

Schedule C - continued

Use Schedule C to report all other net gains or income less net losses from rents, royalties, patents, and copyrights.

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. Form 501-GIT can be found on the Division's Web site (www.state.nj.us/treasury/taxation/).

The Gross Income Tax Act does not distinguish between active and passive losses, nor does it authorize carryback or carryforward of such losses. Thus, you may deduct Federal passive losses in full in the year incurred against any gain within the **same category** of income.

If the spaces provided are not sufficient, enclose a statement with the return listing any additional property and income along with Schedule C.

Line 1 - List of Property and Income

List at Line 1, Schedule C the kind of property and the net income or loss from each 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. See page 63 for how to request Worksheet GIT-DEP and instructions.

In listing New Jersey income or loss, the New Jersey allowable IRC Section 199 deduction must be taken into consideration, if applicable. Information regarding the New Jersey limitations and calculations can be found on the Division's Web site (www.state.nj.us/treasury/taxation/).

Line 2 - Totals

Add the amounts in each column and enter the totals on Line 2.

Line 3 - Net Income

Add the amounts listed on Line 2 in columns b, c, d, and e. Enter the total on Line 3, netting gains with losses. Enter this amount on Line 22, Form NJ-1040. If the netted amount is a loss, enter zero here and make no entry on Line 22, Form NJ-1040.

2008 Tenant Homestead Rebate Application

How to Apply for the Homestead Rebate

How you apply for the homestead rebate is determined by whether you were a homeowner or a tenant **on October 1, 2008**. Homeowners and tenants file different applications.

Tenants. The application for the tenant rebate, Form TR-1040, is contained in this booklet. Those who rented and occupied a home in New Jersey that was their principal residence on October 1, 2008, and who meet the other requirements below are eligible.

Homeowners. Applications for the homeowner rebate are expected to be mailed at the end of April, and homeowners will apply either online or by phone. **Homeowners do not use the application in this booklet.** Residents who owned, occupied, and paid property taxes on a home in New Jersey that was their principal residence on October 1, 2008,

and who meet certain income limits are eligible. Rebate amounts and qualifications for eligibility are subject to restrictions due to State budgetary constraints.

The State Budget for fiscal year 2009 imposed restrictions on rebate eligibility and amounts. Under those limitations, for tax year 2007 (rebates paid in 2008) only homeowners whose New Jersey gross income was \$150,000 or less and who met the other qualifications were eligible. For tax year 2008 (rebates to be paid in 2009), those restrictions may or may not apply. **Information on 2008 rebate eligibility and amounts will not be available until the State Budget for fiscal year 2010 has been adopted.**

NOTE: If you were a homeowner for part of the year, but your principal residence on October 1, 2008, was a dwelling that you rented, you are not eligible for a homeowner rebate but may be eligible for a homestead rebate as a tenant. See below.

Tenant Eligibility

To be eligible for a New Jersey homestead rebate as a tenant:

- ♦ You must have rented and occupied a home in New Jersey that was your principal residence **on October 1, 2008**; and
- ♦ Your gross income for the entire year must have been \$100,000 or less (see Note under Line 11, Total Gross Income, on page 49); and
- ♦ Your principal residence must be subject to local property taxes, and property taxes must have been paid on that residence through rent; and
- ♦ Your dwelling unit must contain its own separate kitchen and bath facilities; and
- ♦ If you are filing Form NJ-1040, you must file the tenant homestead rebate application (Form TR-1040) **and** the NJ-1040 **by April 15, 2009**, or if you

Tenant Eligibility - continued

are filing the NJ-1040 under an extension, by the extended due date. If you are filing **only** Form TR-1040, see “Rebate Only Filers” below.

Rebate Only Filers. A tenant who is not required to file a New Jersey income tax return (because of income below the minimum filing threshold) and meets the qualifications for a tenant homestead rebate **may file only Form TR-1040 to claim a rebate. It is not necessary to file the NJ-1040 along with the tenant rebate application.** These residents have until November 2, 2009, to file Form TR-1040.

Part-Year Residents. A part-year resident who rented a principal residence on October 1, 2008, and meets all the eligibility requirements qualifies for a tenant rebate. Part-year residents must enter their full-year income from all sources on Line 9 of Form TR-1040.

