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## COVID-19 RELATED TAX INFORMATION

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### [COVID-19 Teleworking Guidance Updated](#)

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## INCOME TAX

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### New Jersey Expands Retiree Tax Relief

Retirees earning between \$100,000 and \$150,000 will get Income Tax relief from P.L. 2021, c. 129, beginning with Tax Year 2021.

[More Information.](#)

### New Jersey College Affordability Act

A new law aimed at easing the burden of paying for a college education calls for enhancing the NJBEST 529 plan and allowing deductions for certain college expenses.

Since it was signed in June, P.L. 2021, Chapter 128, has improved college affordability for New Jersey residents in four ways:

- The Higher Education Student Assistance Authority (HESAA) will match up to \$750 of the initial investment made in NJBEST for qualified savers who earn less than \$75,000. Volume 1 August 2021 Inside This Issue: Happy Fiscal New Year: The Importance of the Budget Enacted Legislation: New

Jersey College Affordability Act, EITC, Pension & Retirement Exclusion, Middle Class Tax Rebate, Homestead Benefit, and Veteran's Property Tax Relief Keeping Our Eye On: Child and Dependent Care Credit, Easy Enrollment Health Coverage For taxpayers who earn \$200,000 or less, the law provides deductions for:

- Contributions to a New Jersey Better Educational Savings Trust (NJBEST) plan, up to \$10,000;
- The amount of principal and interest paid on student loans under the New Jersey College Loans to Assist State Students (NJCLASS), up to \$2,500; and
- Tuition paid to an in-state higher learning institution for enrollment or attendance, up to \$10,000.

The deductions begin with the **2022 Tax Year**.

NJBEST is administered by the HESAA and managed by a private investment company. As a qualified plan allowed under Section 529 of the Internal Revenue Service Code, NJBEST also offers significant federal tax advantages. Taxpayers can make after-tax contributions to the NJBEST plan. They pay no State Income Tax on the investment returns earned by the plan, as long as they use withdrawals to pay for qualified education expenses.

## NEW JERSEY EARNED INCOME TAX CREDIT EXPANDED

Under a new law, New Jersey residents who are at least 18 years old and who cannot claim a qualifying child are eligible for the NJEITC if they are ineligible for the federal credit due to the age limits. Since these residents are ineligible for the federal credit, their NJEITC will be calculated based on the federal maximum credit for taxpayers with no qualifying child. The law also eliminated the maximum age limit for the credit for those who don't claim a qualifying child.

[More from Treasurer Muoio.](#)

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## PASS-THROUGH BUSINESS ALTERNATIVE INCOME TAX (PTE)

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### Tax Returns Due September 15

The 2020 PTE-100 and PTE-150 due date is September 15, 2021, for calendar-year filers who requested a six-month extension. The six-month extension is from the original due date even though the Division accepted returns filed and tax paid on or before 11:59 p.m., April 1, 2021, without the taxpayer being subject to penalty. [File](#) online or [learn](#) more about this tax.

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# CORPORATION BUSINESS TAX

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## Tax Returns Due September 15

The CBT-100/CBT-100U annual return is due for accounting periods ending April 30. The CBT-150/BFC-150 installment payment of estimated tax is due the 9<sup>th</sup> month of the current tax year for calendar year filers (or it is due the 4<sup>th</sup>, 6<sup>th</sup>, or 12<sup>th</sup> month for fiscal year filers.)

[File Online.](#)

## CBT Standardized Return for Certain Filers

We are developing a new, simplified standardized return for combined groups, banking corporations, financial business corporations, and separate return filers designed to replace the CBT-100U, BFC-1, and CBT-100.

[More information.](#)

## Combined Reporting Initiative

From June 15 to October 15, 2021, the Division will waive penalties for qualified companies that pay back Corporation Business Taxes for certain years that they had nexus with New Jersey but failed to file as a separate entity.

[More information.](#)

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# PARTNERSHIPS

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## Tax Returns Due September 15<sup>th</sup>

The NJ-1065 & NJ-CBT-1065 Partnership returns for calendar year filers who requested a five-month extension are due September 15. Access more [information and forms](#).

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# PROPERTY TAX RELIEF

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## Homestead Benefit Program

The Fiscal Year 2022 Appropriations Act passed in June improves the program by calculating the benefit using 2017 property tax assessments, replacing the previous 2006 assessments. Switching the calculation to use 2017 Property Taxes will increase the average estimated credit or payment to senior and disabled taxpayers by \$130 and the average benefit for lower-income homeowners by \$145.

We will begin mailing the 2018 Homestead Benefit applications in **mid-September**. Anyone who requested the application be sent electronically will receive an email. So keep an eye on your email, including your junk folder, in mid-September.

## Senior Freeze (Property Tax Reimbursement)

The State Budget for FY2022 passed with no changes to the income limit established in the [2020 eligibility requirements](#).

We began mailing approved 2020 payments on July 15, 2021.

There is still time to file your application. The deadline to file is November 1, 2021. See [How To Apply](#) for application information.

## Local Property Tax

The Fiscal Year 2022 Appropriations Act funds a [\\$250 Property Tax deduction](#) for peacetime veterans and [100 percent Property Tax exemption](#) for peacetime veterans with service-related disabilities.

[Access](#) statistical data, check updated listings under Abstract of Ratables, Average Residential Assessment, Common Level Ranges (Chapter 123), General Tax Rates by County and Municipality, and Grantor's Listing.

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## TAX FRAUD

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### N.Y. Man Admits to Motor Fuels Tax Fraud

The Division's Office of Criminal Investigation, under the direction of Supervising Special Agent Marijane Lamattina, assisted the U.S. Department of Homeland Security in the case of a New York man who admitted his role in a wire fraud conspiracy that defrauded the State of New Jersey of over \$19 million in Motor Fuels Tax.

[Read the full article here.](#)

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# PUBLIC AUCTIONS

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[Access](#) listings for current Division of Taxation Public Auctions.

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