or disabled you must enclose a copy of the doctor's certificate or other medical records evidencing legal blindness or total and permanent disability. This information need not be submitted each year provided there is no change in your condition.

Fill in the "Yes" ovals **only if you or your spouse/civil union partner meet the qualifications**; they do not apply to your dependents or domestic partner.

If you answer "No" to the questions at Line 7a and Line 7b for both yourself and your spouse/CU partner, do not file Form NJ-1040-H. If you were under age 65 and not blind or disabled on December 31, 2015, and you had New Jersey gross income for the entire year that was more than the filing threshold amount for your filing status (see chart on page 5), you must file Form NJ-1040 to claim either a property tax deduction or credit. If your New Jersey gross income was equal to or less than the filing threshold amount, you are not eligible for a property tax credit.

Homeowner on October 1, 2015 (Line 8)

If you owned and occupied a home in New Jersey that was your principal residence on October 1, 2015, and property taxes were paid on that dwelling, fill in "Yes." **If you answer "Yes" here, do not file Form NJ-1040-H.** If you are eligible and file for a 2015 homestead benefit, your property tax credit will automatically be included with your homestead benefit. Information about the 2015 homestead benefit will be posted on the Division's website (www.state.nj.us/treasury/taxation/) as it becomes available. Or you can call 1-888-238-1233.

Homeowner or Tenant During 2015 (Line 9)

Indicate whether at any time during 2015 you either owned or rented a dwelling in New Jersey that you occupied as your principal residence on which property taxes or rent were paid. **Fill in only one oval** to indicate whether during 2015 you were a homeowner, a tenant, both a homeowner and a tenant, or *neither* a homeowner nor a tenant. If you were a homeowner or a tenant (or both), you may be asked to provide proof of property taxes or rent paid on your principal residence at a later time.

If you answer "Neither" here, you are not eligible for a property tax credit. Do not file Form NJ-1040-H.

Line 10 - Gross Income


Enter on Line 10 the same income as you would have reported on Line 28 of your 2015 New Jersey income tax return (Form NJ-1040) if you had filed the return. **Part-year residents must enter their income from all sources for the entire year.**

NOTE: Social Security and Railroad Retirement benefits are exempt from New Jersey income tax and should not be reported as income on Line 10.

Do not complete Form NJ-1040-H if the amount on Line 10 is more than the filing threshold amount (see chart on page 5). You must file a New Jersey income tax return and claim either a property tax deduction or a property tax credit on Form NJ-1040.

Signatures

Sign and date your property tax credit application in blue or black ink. Both husband and wife/civil union partners must sign a joint application. The signature(s) on the form you file must be original; photocopied signatures are not acceptable. An application without the proper signatures cannot be processed and will be returned to you. This may result in a delay in payment of your property tax credit.

TAX TIP  Fill in the oval below the signature line and enclose a copy of the decedent's death certificate only if you want the check to be issued to the decedent's surviving spouse/civil union partner or estate (see page 11).

For information about authorizing the Division of Taxation to discuss your return and enclosures with your paid preparer, see "Preparer Authorization" on page 13.

Where to Mail Your Application

Use the return envelope to file Form NJ-1040-H. **Send only one application per envelope.** Use the return address label located on the flap of the envelope addressed to:

STATE OF NEW JERSEY
DIVISION OF TAXATION
REVENUE PROCESSING CENTER – REFUNDS
PO Box 555
TRENTON NJ 08647-0555

Enter the appropriate four-digit number in the boxes below the social security number boxes on Form NJ-1040 and Form NJ-1040-H. These codes are for Division of Taxation purposes only. If the place where you live is not listed, see instructions on page 14.