TAX TIP Married/CU Partner, Filing Separate Return.  If your filing status is married/CU partner, filing separate return and you maintain the same principal residence as your spouse/civil union partner, you must combine your gross income with your spouse's/civil union partner's gross income when applying for the rebate. Neither you nor your spouse/civil union partner can receive more than one-half of the rebate that you would receive if you filed a joint return. Both you and your spouse/civil union partner must file Form TR-1040 to be eligible to receive up to one-half of the rebate.

Principal Residence. A principal residence means a homestead, actually and continually occupied as your permanent residence. No rebate will be granted for a vacation home or a “second home.”

Mobile Homes. If you own or rent a mobile home which is located in a mobile home park, you are considered a tenant for purposes of applying for the rebate. For more information on mobile homes, contact the Division's Customer Service Center.

Condominiums and Co-ops. If you rent a condominium unit or a unit in a cooperative housing complex, you are considered a *tenant* for purposes of applying for the rebate. If you are a resident shareholder of a cooperative housing complex or you own a condominium and you pay property taxes on your unit, you are considered a *homeowner* for purposes of applying for the rebate.

Continuing Care Communities. If you are a resident of a continuing care retirement community and your continuing care contract requires you to bear the proportionate share of property taxes attributable to your unit, you are considered a *homeowner* for purposes of applying for the rebate.

TAX TIP Homeowners **should not file the rebate application in this booklet.**  Applications for the homeowner rebate are expected to be mailed at the end of April. For more information on whether you are considered a homeowner or a tenant, contact the Division's Customer Service Center.

Rebate Amount

The Division of Taxation will calculate the amount of your rebate based on the information you provide. The amount of your rebate is determined by your income, filing status, and whether you were age 65 or older or eligible to claim an exemption as blind or disabled for tax year 2008. Rebate amounts and qualifications for eligibility are subject to restrictions due to State budgetary constraints.

The State Budget for fiscal year 2009 imposed restrictions on homestead rebate eligibility and amounts. Under those limitations, for tax year 2007 (rebates paid in 2008), eligible tenants who were age 65 or older or disabled received rebates ranging from a minimum of \$160 up to a maximum of \$860, and eligible tenants under age 65 and not disabled received rebates of \$80. For tax year 2008 (rebates to be paid in 2009), those restrictions may or may not apply. **Information on 2008**

rebate eligibility and amounts will not be available until the State Budget for fiscal year 2010 has been adopted.

Seniors or Blind/Disabled Persons. If you (or your spouse/civil union partner if filing a joint return) were 65 years of age or older or blind or disabled on the last day of the tax 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), and you are eligible for a property tax credit in the amount of \$50, (\$25 if filing status is married/CU partner, filing separate return and you maintain the same residence as your spouse/civil union partner) this credit will automatically be sent to you with your rebate. If you are filing Form NJ-1040, **do not** complete Line 36c to claim a property tax deduction or Line 48 to claim a property tax credit.

Identification Section

Name and Address

Rebate Only Filers. If you are filing only the tenant homestead rebate application, 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.

Income Tax With Rebate Filers. If you are filing Form TR-1040 with your Form NJ-1040, it is necessary to complete only the name and social security number portion of the identification section of Form TR-1040.

If your address has changed, complete the address portion of the identification section.

Social Security Number

Your social security number(s) is not printed on your name and address label. **You must enter your social security**

Identification Section - continued

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 16 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 tenant rebate application as you do for your New Jersey Resident Income Tax Return (Form NJ-1040). If you do not file Form NJ-1040, use the same filing status as you would have used if you had filed the tax return. Indicate the appropriate filing status. Fill in only **one** oval.

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. Partners in a civil union may not use the filing status single.

Head of Household. Your filing status is head of household if you are unmarried or not a partner in a civil union on the last day of the year and pay more than one-half of the cost of keeping up a home for yourself *and at least one dependent*. 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. You may also qualify to file as head of household if you are no longer eligible to file as qualifying widow(er)/surviving CU partner and you have not remarried or entered into a new civil union.

Qualifying Widow(er)/Surviving CU Partner. If your spouse/civil union partner died during the year, you are considered married/in a civil union for that entire year and you may file a joint return for yourself and your deceased spouse/civil union partner 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 each of the *two tax years after the year in which your spouse/civil union partner died* if you pay more than one-half of the cost of keeping up a home for yourself and at least one child, stepchild, adopted child, or foster child who qualifies as your dependent.

