



# New Jersey Resident Return Examples (Tax Year 2018)

## Introduction

The New Jersey Gross Income Tax Act imposes tax on the income of resident and nonresident individuals and estates and trusts. Residents are subject to tax on all income regardless of where it was earned.

This bulletin illustrates the correct return completion of a 2018 New Jersey Resident Income Tax Return ([Form NJ-1040](#)) and a Property Tax Credit and Wounded Warrior Caregivers Credit application ([Form NJ-1040-HW](#)) for full-year and part-year residents in selected situations.

This document is designed to provide guidance to taxpayers and is accurate as of the date issued. Subsequent changes in tax law or its interpretation may affect the accuracy of this publication.

## Changes for Tax Year 2018

- Qualified taxpayers can exclude more pension and other income on their New Jersey return. The increased exclusion amounts are being phased in over a four-year period. For Tax Year 2018, the exclusion amounts are up to \$60,000 (married/CU couple, filing joint return), \$45,000 (single, head of household, or qualifying widow(er)/surviving CU partner), or \$30,000 (married/CU partner, filing separate return).
- New tax credits are available for [Gold Star Family Counseling](#) and [Wounded Warrior Caregivers](#).
- The [Child and Dependent Care Credit](#) is available to certain taxpayers who have earned income on the New Jersey Taxable Income line of \$60,000 or less, and paid someone to care for a qualifying person so they can work or look for work.
- The Property Tax Deduction increased from \$10,000 to up to \$15,000 (\$7,500 if you and your spouse file separate returns but maintained the same principal residence).
- Effective January 1, 2018, the Income Tax rate for income over \$5,000,000 increases from 8.97% to 10.75%.

## Filing Requirements

Every resident individual, including minors, whose gross income received during the tax year is more than \$20,000 (or \$10,000 if filing status is single or married/CU partner, filing separate return) is required to file a New Jersey Resident Income Tax Return ([Form NJ-1040](#)). If you are a full-year resident and your annual gross income is equal to or less than the applicable filing threshold amount, you do not need to file a return except to claim a refund of taxes withheld or estimated taxes paid. You also must file a return to receive a New Jersey Earned Income Tax Credit even if you have no tax liability to New Jersey. See more information on [gross income](#).

If you became a resident of this state or moved out of this state during the year, you may be required to file a New Jersey Income Tax return and pay tax on the portion of income you received while you were a resident of New Jersey. Part-year residents must prorate all exemptions, deductions, and credits, as well as pension

and other retirement income exclusions, to reflect the period covered by the return. For more information, see Tax Topic Bulletin [GIT-6](#), *Part-Year Residents*.

## **Filing Status**

In general, you must use the same filing status on your New Jersey return as you do for federal income tax purposes, unless you are a partner in a civil union.

If a married couple files a joint federal return, they also must file a joint New Jersey return. If spouses file separate federal returns, separate State returns also must be filed. However, if you are a civil union couple, your filing status for New Jersey may not match your federal filing status for the year.

If during the entire tax year one spouse was a resident and the other a nonresident, the resident can file a separate New Jersey return. The resident calculates income and exemptions as if a federal married, filing separate return had been filed. The spouses have the option of filing a joint return, in which case their joint income would be taxed **as if both were residents**.

If your [spouse died during the year](#), you can file a joint return for the two of you if 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 2018, but **only** if your spouse died in either 2016 or 2017, you did not remarry or enter into a new civil union before the end of 2018, and you meet the other requirements to file as qualifying widow(er) with dependent child for federal purposes.

If you meet the requirements to file as head of household for federal income tax purposes, you can file as head of household for New Jersey. Certain spouses living apart also can file as head of household for New Jersey if they meet the requirements to file as head of household for federal purposes. For information on filing status for federal purposes, contact the Internal Revenue Service. For more information on filing status for New Jersey purposes, see Tax Topic Bulletin [GIT-4](#), *Filing Status*.

**NOTE:** Any reference in this bulletin to a spouse also refers to a spouse who entered into a valid same-sex marriage in another state or foreign nation and a partner in a [civil union \(CU\)](#) recognized under New Jersey law.

## **Gross Income**

For New Jersey purposes, gross income includes income received in the form of money, goods, property, benefits, and services. A New Jersey resident must report all taxable income received, whether from New Jersey sources or not, on the State return.