Municipality	Code	Municipality	Code	Municipality	Code	Municipality	Code
ATLANTIC COUNTY							
Absecon City	0101	Ridgewood Village	0251	Gibbsboro Borough	0413	Nutley Township	0716
Atlantic City	0102	River Edge Borough	0252	Gloucester City	0414	Orange City	0717
Brigantine City	0103	River Vale Township	0253	Gloucester Township	0415	Roseland Borough	0718
Buena Borough	0104	Rochelle Park Township	0254	Haddon Township	0416	South Orange Village Twp.	0719
Buena Vista Township	0105	Rockleigh Borough	0255	Haddonfield Borough	0417	Verona Township	0720
Corbin City	0106	Rutherford Borough	0256	Haddon Heights Borough	0418	West Caldwell Township	0721
Egg Harbor City	0107	Saddle Brook Township	0257	Hi-Nella Borough	0419	West Orange Township	0722
Egg Harbor Township	0108	Saddle River Borough	0258	Laurel Springs Borough	0420		
Estell Manor City	0109	South Hackensack Twp.	0259	Lawnside Borough	0421	GLOUCESTER COUNTY	
Folsom Borough	0110	Teaneck Township	0260	Lindenwold Borough	0422	Clayton Borough	0801
Galloway Township	0111	Tenafly Borough	0261	Magnolia Borough	0423	Deptford Township	0802
Hamilton Township	0112	Teterboro Borough	0262	Merchantville Borough	0424	East Greenwich Township	0803
Hammonton Town	0113	Upper Saddle River Bor.	0263	Mount Ephraim Borough	0425	Elk Township	0804
Linwood City	0114	Waldwick Borough	0264	Oaklyn Borough	0426	Franklin Township	0805
Longport Borough	0115	Wallington Borough	0265	Pennsauken Township	0427	Glassboro Borough	0806
Margate City	0116	Washington Township	0266	Pine Hill Borough	0428	Greenwich Township	0807
Mullica Township	0117	Westwood Borough	0267	Pine Valley Borough	0429	Harrison Township	0808
Northfield City	0118	Woodcliff Lake Borough	0268	Runnemede Borough	0430	Logan Township	0809
Pleasantville City	0119	Wood-Ridge Borough	0269	Somerdale Borough	0431	Mantua Township	0810
Port Republic City	0120	Wyckoff Township	0270	Stratford Borough	0432	Monroe Township	0811
Somers Point City	0121			Tavistock Borough	0433	National Park Borough	0812
Ventnor City	0122	BURLINGTON COUNTY		Voorhees Township	0434	Newfield Borough	0813
Weymouth Township	0123	Bass River Township	0301	Waterford Township	0435	Paulsboro Borough	0814
		Beverly City	0302	Winslow Township	0436	Pitman Borough	0815
		Bordentown City	0303	Woodlynne Borough	0437	South Harrison Township	0816
		Bordentown Township	0304			Swedesboro Borough	0817
		Burlington City	0305	CAPE MAY COUNTY			
		Burlington Township	0306	Avalon Borough	0501	Washington Township	0818
		Chesterfield Township	0307	Cape May City	0502	Wenonah Borough	0819
		Cinnaminson Township	0308	Cape May Point Borough	0503	West Deptford Township	0820
		Delanco Township	0309	Dennis Township	0504	Westville Borough	0821
		Delran Township	0310	Lower Township	0505	Woodbury City	0822
		Eastampton Township	0311	Middle Township	0506	Woodbury Heights Bor.	0823
		Edgewater Park Township	0312	North Wildwood City	0507	Woolwich Township	0824
		Evesham Township	0313	Ocean City	0508		
		Fieldsboro Borough	0314	Sea Isle City	0509	HUDSON COUNTY	
		Florence Township	0315	Stone Harbor Borough	0510	Bayonne City	0901
		Hainesport Township	0316	Upper Township	0511	East Newark Borough	0902
		Lumberton Township	0317	West Cape May Borough	0512	Guttenberg Town	0903
		Mansfield Township	0318	West Wildwood Borough	0513	Harrison Town	0904
		Maple Shade Township	0319	Wildwood City	0514	Hoboken City	0905
		Medford Township	0320	Wildwood Crest Borough	0515	Jersey City	0906
		Medford Lakes Borough	0321	Woodbine Borough	0516	Kearny Town	0907
		Moorestown Township	0322			North Bergen Township	0908
		Mount Holly Township	0323	CUMBERLAND COUNTY			
		Mount Laurel Township	0324	Bridgeton City	0601	Secaucus Town	0909
		New Hanover Township	0325	Commercial Township	0602	Union City	0910
		North Hanover Township	0326	Deerfield Township	0603	Weehawken Township	0911
		Palmyra Borough	0327	Downe Township	0604	West New York Town	0912
		Pemberton Borough	0328	Fairfield Township	0605		
		Pemberton Township	0329	Greenwich Township	0606	HUNTERDON COUNTY	
		Riverside Township	0330	Hopewell Township	0607	Alexandria Township	1001
		Riverton Borough	0331	Lawrence Township	0608	Bethlehem Township	1002
		Shamong Township	0332	Maurice River Township	0609	Bloomsbury Borough	1003
		Southampton Township	0333	Millville City	0610	Califon Borough	1004
		Springfield Township	0334	Shiloh Borough	0611	Clinton Town	1005
		Tabernacle Township	0335	Stow Creek Township	0612	Clinton Township	1006
		Washington Township	0336	Upper Deerfield Twp.	0613	Delaware Township	1007
		Westampton Township	0337	Vineland City	0614	East Amwell Township	1008
		Willingboro Township	0338			Flemington Borough	1009
		Woodland Township	0339	ESSEX COUNTY			
		Wrightstown Borough	0340	Belleville Township	0701	Franklin Township	1010
				Bloomfield Township	0702	Frenchtown Borough	1011
		CAMDEN COUNTY		Caldwell Borough Twp.	0703	Glen Gardner Borough	1012
		Audubon Borough	0401	Cedar Grove Township	0704	Hampton Borough	1013
		Audubon Park Borough	0402	East Orange City	0705	High Bridge Borough	1014
		Barrington Borough	0403	Essex Fells Twp.	0706	Holland Township	1015
		Bellmawr Borough	0404	Fairfield Township	0707	Kingwood Township	1016
		Berlin Borough	0405	Glen Ridge Bor. Twp.	0708	Lambertville City	1017
		Berlin Township	0406	Irvington Township	0709	Lebanon Borough	1018
		Brooklawn Borough	0407	Livingston Township	0710	Lebanon Township	1019
		Camden City	0408	Maplewood Township	0711	Milford Borough	1020
		Cherry Hill Township	0409	Millburn Township	0712	Raritan Township	1021
		Chesilhurst Borough	0410	Montclair Township	0713	Readington Township	1022
		Clementon Borough	0411	Newark City	0714	Stockton Borough	1023
		Collingswood Borough	0412	North Caldwell Bor.	0715	Tewksbury Township	1024
						Union Township	1025
						West Amwell Township	1026