Married/Civil Union Couples. You may use the filing status "Married/CU couple, filing joint return" or "Married/CU partner, filing separate return" only if you were married or a partner in a civil union on the last day of the tax year. If you were a member of a domestic partnership registered in New Jersey, you are not considered a married/civil union couple and you may not use these filing statuses.

For more information on filing status, request Tax Topic Bulletin GIT-4, *Filing Status*.

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. All months should be listed as two-digit numbers with the digits 01 for January, 02 for February, 03 for March, etc. Place the correct number for the beginning and ending months directly in the boxes containing the letter "M," one digit in each box.

The days of the months should be listed as two-digit numbers beginning with the

digits 01 for the first day of the month and ending with the digits 31 for the last day of the month. Place the correct number for the beginning and ending dates directly in the boxes containing the letter "D," one digit in each box.

For calendar year filers the year should be entered as 08 and the numbers placed 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.

Tenant on October 1, 2008 (Line 7)

If you rented and occupied an apartment or other rental dwelling in New Jersey as your principal residence on October 1, 2008, fill in "Yes" and continue completing the application. **If you answer "No" here, you are not eligible for a 2008 homestead rebate as a tenant. Do not file Form TR-1040.**

NOTE: If you owned and occupied a home in New Jersey that was your principal residence on October 1, 2008, you may be eligible for a homestead rebate as a homeowner. Applications are expected to be mailed to homeowners at the end of April.

Age 65 or Older, Blind, or Disabled (Line 8)

If you (or your spouse/civil union partner if filing a joint return) were 65 years of age or older or blind or disabled on the last day of the tax year, **fill in only one oval** at Line 8 as follows:

- ♦ If you (or your spouse/civil union partner) were 65 or older, fill in the oval to the left of "Age 65 or older."
- ♦ If you (or your spouse/civil union partner) were 65 or older and you (or your spouse/civil union partner) were also blind or disabled, fill in the oval to the left of "Age 65 or older."
- ♦ If you (and your spouse/civil union partner) were under 65, and you (or your spouse/civil union partner) were blind or disabled, fill in the oval to the left of "Blind or disabled."

Identification Section - continued

- ♦ If you (and your spouse/civil union partner) do not meet the age or disability qualifications, fill in the oval to the left of “Not 65 or blind or disabled.”

Fill in the “Age 65 or older” oval, or the “Blind or disabled” oval **only if you or your spouse/civil union partner meet the qualifications**; they do not apply to your dependents or domestic partner.

Proof of Age. The first time you (or your spouse/civil union partner) file a tenant rebate application and indicate that you (or your spouse/civil union partner) are 65 years of age or older *you must enclose proof of age such as a copy of a birth certificate, driver’s license, or church records.*

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 tenant rebate 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 providing there is no change in your condition.

Application Section

Line 9 - Gross Income

Enter on Line 9 the amount of income reported on Line 28 of your 2008 New Jersey income tax return, Form NJ-1040. If you did not complete Form NJ-1040, enter on Line 9 the same income as you would have reported on Line 28 if you had filed the tax 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 9.

Rebate Only Filers. If you were not required to file a return because your gross

Tax-Exempt, Subsidized, and Campus Housing

One of the qualifications for the New Jersey homestead rebate is that property taxes be paid on the applicant’s principal residence, either directly or through rent. Thus, tenants living in dwellings which are not subject to local property taxes are not eligible for the rebate. This includes:

- ♦ Tenants living in 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 a religious, charitable, or other nonprofit organization (including on-campus apartments at private, nonprofit colleges and universities), if the property is exempt from property taxes; and
- ♦ Tenants living in dwellings on which P.I.L.O.T. (Payments-in-Lieu-of-Tax) payments are made to the municipality. These payments are not considered property taxes for purposes of the homestead rebate.

Do not complete the tenant homestead rebate application (Form TR-1040) if the dwelling you rent is not subject to local property taxes; you do not qualify for a rebate. If you are not sure whether the dwelling you rent is subject to local property taxes, contact your municipal tax assessor for information. The Division of Taxation audits returns to ensure that only qualified applicants receive rebates.

income for the *entire year* did not exceed the minimum filing threshold, **you don’t need to provide your income.** Enter “0” on Line 9 of your tenant rebate application. Also enter “0” if you filed a return and the amount of your gross income on Line 28 did not exceed the minimum filing threshold.

Line 10 - Spouse’s/CU Partner’s Gross Income

If the filing status on your 2008 New Jersey income tax return is married/CU partner, filing separate return, and you and your spouse/civil union partner maintain the same principal residence, fill in the oval and enter on Line 28 of your spouse’s/civil union partner’s New Jersey income tax return, Form NJ-1040. If your spouse/civil union partner did not complete Form NJ-1040, enter on Line 10 the same income as your spouse/civil union partner would have reported on Line 28 if a tax return had been filed. Enter “0” if your spouse’s/civil union partner’s gross income did not exceed the minimum filing threshold. **Part-year residents must enter their spouse’s/civil union partner’s income from all sources for the entire year.**

Line 11 - Total Gross Income

Add Lines 9 and 10 and enter the result on Line 11.

NOTE: If the amount on Line 11 is more than \$100,000, you are not eligible for a 2008 tenant homestead rebate. Do not complete Form TR-1040.

Line 12 - Address

Enter on Line 12 the street address (including apartment number) and municipality of the rental property in New Jersey that was your principal residence **on October 1, 2008.** Do not use a PO Box address. Complete this line even if the physical location of the residence for which you are applying for the rebate is the same as your mailing address.

NOTE: If you *owned* the home that was your principal residence in New Jersey on October 1, 2008, *do not complete Form TR-1040 to apply for the homestead rebate.* Applications are expected to be mailed to homeowners separately at the end of April.

Line 13 - Rent

Enter on Line 13 the total amount of rent you (and your spouse/civil union partner) paid during the year on the residence indicated at Line 12. Rent is the amount paid

Application Section - continued

to your landlord for the right to occupy your residence, not including any security deposit, or charges for late rent payments. Report only the actual amount you paid out of pocket. Do not include any amount paid under the Federal Housing Choice Voucher (Section 8) Program.

Spouses/civil union partners filing separate returns who maintain the same principal residence must each enter on their rebate application the total amount of rent they paid on the rental property indicated at Line 12. Each spouse/civil union partner is then eligible to receive one-half the calculated rebate.

If you had more than one New Jersey residence during the year, enter on Line 13 **only** the total rent you (and your spouse/civil union partner) paid on the rental property you occupied on October 1, 2008.

NOTE: If you are not sure whether the dwelling you rent is subject to local property taxes, contact your municipal tax assessor for information.

Line 14 - Number of Days in the Residence

Enter on Line 14 the number of days during 2008 that you (and your spouse/civil union partner) occupied the rental property indicated at Line 12. If you lived there for all of 2008, enter 366.

Line 15 - Multiple Tenants

Fill in "Yes" at Line 15 only if you lived with someone (other than your spouse/

civil union partner) and shared the rent with them for the rental property indicated at Line 12. (For example, you and your daughter lived together and shared the rent for the apartment where you lived October 1, 2008.) **If you answer "Yes," you must complete Lines 15a through 15c.** If you (and your spouse/civil union partner) were the sole tenant(s), fill in "No."

Lines 15a - 15c

Do not complete Lines 15a through 15c unless you answered "Yes" at Line 15.

Line 15a - Number of Tenants

Enter on Line 15a the number of tenants, including yourself, who shared the rent during the period indicated at Line 14. For this purpose you and your spouse/civil union partner are considered one tenant.

Line 15b - Tenants' Names and Social Security Numbers

Enter the name(s) and social security number(s) of all other tenants who shared the rent (other than your spouse/civil union partner). If the spaces provided are not sufficient, list the required information for each additional tenant on a separate sheet of paper and enclose it with your tenant rebate application.

Line 15c - Total Rent

Enter on Line 15c the total amount of rent paid by all tenants (including yourself) for the period indicated at Line 14.

Signatures

Rebate Only Filers. Sign and date your tenant rebate application in 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 rebate.

For information about authorizing the Division of Taxation to discuss your return and enclosures with your paid preparer, see "Preparer Authorization" on page 15.

Where to Send Your Application

Rebate Only Filers. If you are filing only the tenant homestead rebate application, use the large return envelope to file Form TR-1040. Use the return address label located on the envelope flap of the large envelope addressed to:

STATE OF NEW JERSEY
DIVISION OF TAXATION
REVENUE PROCESSING CENTER
PO BOX 197
TRENTON NJ 08646-0197

Income Tax With Rebate Filers. If you are filing both Form NJ-1040 and Form TR-1040, mail your tenant homestead rebate application in the same envelope together with your income tax return. See "Where to Send Your Return" on page 13.