



New Jersey Tax Guide

Losing a Spouse/ Civil Union Partner



No one is ever fully prepared for the loss of a loved one. In addition to your grief, there is often confusion concerning financial affairs and tax matters and how the survivor will move forward. To help you through this difficult time, we have provided a guide to navigate the State tax matters you may now face.

Income Tax

Filing Status

New Jersey typically follows [federal guidelines](#) for selecting your filing status. Use the same filing status you use on your Federal 1040. Civil Union partners would file the NJ-1040 using the same filing status as spouses under New Jersey Gross Income Tax Law.

If your spouse died during the tax year, you are considered married for the whole year for filing status purposes. If you did not remarry before the end of the tax year, you can file a joint return for you and your deceased spouse, combining your income and paying tax on the total. The alternative is to file married, filing separately, keeping your earnings separate from theirs, but possibly paying tax at a higher rate.

This is the last year you can use a *Married* filing status, unless you remarry.

For the next **two years following the death of your spouse or partner**, you may be entitled to use the filing status **Qualifying Widow(er)/Surviving CU Partner** defined in [IRS Publication 501](#). This filing status entitles you to pay income tax at the same rate as a married couple filing jointly. To be eligible, you must:

- Have a [qualifying dependent](#) living with you for more than half the year; and
- You must pay more than half the cost of keeping up a home for the year.

If after the two-year period, you have not remarried, your filing status would either be single or, if qualified, [head of household](#).

For information on which filing status to select, see [IRS Publication 501](#).

Residency

Typically the type of return you file will remain the same unless your residency changes.

You are required to file a New Jersey Resident Income Tax return ([NJ-1040](#)) if you:

- Are a resident of New Jersey;
- File jointly or as head of household or qualifying widow(er) and have New Jersey Gross Income exceeding \$20,000; **or**
- File married filing separately or single and have New Jersey Gross Income exceeding \$10,000.

You are required to file a New Jersey Nonresident Income Tax Return ([NJ-1040-NR](#)) if:

- You are a nonresident of New Jersey; **and**

- File jointly or head of household or qualifying widow(er), have income from New Jersey sources, and your income from **ALL** sources exceeds \$20,000 (even if the New Jersey income was earned by your deceased spouse); **or**
- File married filing separately or single, **you** have income from New Jersey sources and **you** have income from ALL sources exceeding \$10,000.

Note: If you file a joint return, write the name and address of the decedent and yourself (the surviving spouse) in the name and address fields. Print “Deceased” and the date of death above the decedent’s name. If there is no personal representative filing on behalf of the deceased taxpayer, then you, the surviving spouse/civil union partner, must sign the return and write “Filing as Surviving Spouse” or “Filing as Surviving Civil Union Partner” in the signature section. See the NJ-1040 [instructions](#) for more information.

Medical Expenses

You may deduct certain unreimbursed medical expenses that you paid during the year for yourself, your spouse/partner, and your dependents. New Jersey allows expenses that **exceed 2 percent** of your income to be deducted. In general, medical expenses allowed for federal tax purposes are allowed for New Jersey purposes. See the NJ-1040 [instructions](#) for more detail.

Note: Funeral expenses are **not** medical expenses and are not deductible on the tax return. All medical expenses up to the point of death – such as hospital stays, nursing homes, medications, and copayments - can be deducted.

Death Certificates

Notify us of your spouse’s passing. Send in a copy of the death certificate to ensure all tax correspondence, including applications, returns, and refund checks are properly addressed and our records are kept current.

- If you file a tax return by **paper**, mark the indicator on the form and mail a copy of the death certificate along with the tax return, as directed. See the NJ-1040 [instructions](#) for more detail.
- If you file the return **electronically**, have a copy of the death certificate available upon request.

You can obtain copies of death certificates through [Vital Statistics](#).

Property Tax Relief Programs

Senior Freeze (Property Tax Reimbursement)

The Senior Freeze program has specific [instructions](#) and eligibility requirements for deceased applicants and their surviving spouses.

When a spouse dies prior to December 31 of the application year, the surviving spouse **must** meet all the [eligibility requirements](#) for himself/herself to receive the reimbursement. Do not apply for the program if you cannot meet the requirements on your own.