Enter the appropriate four-digit number in the boxes below the social security number boxes on Form NJ-1040 and Form NJ-1040-H. These codes are for Division of Taxation purposes only. If the place where you live is not listed, see instructions on page 14.

Municipality	Code	Municipality	Code	Municipality	Code	Municipality	Code
MERCER COUNTY		Monmouth Beach Borough	1334	Lavallette Borough	1516	Watchung Borough	1821
East Windsor Township	1101	Neptune City Borough	1336	Little Egg Harbor Twp.	1517	SUSSEX COUNTY	
Ewing Township	1102	Neptune Township	1335	Long Beach Township	1518	Andover Borough	1901
Hamilton Township	1103	Ocean Township	1337	Manchester Township	1519	Andover Township	1902
Hightstown Borough	1104	Oceanport Borough	1338	Mantoloking Borough	1520	Branchville Borough	1903
Hopewell Borough	1105	Red Bank Borough	1339	Ocean Gate Borough	1522	Byram Township	1904
Hopewell Township	1106	Roosevelt Borough	1340	Ocean Township	1521	Frankford Township	1905
Lawrence Township	1107	Rumson Borough	1341	Pine Beach Borough	1523	Franklin Borough	1906
Pennington Borough	1108	Sea Bright Borough	1342	Plumsted Township	1524	Fredon Township	1907
Princeton	1114	Sea Girt Borough	1343	Point Pleasant Borough	1525	Green Township	1908
Robbinsville Township	1112	Shrewsbury Borough	1344	Pt. Pleasant Beach Bor.	1526	Hamburg Borough	1909
Trenton City	1111	Shrewsbury Township	1345	Seaside Heights Borough	1527	Hampton Township	1910
West Windsor Township	1113	Spring Lake Borough	1347	Seaside Park Borough	1528	Hardyston Township	1911
MIDDLESEX COUNTY		Spring Lake Heights Bor.	1348	Ship Bottom Borough	1529	Hopatcong Borough	1912
Carteret Borough	1201	Tinton Falls Borough	1349	South Toms River Bor.	1530	Lafayette Township	1913
Cranbury Township	1202	Union Beach Borough	1350	Stafford Township	1531	Montague Township	1914
Dunellen Borough	1203	Upper Freehold Township	1351	Surf City Borough	1532	Newton Town	1915
East Brunswick Township	1204	Wall Township	1352	Toms River Township	1508	Ogdensburg Borough	1916
Edison Township	1205	West Long Branch Boro	1353	Tuckerton Borough	1533	Sandyston Township	1917
Helmetta Borough	1206	MORRIS COUNTY		PASSAIC COUNTY		Sparta Township	1918
Highland Park Borough	1207	Boonton Town	1401	Bloomington Borough	1601	Stanhope Borough	1919
Jamesburg Borough	1208	Boonton Township	1402	Clifton City	1602	Stillwater Township	1920
Metuchen Borough	1209	Butler Borough	1403	Haledon Borough	1603	Sussex Borough	1921
Middlesex Borough	1210	Chatham Borough	1404	Hawthorne Borough	1604	Vernon Township	1922
Milltown Borough	1211	Chatham Township	1405	Little Falls Township	1605	Walpack Township	1923
Monroe Township	1212	Chester Borough	1406	North Haledon Borough	1606	Wantage Township	1924
New Brunswick City	1213	Chester Township	1407	Passaic City	1607	UNION COUNTY	
North Brunswick Twp.	1214	Denville Township	1408	Paterson City	1608	Berkeley Heights Twp.	2001
Old Bridge Township	1215	Dover Town	1409	Pompton Lakes Borough	1609	Clark Township	2002
Perth Amboy City	1216	East Hanover Township	1410	Prospect Park Borough	1610	Cranford Township	2003
Piscataway Township	1217	Florham Park Borough	1411	Ringwood Borough	1611	Elizabeth City	2004
Plainsboro Township	1218	Hanover Township	1412	Totowa Borough	1612	Fanwood Borough	2005
Sayreville Borough	1219	Harding Township	1413	Wanaque Borough	1613	Garwood Borough	2006
South Amboy City	1220	Jefferson Township	1414	Wayne Township	1614	Hillside Township	2007
South Brunswick Twp.	1221	Kinnelon Borough	1415	West Milford Township	1615	Kenilworth Borough	2008