### **Taxable Income**

Taxable income includes the following:

- Wages and other compensation;
- Interest and dividends;

- Earnings on nonqualified distributions from qualified State tuition program accounts, including the New Jersey Better Educational Savings Trust program (NJBEST) accounts;
- Earnings on nonqualified distributions from qualified State 529A Achieving a Better Life Experience program (ABLE) accounts;
- Net profits from business, trade, or profession;
- Net gains or income from sale or disposition of property;
- Pensions, annuities, and IRA withdrawals;
- Net distributive share of partnership income;
- Net pro rata share of S corporation income;
- Net rental, royalty, and copyright income;
- Net gambling winnings, including New Jersey Lottery winnings from prize amounts exceeding \$10,000;
- Alimony;\*
- [Estate](#) and [trust](#) income;
- Income in respect of a decedent (meaning untaxed income that a decedent earned or had a right to receive while alive);
- Prizes and awards, including scholarships and fellowships;
- Value of residence provided by employer;
- Fees for services rendered, including jury duty.

New Jersey taxable income also **includes** the following that are not subject to federal income tax:

- Interest from obligations (such as bonds) of states and their political subdivisions (cities, counties), other than New Jersey and its political subdivisions;
- Income earned by a resident from foreign employment;
- Certain contributions to pensions and tax-deferred annuities;
- Employee contributions to federal Thrift Savings Funds, 403(b), 457, SEP, or any other type of retirement plan other than 401(k) plans.

**\*Alimony paid to a spouse could be considered nontaxable if the divorce decree stipulates that the other spouse who is paying the alimony agrees not to claim it as a deduction. Alimony is taxable to the recipient under State law [N.J.S.A. 54A:5-1\(n\)](#). However, the Division would consider the terms of a divorce decree when deciding whether such a stipulation is allowable. You may be asked to submit a copy of the divorce decree so it can be reviewed by Division personnel.**

### Exempt Income

The following examples of exempt income should not be included when deciding if a return must be filed. With the exception of tax-exempt interest, these items should **not** appear anywhere on the State tax return.

- Social Security benefits;

- Railroad Retirement benefits (Tier 1 and Tier 2);
- United States military pensions and survivor's benefit payments;
- Life insurance proceeds received because of a person's death;
- Employee's death benefits;
- Permanent and total disability, including VA benefits;
- Temporary disability received from the State of New Jersey or as third-party sick pay;
- Workers' Compensation;
- Gifts and inheritances;
- Qualifying scholarships or fellowship grants;
- New Jersey Lottery winnings from prizes in the amount of \$10,000 or less;
- Unemployment Compensation received from the State (but not supplemental unemployment benefit payments);
- Family Leave Insurance (FLI) benefits;
- Interest and capital gains from: (a) Obligations of the State of New Jersey or any of its political subdivisions; **or** (b) Direct federal obligations exempt under law, such as U.S. Savings Bonds and Treasury Bills, Notes, and Bonds;
- Distributions paid by mutual funds to the extent the distributions are attributable to interest earned on federal obligations;
- Certain distributions from "New Jersey Qualified Investment Funds;"
- Earnings on qualified distributions from qualified State tuition program accounts, including the New Jersey Better Educational Savings Trust program (NJBEST) accounts;
- Earnings on qualified distributions from qualified State 529A Achieving a Better Life Experience program (ABLE) accounts;
- Employer and employee contributions to 401(k) Salary Reduction Plans (but **not** federal Thrift Savings Funds);
- Some benefits received from certain employer-provided cafeteria plans (but not salary reduction or premium conversion plans);
- Benefits received from certain employer-provided commuter transportation benefit plans (but not salary reduction plans);
- Contributions to and distributions from Archer MSAs if they are excluded for federal income tax purposes;
- Direct payments and benefits received under homeless persons assistance programs;
- Homestead Benefits;
- Senior Freeze (Property Tax Reimbursement) program benefits;
- Income Tax refunds (New Jersey, federal, and other jurisdictions);

- New Jersey Earned Income Tax Credit payments;
- Welfare;
- Child support;
- Amounts paid as reparations or restitution to Nazi Holocaust victims;
- Assistance from a charitable organization, whether in the form of cash or property;
- Cancellation of debt;
- Amounts received as damages for wrongful imprisonment;
- Qualified disaster relief payments excluded under IRC §139;
- Payments from the September 11th Victim Compensation Fund.