Note: If a homeowner dies and the surviving spouse was not on the deed, but inherited the property, we will consider the surviving spouse to have been an owner as long as the deceased spouse was.

If you are the surviving spouse, did not remarry before the end of the year, and meet the eligibility requirements for the program, you may:

- Use your name and Social Security number as the primary applicant;
- Choose the filing status "Single";
- Report **only** your income on the application;
- Retain the [base year](#) property tax amount previously established as joint filers (for PTR-2 filers).

If your spouse was alive the entire application year and you qualify to file a joint application:

- Write the name, address and Social Security number of the decedent and the surviving spouse in the appropriate fields;
- Print "Deceased" and the date of death above the decedent's name;
- Include income earned by both you and your spouse and report the total on the appropriate line(s).

If a personal representative has been appointed, that person must sign the application in his or her official capacity. You, the surviving spouse, also must sign.

If no personal representative has been appointed, you, the surviving spouse, must sign the application and write "Filing as Surviving Spouse" or "Filing as Surviving Civil Union Partner" in the signature section.

Check the box above the signature line and enclose a copy of the decedent's death certificate to have the reimbursement check issued to the surviving spouse or estate. This will also ensure next year's application is properly addressed when printed and mailed.

Homestead Benefit

You **must** meet all [eligibility requirements](#) to file for the Homestead Benefit. If an eligible homeowner died before filing an application, the surviving spouse/civil union partner **must**

file a paper application. Contact the Homestead Benefit hotline at 1-877-658-2972 to order the form.

When completing the paper Homestead Benefit application as a surviving spouse:

- Enter only your name and Social Security number; and
- Use the same filing status and New Jersey Gross Income from the New Jersey Income Tax return for that year; and
- Fill in the oval at line 11; and
- Sign the application by writing "Filing as Surviving Spouse" or "Filing as Surviving Civil Union Partner" in the signature section if no personal representative was appointed; and
- Enclose **copies** of the death certificate and your Social Security card.

Note: If you file the application electronically and not by paper, the decedent's name will continue to appear on future application packets and on rebates issued as **paper checks**.

Inheritance and Estate Tax

Inheritance Tax

When someone dies, the decedent's assets must go somewhere or to someone. As the surviving spouse, you are likely to be named as a beneficiary in the transfer. In New Jersey, spouses are deemed "Class A" beneficiaries.

Review the [flowchart](#) to determine which form to file for a New Jersey **resident** decedent.

When a **nonresident** of New Jersey dies and owns real estate or tangible personal property in New Jersey, [Form IT-NR](#) or [Form L-9 NR](#) will be required. See the [Frequently Asked Questions](#) for more information on what form is required by you and for other information on Nonresident Inheritance Tax.

Note: All Inheritance Tax returns or forms are due within **eight months** from the date of death.

You can find more information on Inheritance Tax [here](#).

Estate Tax

The New Jersey Estate Tax is being phased out.

For many years, estates of **New Jersey resident** decedents were subject to the Estate Tax when the value (determined by Internal Revenue Code) exceeded \$675,000.

The Estate Tax exemption increased from \$675,000 to \$2 million for the estates of individuals who die on or after January 1, 2017, but before January 1, 2018.

When an individual dies before January 1, 2018, the executor, administrator, or heir-at-law of the estate must:

- File the Estate Tax Return ([Form IT-Estate](#)) within nine months from the date of death. ([Worksheets](#) are available to determine if the value of the gross estate exceeds the exemption amount for the appropriate year.)
- Make any necessary tax payment within the nine-month time frame.

On January 1, 2018, the New Jersey Estate Tax will no longer be imposed on the estates of individuals who die on or after January 1, 2018, and there is no requirement to file an Estate Tax Return.

Note: Nonresidents of New Jersey are not subject to Estate Tax.

You can find information on Inheritance and Estate Tax filing requirements [here](#).

State, County or Local Government Employees

If the deceased was a State, county or government worker contact the [Division of Pensions](#) for further information regarding their pension and health benefits.