South Plainfield Bor.	1222	Lincoln Park Borough	1416	Woodland Park Borough	1616	Linden City	2009
South River Borough	1223	Long Hill Township	1430	SALEM COUNTY		Mountainside Borough	2010
Spotswood Borough	1224	Madison Borough	1417	Alloway Township	1701	New Providence Borough	2011
Woodbridge Township	1225	Mendham Borough	1418	Carneys Point Township	1702	Plainfield City	2012
MONMOUTH COUNTY		Mendham Township	1419	Elmer Borough	1703	Rahway City	2013
Aberdeen Township	1301	Mine Hill Township	1420	Elsinboro Township	1704	Roselle Borough	2014
Allenhurst Borough	1302	Montville Township	1421	Lower Alloways Crk. Twp.	1705	Roselle Park Borough	2015
Allentown Borough	1303	Morris Plains Borough	1423	Mannington Township	1706	Scotch Plains Township	2016
Asbury Park City	1304	Morris Township	1422	Oldmans Township	1707	Springfield Township	2017
Atlantic Highlands Bor.	1305	Morristown Town	1424	Penns Grove Borough	1708	Summit City	2018
Avon-by-the-Sea Bor.	1306	Mountain Lakes Borough	1425	Pennsville Township	1709	Union Township	2019
Belmar Borough	1307	Mt. Arlington Borough	1426	Pilesgrove Township	1710	Westfield Town	2020
Bradley Beach Borough	1308	Mt. Olive Township	1427	Pittsgrove Township	1711	Winfield Township	2021
Brielle Borough	1309	Netcong Borough	1428	Quinton Township	1712	WARREN COUNTY	
Colts Neck Township	1310	Parsippany-Troy Hills Twp.	1429	Salem City	1713	Allamuchy Township	2101
Deal Borough	1311	Pequanock Township	1431	Upper Pittsgrove Twp.	1714	Alpha Borough	2102
Eatontown Borough	1312	Randolph Township	1432	Woodstown Borough	1715	Belvidere Town	2103
Englishtown Borough	1313	Riverdale Borough	1433	SOMERSET COUNTY		Blairstown Township	2104
Fair Haven Borough	1314	Rockaway Borough	1434	Bedminster Township	1801	Franklin Township	2105
Farmingdale Borough	1315	Rockaway Township	1435	Bernards Township	1802	Frelinghuysen Township	2106
Freehold Borough	1316	Roxbury Township	1436	Bernardsville Borough	1803	Greenwich Township	2107
Freehold Township	1317	Victory Gardens Borough	1437	Bound Brook Borough	1804	Hackettstown Town	2108
Hazlet Township	1318	Washington Township	1438	Branchburg Township	1805	Hardwick Township	2109
Highlands Borough	1319	Wharton Borough	1439	Bridgewater Township	1806	Harmony Township	2110
Holmdel Township	1320	OCEAN COUNTY		Far Hills Borough	1807	Hope Township	2111
Howell Township	1321	Barneget Township	1501	Franklin Township	1808	Independence Township	2112
Interlaken Borough	1322	Barneget Light Borough	1502	Green Brook Township	1809	Knowlton Township	2113
Keansburg Borough	1323	Bay Head Borough	1503	Hillsborough Township	1810	Liberty Township	2114
Keyport Borough	1324	Beach Haven Borough	1504	Manville Borough	1811	Lopatcong Township	2115
Lake Como Borough	1346	Beachwood Borough	1505	Millstone Borough	1812	Mansfield Township	2116
Little Silver Borough	1325	Berkeley Township	1506	Montgomery Township	1813	Oxford Township	2117
Loch Arbour Village	1326	Brick Township	1507	North Plainfield Borough	1814	Phillipsburg Town	2119
Long Branch City	1327	Eagleswood Township	1509	Peapack & Gladstone Bor.	1815	Pohatcong Township	2120
Manalapan Township	1328	Harvey Cedars Borough	1510	Raritan Borough	1816	Washington Borough	2121
Manasquan Borough	1329	Island Heights Borough	1511	Rocky Hill Borough	1817	Washington Township	2122
Marlboro Township	1330	Jackson Township	1512	Somerville Borough	1818	White Township	2123
Matawan Borough	1331	Lacey Township	1513	South Bound Brook Bor.	1819		
Middletown Township	1332	Lakehurst Borough	1514	Warren Township	1820		
Millstone Township	1333	Lakewood Township	1515				

2015 New Jersey Tax Table

Use this table if your New Jersey taxable income on Line 39 is less than \$100,000. If your taxable income is \$100,000 or more, you must use the Tax Rate Schedules on page 62 of this booklet.

Example: Mr. and Mrs. Evans are filing a joint return. They checked filing status “2,” married/ CU couple, filing joint return. Their taxable income on Line 39 of Form NJ-1040 is \$39,875. First they find the \$39,850–\$39,900 income line. Next, they find the column for filing status “2” and read down the column. The amount shown where the income line meets the filing status column is \$628. This is the tax amount to be entered on Line 40 of Form NJ-1040.

If Line 39 (taxable income) Is—		And Your Filing Status* Is	
At least	But Less Than	1 or 3	2, 4, or 5
		Your Tax is—	
39,800	39,850	711	627
39,850	39,900	713	628
39,900	39,950	715	629
39,950	40,000	717	630

***Filing Status:**

- 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

2015 NEW JERSEY TAX TABLE (NJ-1040)

If Line 39 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 39 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 39 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 39 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —	
At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5
		Your Tax Is—				Your Tax Is—				Your Tax Is—				Your Tax Is—	
				1,000				2,000				3,000			
0	50	0	0	1,000	1,050	14	14	2,000	2,050	28	28	3,000	3,050	42	42
50	100	1	1	1,050	1,100	15	15	2,050	2,100	29	29	3,050	3,100	43	43
100	150	2	2	1,100	1,150	16	16	2,100	2,150	30	30	3,100	3,150	44	44
150	200	2	2	1,150	1,200	16	16	2,150	2,200	30	30	3,150	3,200	44	44
200	250	3	3	1,200	1,250	17	17	2,200	2,250	31	31	3,200	3,250	45	45
250	300	4	4	1,250	1,300	18	18	2,250	2,300	32	32	3,250	3,300	46	46
300	350	5	5	1,300	1,350	19	19	2,300	2,350	33	33	3,300	3,350	47	47
350	400	5	5	1,350	1,400	19	19	2,350	2,400	33	33	3,350	3,400	47	47
400	450	6	6	1,400	1,450	20	20	2,400	2,450	34	34	3,400	3,450	48	48
450	500	7	7	1,450	1,500	21	21	2,450	2,500	35	35	3,450	3,500	49	49
500	550	7	7	1,500	1,550	21	21	2,500	2,550	35	35	3,500	3,550	49	49
550	600	8	8	1,550	1,600	22	22	2,550	2,600	36	36	3,550	3,600	50	50
600	650	9	9	1,600	1,650	23	23	2,600	2,650	37	37	3,600	3,650	51	51
650	700	9	9	1,650	1,700	23	23	2,650	2,700	37	37	3,650	3,700	51	51
700	750	10	10	1,700	1,750	24	24	2,700	2,750	38	38	3,700	3,750	52	52
750	800	11	11	1,750	1,800	25	25	2,750	2,800	39	39	3,750	3,800	53	53
800	850	12	12	1,800	1,850	26	26	2,800	2,850	40	40	3,800	3,850	54	54
850	900	12	12	1,850	1,900	26	26	2,850	2,900	40	40	3,850	3,900	54	54
900	950	13	13	1,900	1,950	27	27	2,900	2,950	41	41	3,900	3,950	55	55
950	1,000	14	14	1,950	2,000	28	28	2,950	3,000	42	42	3,950	4,000	56	56

2015 NEW JERSEY TAX TABLE (NJ-1040) - Continued

Table with columns for 'If Line 39 (New Jersey Taxable Income) Is', 'And You Checked Filing Status Line', and tax amounts. Rows are organized by tax amount ranges (e.g., 16,000-16,950, 17,000-17,950, etc.) and include sub-columns for 'At Least' and 'But Less Than' values.

2015 NEW JERSEY TAX TABLE (NJ-1040) – Continued

Table with 16 columns: If Line 39 (New Jersey Taxable Income) Is —, And You Checked Filing Status Line —, If Line 39 (New Jersey Taxable Income) Is —, And You Checked Filing Status Line —, If Line 39 (New Jersey Taxable Income) Is —, And You Checked Filing Status Line —, If Line 39 (New Jersey Taxable Income) Is —, And You Checked Filing Status Line —. Rows include tax brackets from 28,000 to 39,950.

2015 NEW JERSEY TAX TABLE (NJ-1040) – Continued

Table with 16 columns and multiple rows. Columns include 'If Line 39 (New Jersey Taxable Income) Is', 'And You Checked Filing Status Line', 'Your Tax Is', and various tax amount ranges from \$52,000 to \$63,000. Rows provide specific tax values for combinations of income and filing status.

2015 NJ-1040 Tax Table

2015 NEW JERSEY TAX TABLE (NJ-1040) – Continued

Table with 16 columns: 'If Line 39 (New Jersey Taxable Income) Is —', 'And You Checked Filing Status Line —', 'If Line 39 (New Jersey Taxable Income) Is —', 'And You Checked Filing Status Line —', 'If Line 39 (New Jersey Taxable Income) Is —', 'And You Checked Filing Status Line —', 'If Line 39 (New Jersey Taxable Income) Is —', 'And You Checked Filing Status Line —'. Rows include tax brackets from 76,000 to 89,950.

2015 NEW JERSEY TAX TABLE (NJ-1040) – Continued

Table with 16 columns: If Line 39 (New Jersey Taxable Income) Is —, And You Checked Filing Status Line —, If Line 39 (New Jersey Taxable Income) Is —, And You Checked Filing Status Line —, If Line 39 (New Jersey Taxable Income) Is —, And You Checked Filing Status Line —, If Line 39 (New Jersey Taxable Income) Is —, And You Checked Filing Status Line —, If Line 39 (New Jersey Taxable Income) Is —, And You Checked Filing Status Line —. Rows include tax brackets from 88,000 to 99,950.

New Jersey Tax Rate Schedules 2015

FILING STATUS: Single
Married/CU partner, filing separate return

Table A

		STEP 1	STEP 2	STEP 3	
If Taxable Income (Line 39) is:		Enter Line 39	Multiply Line 39 by:	Subtract	Your Tax
Over	But not over				
\$ 0	\$ 20,000	_____	× .014 = _____	– \$ 0 = _____	
\$ 20,000	\$ 35,000	_____	× .0175 = _____	– \$ 70.00 = _____	
\$ 35,000	\$ 40,000	_____	× .035 = _____	– \$ 682.50 = _____	
\$ 40,000	\$ 75,000	_____	× .05525 = _____	– \$ 1,492.50 = _____	
\$ 75,000	\$500,000	_____	× .0637 = _____	– \$ 2,126.25 = _____	
\$500,000	and over	_____	× .0897 = _____	– \$15,126.25 = _____	

FILING STATUS: Married/CU couple, filing joint return
Head of household
Qualifying widow(er)/surviving CU partner

Table B

		STEP 1	STEP 2	STEP 3	
If Taxable Income (Line 39) is:		Enter Line 39	Multiply Line 39 by:	Subtract	Your Tax
Over	But not over				
\$ 0	\$ 20,000	_____	× .014 = _____	– \$ 0 = _____	
\$ 20,000	\$ 50,000	_____	× .0175 = _____	– \$ 70.00 = _____	
\$ 50,000	\$ 70,000	_____	× .0245 = _____	– \$ 420.00 = _____	
\$ 70,000	\$ 80,000	_____	× .035 = _____	– \$ 1,154.50 = _____	
\$ 80,000	\$150,000	_____	× .05525 = _____	– \$ 2,775.00 = _____	
\$150,000	\$500,000	_____	× .0637 = _____	– \$ 4,042.50 = _____	
\$500,000	and over	_____	× .0897 = _____	– \$17,042.50 = _____	

When You Need Information...

by phone...

Call our Automated Tax Information System

1-800-323-4400 — (within NJ, NY, PA, DE, and MD) or **609-826-4400**. Touch-tone phones only.

- ◆ Listen to recorded tax information on many topics.
- ◆ Order certain forms and publications through our message system.
- ◆ Get information on 2015 refunds from ARIS, our Automated Refund Inquiry System, 7 days a week (hours may vary).

Contact our Customer Service Center

609-292-6400 — Speak directly to a Division of Taxation representative for tax information and assistance, 8:30 a.m. to 4:30 p.m., Monday through Friday (except State holidays).

Text Telephone Service (TTY/TDD) for Hearing-Impaired 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 New Jersey tax matter.
- ◆ Receive a reply through NJ Relay Services (711).

online...

Visit the New Jersey Division of Taxation Website

Many State tax forms and publications are available on our website at:

www.state.nj.us/treasury/taxation/

You can also reach us by email with general State tax questions at:

nj.taxation@treas.nj.gov

Do not include confidential information such as social security or Federal tax identification numbers, liability or payment amounts, dates of birth, or bank account numbers in your email.

Subscribe to *NJ Tax E-News*, the Division of Taxation's online information service, at:

www.state.nj.us/treasury/taxation/listservic.shtml

in person...

Visit a New Jersey Division of Taxation Regional Office

Regional offices provide individual assistance at various locations throughout the State. Call the Automated Tax Information System or visit our website for the address of the regional office nearest you.

To Get Forms...

- ◆ Call New Jersey's Forms Request System at 1-800-323-4400 (within NJ, NY, PA, DE, and MD) or 609-826-4400. Touch-tone phones only.
- ◆ Visit our website at:
www.state.nj.us/treasury/taxation/forms.shtml
- ◆ Write to: NJ Division of Taxation
Taxpayer Forms Services
PO Box 269
Trenton, NJ 08695-0269

Who Can Help...

Trained volunteers in the VITA (Volunteer Income Tax Assistance) and TCE (Tax Counseling for the Elderly) Programs are available to help prepare both Federal and State returns at locations throughout New Jersey. For the location nearest you, contact the Division's Customer Service Center at 609-292-6400 or the Internal Revenue Service.

New Jersey Earned Income Tax Credit...

Call the Customer Service Center

609-292-6400 — For information, 8:30 a.m. to 4:30 p.m., Monday through Friday (except State holidays).

NJ TaxTalk

TaxTalk is the portion of the Automated Tax Information System (ATIS) that provides recorded information to callers on a variety of New Jersey tax topics. Callers will have the opportunity, after certain topics, to request a form or publication pertaining to that topic. TaxTalk is available 24 hours a day, 7 days a week.

Select the 3-digit number of the topic you want to hear. Then from a Touch-tone phone call 1-800-323-4400 (within NJ, NY, PA, DE, and MD) or 609-826-4400. Have paper and pencil available to take notes. Additional topics may become available after the printing of this booklet.

TaxTalk — Topic Codes

NJ INCOME TAX INFORMATION FOR INDIVIDUALS

Filing Your New Jersey Return

- 100 Who Must File
- 101 Military Personnel Resident Defined & Income Tax Filing Requirements
- 102 Military Personnel Nonresident Defined & Income Tax Filing Requirements
- 103 How and When to File an Extension
- 104 Military Extensions
- 105 How and When to Amend
- 106 Penalties, Interest & Collection Fees
- 108 Who is Required to Make Estimated Tax Payments
- 110 Interest on Underpayment of Estimated Tax Payments

- 112 Pennsylvania Residents Working in New Jersey/New Jersey Residents Working in Pennsylvania
- 114 Nonresidents
- 115 Nonresidents: Estimated Tax on Income From the Sale or Transfer of New Jersey Real Estate
- 116 Mailing Your Return With Refunds or No Tax Due
- 118 Mailing Your Return With Payments Due
- 119 Mailing Your Property Tax Credit Applications Only (Without NJ-1040 Tax Returns)
- 120 How to Pay

Completing Your New Jersey Return

- 121 Social Security Number
- 122 Filing Status
- 123 Civil Union Partners
- 124 Part-Year Residents
- 128 Deceased Taxpayers
- 130 Personal Exemptions
- 131 Domestic Partnership Exemption
- 132 Dependent Exemptions
- 133 Dependents Attending Colleges Exemptions
- 134 New Jersey Earned Income Tax Credit
- 135 Property Tax Deduction or Credit
- 136 Deductions
- 138 Reporting Wages
- 140 Nontaxable Income

continued

- 142 Reporting Capital Gain Income
- 143 Reporting a Gain From the Sale of a Principal Residence
- 144 Reporting Net Profits From Your Business
- 145 Reporting Distributive Share of Partnership Income
- 146 Reporting Net Pro Rata Share of S Corporation Income
- 147 Use Tax Due on Out-of-State Purchases
- 148 Withholdings and Payments
- 150 Claiming Credit for Income or Wage Tax Paid to Another Jurisdiction
- 152 Claiming Excess Unemployment and Disability

Pension and IRA Information

- 154 Pension Income
- 156 Pension Exclusion
- 157 Employer Post-Retirement Contributions to Section 403(b) Plan
- 158 IRA Distributions
- 160 Establishing Your Roth IRA
- 162 Qualified Distributions From a Roth IRA
- 164 Nonqualified Distributions From a Roth IRA