## **Exemptions**

Every resident taxpayer is allowed a personal exemption, even if that individual can be claimed as a dependent on another tax return. Taxpayers whose filing status is “married/CU couple, filing joint return” are allowed an additional exemption for their spouse. A member of a domestic partnership that was registered in New Jersey on the last day of the tax year can claim an exemption for his or her domestic partner, but only if the domestic partner does not file a New Jersey Income Tax return.

The additional exemptions for age, disability, blindness, or for certain veterans can be claimed only by the taxpayer and/or spouse. These additional exemptions do **not** apply to a domestic partner or to dependents. The exemption for dependents who attend college is in addition to the exemption claimed for that child or other qualified dependent. This exemption applies **only** to dependents and does not apply to the taxpayer, spouse, or domestic partner.

**Proof of Age.** If either you or your spouse are eligible for an additional exemption for age, you must enclose proof of age such as a copy of a birth certificate, driver’s license, or church records with your return the first time you claim the exemption(s).

**Proof of Disability.** If either you or your spouse are eligible for an additional exemption for disability or blindness, you must enclose a copy of the doctor’s certificate or other medical records with your return the first time you claim the exemption(s).

**Veteran’s Proof of Honorable Discharge or Release.** If either you or your spouse are eligible for a veteran exemption, you must [provide documentation](#) certifying that you were honorably discharged or released under honorable circumstances from active duty the first time you claim the exemption(s).

**Proof of Domestic Partnership.** If you are able to claim an exemption for your domestic partner, you must enclose a copy of your New Jersey Certificate of Domestic Partnership with your return the first time you claim the exemption. You may be asked to provide additional information at a later date.

**Dependent Information.** If you are claiming a dependent exemption, you must provide the full name, Social Security number, and year of birth for each dependent child and other dependent claimed on Form NJ-1040.

If you qualify for the New Jersey Earned Income Tax Credit, you must provide this information for each "qualifying child" listed on your federal Schedule EIC who is not claimed as a dependent on your New Jersey return. You also must fill in the oval for each dependent who does not have health insurance coverage (including NJ FamilyCare/Medicaid, private, or other health insurance) on the date you file the return. **Do not fill in the oval for any dependents who have health insurance.**

## **Deductions**

- *Medical Expenses.* Certain unreimbursed medical expenses that were paid during the year can be deducted on the New Jersey Income Tax return. However, only expenses exceeding 2% of income, as shown on Line 31 of Form NJ-1040, can be deducted. Use Worksheet F to calculate your deduction for medical expenses.

*Archer MSA Contributions.* Qualified Archer medical savings account (MSA) contributions that do not exceed 75% of the amount of your annual health plan deductible (65% if you have a self-only plan).

*Self-Employed Health Insurance Deduction.* Self-employed individuals and more-than-2% shareholders of S corporations are allowed a deduction (up to 100%) for the cost of health insurance for the taxpayer and the taxpayer's spouse or domestic partner and dependents, but only to the extent that the taxpayer has earned income from the business under which the insurance plan is established. A taxpayer cannot deduct any amount paid for health insurance coverage for any month in which the taxpayer was eligible to participate in any subsidized health plan maintained by an employer of the taxpayer or the taxpayer's spouse or domestic partner.

**NOTE:** Amounts paid for health insurance for a taxpayer's child who was under age 27 at the end of 2018 can be deducted only if the child was the taxpayer's dependent.

- *Alimony and Separate Maintenance Payments.* Court-ordered alimony and separate maintenance payments.
- *Qualified Conservation Contribution.* Qualified conservation contributions of qualified real property interests in New Jersey property, to the extent that the contribution amount is deductible for federal income tax purposes.
- *Health Enterprise Zone Deduction.* If you provide primary care services in a qualified medical or dental practice located in or within five miles of a designated Health Enterprise Zone (HEZ), you may be able to deduct a percentage of the net income from that practice. For information on eligibility requirements and how to calculate the deduction, see Technical Bulletin [TB-56](#), *Health Enterprise Zones*.
- *Alternative Business Calculation Adjustment.* If you list business losses on Schedule NJ-BUS-1, Business Income Summary Schedule, you may be able to use those losses to calculate an adjustment to your taxable income. In addition, you can carry forward unused losses to calculate future adjustments. Complete [Schedule NJ-BUS-2](#) in the resident return instructions (Form NJ-1040) to calculate the amount of your adjustment and loss carryforward, if any.

## **Total Property Taxes Paid**

New Jersey residents who pay property taxes (either directly or through rent) report the amount of property taxes due and paid for 2018 on Line 38a. For tenants, 18% of the rent paid during the year is considered property taxes paid.

## **Property Tax Deduction/Credit**

Homeowners and tenants who paid property taxes, either directly or through rent, on a principal residence in New Jersey may qualify for either a deduction (up to 100% of property taxes due and paid or up to \$15,000, whichever is less) or a refundable credit (up to \$50).

**Eligibility Requirements.** You are eligible for a deduction **or** credit only if:

- You were domiciled and maintained a principal residence as a homeowner or tenant in New Jersey during 2018; and
- Your principal residence, whether owned or rented, was subject to property taxes that were paid either as actual property taxes or through rent; and
- If you rented your principal residence, it had its own separate kitchen and bathroom that you did not share with occupants of other units in the building, if there were other units; and
- If your principal residence was a unit in a multiunit property you owned, the property had no more than four units and no more than one of those was a commercial unit; and
- Your income on Line 29, Form NJ-1040, is more than \$20,000 (or \$10,000 if filing status is single or married/CU partner, filing separate return), **or** you and/or your spouse (if filing jointly) were 65 or older or blind or disabled on the last day of the tax year. Taxpayers with gross income of \$20,000 or less (\$10,000 if filing status is single or married/CU partner, filing separate return) are eligible for a property tax credit *only* if they were 65 or older or blind or disabled on the last day of the tax year.

**Seniors or Blind/Disabled Persons Not Required to File a Return.** You qualify for a property tax credit if you (or your spouse if filing jointly) were 65 or older or blind or disabled on the last day of the tax year, and your income on Line 29, Form NJ-1040, is \$20,000 or less (\$10,000 if filing status is single or married/ CU partner, filing separate return), and you met the eligibility requirements. The amount is \$50 (or \$25 if you and your spouse file separate returns but maintained the same principal residence).

If you are eligible for a property tax credit as either a homeowner or tenant, and you:

- ***Are eligible and file for a 2018 Homestead Benefit because you were a New Jersey homeowner on October 1, 2018,*** your credit will automatically be included with your Homestead Benefit. Do not claim the property tax credit on Form NJ-1040.
- ***Are not eligible for a 2018 Homestead Benefit*** because you were not a homeowner on October 1, 2018, you can claim the property tax credit on Form NJ-1040 **or** you can file the Property Tax Credit and Wounded Warrior Caregivers Credit application, Form NJ-1040-HW only. **Do not file both Form NJ-1040 and Form NJ-1040-HW.**

For more information on the Property Tax Credit and Wounded Warrior Caregivers Credit application (Form NJ-1040-HW), see [instructions for Form NJ-1040](#).

**Senior Freeze (Property Tax Reimbursement) Applicants.** If you are eligible for a Senior Freeze for 2018 and file your application on Form PTR-1, enter on line 1, Worksheet H, the amount of your **2017 property taxes** as reported on your 2018 Form PTR-1. (For mobile home owners, this is 18% of 2017 site fees.)

If you are eligible for a Senior Freeze for 2018 and file your application on Form PTR-2, enter on line 1, Worksheet H the amount of your **base year property taxes** as reported on your 2018 Form PTR-2. (For mobile home owners, this is 18% of base year site fees.)

**NOTE:** If you owned your home with someone other than your spouse or if the property consists of more than one unit, the amount of property taxes you report must reflect your percentage of ownership or the proportionate share of property taxes for the unit you occupy as your principal residence.

For more information on the property tax deduction/credit, see [instructions for Form NJ-1040](#).

## **Pensions, Annuities, and IRA Withdrawals**

Pensions, annuities, and certain IRA withdrawals are taxable on the New Jersey return although the State taxable amount may be different than the federal amount. When reporting the income, any taxable amounts must be included on Line 20a, and amounts that represent a return of contributions that have already been taxed are reported on Line 20b. All State and local government, teachers', and federal pensions, and Keogh Plans are treated the same as pensions from the private sector. New Jersey provides retirement income exclusions that enable qualified taxpayers to reduce their taxable income. For more information, see Tax Topic Bulletin [GIT-1](#), *Pensions and Annuities*. You also may consult the [Tax Guide on Retirement Income](#).

If you are receiving a United States military pension or survivor's benefit payments, the military pension or survivor's benefit is exempt from New Jersey Income Tax. For more information on military pensions, see Tax Topic Bulletin [GIT-7](#), *Military Personnel*.

For New Jersey purposes, an IRA consists of a nontaxable part (your contributions) and a taxable part (earnings plus certain amounts, if any, rolled over from pension plans). If your contributions have been previously taxed, only the portion of the distribution that represents earnings is taxable. However, a qualified distribution from a Roth IRA does not have to be included in taxable income (Line 20a) or excludable income (Line 20b) in the year received. For more information on IRA withdrawals, see Tax Topic Bulletin [GIT-2](#), *IRA Withdrawals*, and Technical Bulletin [TB-44](#), *Roth IRAs*.

## **Credit for Taxes Paid to Other Jurisdictions**

As a New Jersey resident, you may be eligible for a tax credit on your New Jersey return if you have income from sources outside New Jersey that was subject, within the same year, to both:

- Income or wage tax imposed by another jurisdiction outside New Jersey; **and**
- New Jersey Income Tax.

For this purpose, "jurisdiction" means any state (other than New Jersey) of the United States or political subdivision of such state, or the District of Columbia. Therefore, no credit is allowed for taxes paid to the U.S. Government, Canada, Puerto Rico, or any other foreign country or territory.

You must complete [Schedule NJ-COJ](#) to calculate the amount of the credit and enclose it with Form NJ-1040. You also must enter a two-digit code for the jurisdiction in the boxes at Line 42, Form NJ-1040. A list of jurisdiction codes is in the NJ-1040 instructions. You are not required to enclose a copy of the tax return(s) filed with the other jurisdiction.

For more information on credit for taxes paid to other jurisdictions, see Tax Topic Bulletins [GIT-3W](#), *Credit for Taxes Paid to Other Jurisdictions (Wage Income)*, and [GIT-3B](#), *Credit for Taxes Paid to Other Jurisdictions (Business/Nonwage Income)*.

Residents with income from Pennsylvania, refer to Tax Topic Bulletins [GIT-3W](#) or [GIT-3B](#) and the [NJ-1040 instructions](#) for information on the Reciprocal Personal Income Tax Agreement between Pennsylvania and New Jersey.

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## **Child and Dependent Care Credit**

New for 2018, the Child and Dependent Care Credit is available to certain taxpayers who have earned income and paid someone to care for a qualifying person so they can work or look for work.

To qualify, you must be allowed a federal credit for child and dependent care expenses and have taxable income on Line 40 of \$60,000 or less. If your filing status is married, filing separately, you are only eligible for the credit if you meet certain exceptions for federal purposes.

Use Worksheet J to calculate the amount of your credit.

## **Gold Star Family Counseling Credit**

New for Tax Year 2018, this credit is for mental health care professionals who provided counseling through the Gold Star Family Counseling program. The amount of the credit is equal to the number of hours of counseling provided through the program (a minimum of 20 hours and a maximum of 40 hours per year) multiplied by the TRICARE rate for the service. The credit is nonrefundable and cannot reduce a taxpayer's Income Tax liability to an amount less than zero.

## **New Jersey Earned Income Tax Credit**

The New Jersey Earned Income Tax Credit is a credit for residents of limited income. To take the credit, you must have worked and earned wage or business income. The credit reduces the amount of tax you owe and also may give you a refund, even if you have no tax liability to New Jersey.

For Tax Year 2018, most residents who are eligible and file for a federal earned income credit also can receive a New Jersey Earned Income Tax Credit equal to 37% of the federal benefit.

**NOTE:** If your filing status is married/CU partner, filing separate return, you cannot claim a New Jersey Earned Income Tax Credit.

You must file a New Jersey resident Income Tax return to receive a New Jersey Earned Income Tax Credit, even if you are not required to file a return because your gross income is equal to or less than the filing threshold amount. (See [Filing Requirements](#).)

You must provide the full name, Social Security number, and year of birth for each "qualifying child" listed on federal Schedule EIC who is not claimed as a dependent on your New Jersey return.

If you asked the Internal Revenue Service to calculate your federal earned income credit, fill in the first oval below Line 56, Form NJ-1040. (Civil union couples should not fill in this oval even if one or both of you are eligible for a federal credit and asked the IRS to calculate the amount. For information on how civil union couples calculate their New Jersey Earned Income Tax Credit amount for Line 56, see [instructions for Form NJ-1040](#). The IRS will provide information about federal earned income credit recipients to the Division of Taxation. Please allow **at least four to six weeks** for the Division to process the information and issue a check for your New Jersey Earned Income Tax Credit.

**Part-Year Residents.** If you were a New Jersey resident for only part of the tax year, the amount of your credit must be prorated based on the number of months you were a New Jersey resident. For this calculation, 15 days or more is a month.

**The Division of Taxation audits returns to make sure taxpayers meet the eligibility requirements for this credit. You may be asked to provide documentation to support your claim.**

## **Estimated Tax Payments**

Individuals who expect their New Jersey Income Tax liability to be more than \$400 after taking into account all of their exemptions, deductions, withholdings, and other credits for the tax year are required to make quarterly estimated tax payments. This may include taxpayers who do not have sufficient New Jersey Income Tax withheld from their wages and/or pension, those who are self-employed, or those whose income is from sources such as interest, dividends, or capital gains. Estimated payments are filed quarterly in equal installments on a Declaration of Estimated Tax ([Form NJ-1040-ES](#)). For more information on New Jersey estimated tax payments, see Tax Topic Bulletin [GIT-8](#), *Estimating Income Taxes*.

## **Wounded Warriors Caregivers Credit**

1. New for 2018, this credit is for resident taxpayers who provided care for a relative who is a qualifying armed services member and have gross income of \$100,000 or less (married, filing joint; head of household; qualifying widow(er)) or \$50,000 or less (single; married, filing separate).

A **relative** is a:

Spouse	Parent	Child	Brother	Sister
Grandparent	Grandchild	Aunt	Uncle	First Cousin
Nephew	Niece	Great-grandparent	Great-grandchild	

A **qualifying armed services member** is a person who:

- Was honorably discharged or released under honorable circumstances by the last day of the tax year; and
- Has a disability arising from active U.S. military service in any war or conflict on or after September 11, 2001; and
- Has either a 100% disability rating or receives individual unemployability benefits (one disability of at least 60% or two disabilities with a combined rating of at least 70% and one of those is at least 40%); and
- Lived with you in New Jersey for at least six months of the tax year.

Complete [Schedule NJ-WWC](#) to calculate the credit. If two or more people care for the same person, the credit is apportioned based on the share of total care expenses for the year.

You must enclose a copy of your caregiver approval letter with your return. You may be required to submit additional documentation to verify your eligibility.

Part-year residents must use their income for the entire year when determining eligibility.

## **Sale of Home Exclusion**

If you sell your principal residence, you may qualify to exclude up to \$250,000 (or \$500,000 for certain married/civil union couples filing a joint return) of any gain from your income. Capital gain is calculated the same way as for federal purposes. Any amount that is taxable for federal purposes is taxable for New Jersey purposes.

You can claim the exclusion if, during the five-year period ending on the date of the sale, you have:

1. Owned the home for at least two years (the ownership test); and
2. Lived in the home as your principal residence for at least two years (the use test).

**NOTE:** If you owned and used the property as your principal residence for less than two years, and you qualify for a reduced exclusion for federal purposes, you can claim a reduced exclusion for New Jersey purposes.

You can exclude up to \$250,000 (or \$500,000 for certain married/civil union couples filing a joint return) of gain from the sale of your principal residence **if both 1 and 2** below apply.

1. Neither you nor your spouse, if filing a joint return, is excluding gain from the sale of another home;
2. You or your spouse, if filing a joint return, owned and lived in the home for periods adding up to at least two years within the five-year period ending on the date of sale.

If you are a married/civil union couple, filing a joint return, **both** you and your spouse must meet the use test to qualify for the \$500,000 exclusion.

If only one spouse meets the ownership and use tests, the qualified spouse can exclude up to \$250,000 of the gain when filing either a joint return or a separate return.

You cannot exclude the gain on the sale of your principal residence if, during the two-year period ending on the date of the sale, you sold another home at a gain and excluded all or part of that gain. If you cannot exclude the gain, you must include it in your income and complete [Schedule NJ-DOP](#). However, you can claim a reduced exclusion if you sold the home due to a change in health or place of employment and you qualify for a reduced exclusion for federal purposes.

## **Return Preparation**

The following are examples of completed resident returns (Forms NJ-1040) for various situations.

**Example 1**

Leonard Fisher (Age 63)

SS# 999-27-3660

Evelyn Fisher (Age 56)

SS# 999-62-8391

101 Blackwell Road, Apt. B

Cape May Point, NJ 08212 (Cape May County)

The Fishers are full-year residents of New Jersey. They are married and file a joint return with no dependents.

Evelyn's wages .....	\$42,731
Joint taxable interest .....	15,426
Joint tax-exempt interest .....	7,900
Joint dividends .....	27,454
Leonard's pension:	
Received this year (3rd yr.) .....	36,000
Leonard's contributions .....	100,000
Employer's contributions .....	100,000
Leonard's Social Security .....	15,600
Loss from rental property	
129 Bay Road	
Cape May, New Jersey .....	524
NJ Income Tax withholdings .....	3,136
Estimated tax payments .....	400
Property taxes paid for 2018 .....	1,300
Rent paid .....	8,400
Homestead Benefit received as	
a credit on 2018 property tax bill .....	100

The Fishers lived in their house, located at 18 King's Court, Cape May, New Jersey (Block 3105.62 Lot 14.3) since August 9, 1987. On May 23, 2018, they sold the house for \$275,000. The cost basis on their federal return was \$117,000. The Fishers can exclude up to \$500,000 of the gain from the sale of the principal residence for their filing status. Therefore, they will exclude the entire \$158,000 gain on the sale of their home on New Jersey [Schedule NJ-DOP](#). They will enclose Schedule NJ-DOP with their Income Tax return and keep a copy for their records.

In addition, they must enclose a completed New Jersey [Schedule NJ-BUS-1](#) showing the loss from their rental property. The New Jersey Gross Income Tax Act does not allow losses to be applied to gains in other categories of income on Form NJ-1040; therefore, the Fishers will make no entry for rental income on Line 23 of their return. However, since they show a loss on Schedule NJ-BUS-1, they complete [Schedule NJ-BUS-2](#) to determine whether they can claim an alternative business calculation adjustment on Line 35, and the amount of loss, if any, they can carry forward to Tax Year 2018. The Fishers cannot claim an adjustment for 2018, but they are able to carry forward the loss of \$524 as indicated on Schedule NJ-BUS-2, Part III, Line 12.

The Fishers will enclose Schedule NJ-BUS-2 and keep a copy for their records. They may need the information from the schedule to complete their return in future years.

Leonard retired on December 31, 2015. For Tax Year 2016, he completed *Worksheet A – Which Pension Method to Use* in the NJ-1040 instructions to determine which pension method to use. He was able to use the Three-Year Rule Method, and for the past two years he was not required to report any taxable pension on his State Income Tax return. The Fishers did **not** submit Worksheet A with their Income Tax return but kept it for their records. This year they used the worksheet to help determine the taxable and excludable pension amounts to report on their 2018 tax return.

Leonard is eligible to use the pension exclusion to reduce his income by up to \$40,000 because his filing status is married/CU couple, filing a joint return and his income (combined with his wife's income) did not total more than \$100,000. He will claim \$8,000 as his pension exclusion on Line 28a of their return. The Fishers cannot use the unclaimed portion of the pension exclusion (\$32,000) on Line 28b, Other Retirement Income Exclusion. That is because their joint earned income (total of: wages, net profits from business, distributive share of partnership income, and net pro rata share of S corporation income) is more than \$3,000, as shown on *Worksheet D – Other Retirement Income Exclusion*.

Since Leonard, who is a former member of the U.S. Armed Forces, was honorably discharged from service, he is eligible for an additional exemption of \$3,000. To claim the exemption, he will fill in the oval at Line 13 of Form NJ-1040 and indicate the number of exemptions. He also will **provide official documentation** certifying that he was honorably discharged from active duty since this is the first time he is claiming the exemption.

## Worksheet A

### Which Pension Method to Use

- |  |    |           |
|--|----|-----------|
| 1. Amount of pension you will receive during the first three years (36 months) from the date of the first payment..... | 1. | \$108,000 |
| 2. Your contributions to the plan.....   | 2. | 100,000   |
| 3. Subtract line 2 from line 1 .....   | 3. | 8,000     |
- (a) If line 3 is "0" or more, *and* both you and your employer contributed to the plan, you can use the **Three-Year Rule Method**.
- (b) If line 3 is less than "0," or your employer did not contribute to the plan, you must use the **General Rule Method**.

**(Keep for your records)**

## Worksheet D

### Unclaimed Pension Exclusion

#### Age Requirement: 62 or older

Part-year residents, do not complete this worksheet.

Is income on Line 27, NJ-1040 **MORE than \$100,000?**

- Yes. You are not eligible for the unclaimed pension exclusion.
- No. Continue with line 1.

- |   |    |        |
|---|----|--------|
| 1. Enter the amount from Line 15, NJ-1040 ..... | 1. | 42,371 |
| 2. Enter the amount from Line 18, NJ-1040 ..... | 2. | 0      |
| 3. Enter the amount from Line 21, NJ-1040 ..... | 3. | 0      |
| 4. Enter the amount from Line 22, NJ-1040 ..... | 4. | 0      |
| 5. Add lines 1, 2, 3, and 4 .....               | 5. | 42,371 |

**Is the amount on line 4 MORE than \$3,000?**

- Yes. You are not eligible for the unclaimed pension exclusion. See Special Exclusion below.
- No. Continue with line 6.

6. **Enter: if your filing status is:**

\$60,000 Married/CU couple, filing joint return

\$45,000 Single; Head of household; Qualifying widow(er)/  
surviving CU partner

\$30,000 Married/CU partner, filing separate return ..... 6. \_\_\_\_\_

7. Enter the amount from Line 28a, NJ-1040 ..... 7. \_\_\_\_\_

8. Unclaimed Pension Exclusion. Subtract line 7 from line 6. Include this amount on Line 28b, NJ-1040. .... 8. \_\_\_\_\_

**Joint filers:** If only one spouse is 62 or older, only the income of that spouse can be excluded.

**Special Exclusion.** If you (and your spouse if filing jointly) will never be eligible to receive Social Security or Railroad Retirement benefits because your employer did not participate in either program, see Tax Topic Bulletin GIT-1, *Pensions and Annuities*, before entering an amount on Line 28b.

**(Keep for your records)**

**Worksheet G**

**PART I: HOMEOWNERS**  
**Principal residences you owned in New Jersey during 2018**

Address	(a) Number of days in 2018 in this residence as an owner	(b) Share of property owned by you (and your spouse)	(c) Share (%) of property used as your principal residence	(d) Total property taxes paid on this property for this period	(e) Your share of property taxes paid on this property for this period
1. 18 King's Ct. Cape May	143	1.00	1.00	1,300	1,300
2.					
3.					
4. <b>Your share of total property taxes paid for 2018 for your principal residences</b> (total of column e) If you were also a tenant in New Jersey during the year, continue with Part II. Otherwise, go to Part III. ....					1,300

**PART I: TENANTS**  
**Principal residences you rented in New Jersey during 2018**

Address	(a) Number of days in 2018 in this residence as a tenant	(b) Total number of tenants who shared the rent	(c) Total rent paid by all people living in this residence during this period	(d) Total rent paid by you (and your spouse) for this residence during this period
5. 101 Blackwell Rd. Cape May Pt.	222	1	8,400	8,400
6.				
7.				
8. Your share of total rent paid for 2018 for your principal residences (total of column d) .....				8,400
9. <b>Allowable portion of rent.</b> Line 8 × 0.18. Continue to Part III. ....				1,512

**PART III: TOTAL**

10. Add line 4 and line 9. Enter the total here and on Line 38a, Form NJ-1040. Fill in the oval at Line 38c indicating this worksheet was completed. If your filing status is married/CU partner, filing separate return and both you and your spouse maintained the same principal residence, use one-half of this amount when completing Line 38a. ....	2,812
---	-------

**(Keep for your records)**

**Worksheet H - Property Tax Deduction/Credit**

Review the eligibility requirements on page 26 before completing Worksheet H. Part-year residents, see page 30.

Complete both columns of this worksheet to find out whether the deduction or the credit is better for you.

1. **Property Taxes.** Enter the property taxes from Line 38a, Form NJ-1040.  
 Senior Freeze (Property Tax Reimbursement) applicants must use their base year amount. 1. 2,812  
**(See instructions on page 30.)**

2. **Property Tax Deduction.** Is the amount on line 1 of this worksheet \$15,000 or more (\$7,500 or more if you and your spouse file separate returns but maintained the same principal residence)?  
 Yes. Enter \$15,000 (\$7,500 if you and your spouse file separate returns but maintained the same principal residence).  
 No. Enter the amount from line 1. 2. 2,812

**STOP — if you are claiming a credit for taxes paid to other jurisdictions.**  
 Complete only lines 1 and 2. Then complete Schedule NJ-COJ and Worksheet I.  
 (See instructions on page 32.)

3. Taxable Income (From Line 37 of Form NJ-1040) .....  
 4. