

Penalties, Interest, and Collection Fees

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

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 also may 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 10.7% 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 also may be imposed.

Signatures

Sign and date your return in blue or black ink. Both spouses 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 reduce our printing and mailing costs.

Driver's License Number. Enter your Driver's License or state Non-Driver Identification Card number. Providing this information is voluntary. If filing jointly, enter the number of the person whose

Social Security number is listed first on the return. If that spouse does not have an identification number, enter the other spouse's. If you and/or your spouse do not have one of these, *leave the boxes blank*. We may use this information to validate your identity in our effort to combat identity theft and fraudulent filing.

Preparer Authorization. Because of the strict provisions of confidentiality, Division of Taxation personnel cannot 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 if 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.



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, veteran status, 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 also is 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.