NJ PROPERTY TAX RELIEF PROGRAMS**Homestead Benefit**

- 228 General Information on the Homestead Benefit for Homeowners
- 231 Homestead Benefit Amounts for Homeowners
- 233 How to Check the Status of Your Homestead Benefit

Senior Freeze/Property Tax Reimbursement

- 216 General Information on the Senior Freeze/Property Tax Reimbursement
- 218 Eligibility Requirements
- 220 How to Apply for a Senior Freeze/Property Tax Reimbursement

Property Tax Deduction or Credit

- 224 General Information on the Property Tax Deduction or Credit

PAPERLESS FILING PROGRAMS**New Jersey WebFile**

- 300 NJ WebFile

New Jersey E-File

- 304 NJ E-File

NJ TAX AND FEE INFORMATION FOR BUSINESSES**Business Registration**

- 400 Starting a Business in NJ
- 401 How to File Taxes and Fees by Phone or Online

- 402 Small Business Workshops
- 404 Electing S Corporation Status
- 410 Ending Your Tax Registration in New Jersey

Income Tax Withholding Information for Businesses

- 412 Reporting and Remitting NJ Income Tax Withheld
- 414 Reconciling Tax Withheld With Form NJ-W-3
- 416 Employee's Withholding Allowance Certificates, Forms W-4 and NJ-W-4
- 420 Withholding New Jersey Income Taxes
- 421 Withholding New Jersey Income Taxes for Contractor Services
- 422 Penalties, Interest & Collection Fees

Sales and Use Tax Information for Businesses

- 424 Collecting Sales Tax
- 426 Use Tax
- 428 Annual Use Tax
- 429 New Jersey Sales and Use Tax EZ File Systems for Filing Forms ST-50/ST-51
- 430 Filing Forms ST-50/ST-51
- 432 What to Do if You Don't Have a Form
- 434 Penalties, Interest & Collection Fees
- 436 Contractors
- 438 Making Mail-Order and Internet Sales
- 442 Urban Enterprise Zone

Lease and Rental Information for Businesses

- 444 Lease and Rental Transactions
- 448 Domestic Security Fee

Other Fees and Taxes

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- 454 Domestic Security Fee
- 456 Hotel/Motel State Occupancy Fee and Municipal Occupancy Tax
- 458 Litter Control Fee
- 459 Motor Vehicle Tire Fee

CORPORATIONS & PARTNERSHIPS**Corporations**

- 501 Starting a Corporation
- 502 Filing Responsibilities
- 503 Consequences of Not Dissolving a Corporation
- 504 Tax Rates and Accounting Periods
- 506 Electing S Corporation Status

Partnerships

- 508 Partnership Information
- 510 Partnership Filing Requirements
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INFORMATION FOR INDIVIDUALS ON SALES & USE TAX AND STATE FEES**General Information on Sales and Use Tax for Individuals**

- 600 General Information on Sales and Use Tax for Individuals

Out-of-State Purchases

- 602 Out-of-State Purchases

Mail Orders and Internet Purchases

- 604 Mail Orders and Internet Purchases

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- 606 Home Improvements

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- 608 Taxability of Leases and Rentals

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- 609 9-1-1 System and Emergency Response Fee
- 610 Atlantic City Luxury Tax, Sales Tax, and Other Fees
- 612 Atlantic City Casino Hotel Parking Fee
- 614 Cape May County Tourism Tax and Assessment
- 618 Domestic Security Fee
- 620 Hotel/Motel State Occupancy Fee and Municipal Occupancy Tax
- 621 Motor Vehicle Tire Fee

OTHER NJ TAX INFORMATION**New Jersey Division of Taxation Regional Offices**

- 702 Camden Office
- 704 Fair Lawn Office
- 705 Neptune Office
- 706 Newark Office
- 708 Northfield Office
- 710 Somerville Office
- 712 Trenton Office

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- 713 How to Check the Status of Your Income Tax Refund

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- 714 Other Ways to Contact the Division

Taxpayers' Bill of Rights

- 718 Taxpayers' Bill of Rights

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- 720 CATCH Program

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NJFastFile

file electronically — skip the paper

NJWebFile

Use your computer to file your return.

Visit www.njwebfile.com to prepare your return on our secure website. There's nothing to buy and there are no filing fees.

NJE-File

Use your tax software or ask your tax preparer.

If you're having a tax preparer do your Federal and State income tax returns, ask to have them filed electronically. You can also do it yourself through an online tax preparation website or by using off-the-shelf tax software.

NJFill'nFile

Use your computer to file a PDF of your return.

Use our free Fill'nFile PDF form to file your return. Completing the Fill'nFile return is like filling out a paper form and then submitting it electronically.