



CONTACT US

609 - 292 - 6400

[nj.gov/treasury/taxation/
contact.shtml](https://nj.gov/treasury/taxation/contact.shtml)



ADDITIONAL RESOURCES

For details on these programs and more, visit our **Military Personnel & Veterans** pages at:

[nj.gov/treasury/taxation/
military/taxinformation.shtml](https://nj.gov/treasury/taxation/military/taxinformation.shtml)

or see our publication:

**GIT-7: Military Personnel and
Families Understanding Income
Tax**

[nj.gov/treasury/taxation/pdf/
pubs/tgi-ee/git7.pdf](https://nj.gov/treasury/taxation/pdf/pubs/tgi-ee/git7.pdf)

The New Jersey
Division of Taxation Presents:

Military and Veteran Benefits

Did you know that combat pay and military pensions are completely tax-free in New Jersey?

Learn more about the tax benefits that help active duty and retired military personnel keep more of their hard-earned money.



INCOME TAX



EXCLUSIONS

COMBAT PAY

You can exclude the same combat zone pay that is excluded from federal income tax, following the federal definitions and rules for combat zone pay. This means if your pay is not taxable on your federal return because it qualifies as combat zone pay, it is also not taxable for New Jersey Income Tax purposes.

MILITARY PENSION

Military Pensions & Survivor's Benefits **are not** taxable in New Jersey. This includes payments from the U.S. Army, Navy, Air Force, Marine Corps, or Coast Guard, typically issued by the U.S. Defense Finance and Accounting Service (DFAS). Do not report these on your New Jersey Income Tax return.

Federal Civil Service Pensions and Annuities **are** taxable in New Jersey. The U.S. Office of Personnel Management usually issues these payments. You must report them on your New Jersey Income Tax return, even if the pension or annuity includes credit for military service.



EXEMPTION

\$6,000 VETERAN EXEMPTION

Eligible veterans who were honorably discharged or released under honorable circumstances from active duty in the U.S. Armed Forces can claim a \$6,000 exemption on their New Jersey Income Tax return. This exemption also applies to a spouse or civil union partner if they meet the same criteria and you are filing jointly. The exemption is available on both resident and nonresident returns and is in addition to other exemptions you may claim. However, it cannot be claimed for domestic partners or dependents.

CREDITS

WOUNDED WARRIOR CAREGIVERS CREDIT

The Wounded Warrior Caregivers Relief Act offers a tax credit to qualified family caregivers of military service members with a disability resulting from service in any war or conflict on or after September 11, 2001. This is a refundable credit equal to 100% of the federal veteran disability compensation received, or \$675, whichever is less.

GOLD STAR FAMILY COUNSELING CREDIT

Mental health care professionals who provided counseling through the Gold Star Family Counseling program may claim a tax credit to reduce their New Jersey Income Tax due. The credit amount can be up to the amount documented annually by the Department of Military and Veterans' Affairs for the program. This credit is not refundable and cannot reduce your New Jersey Income Tax liability below zero.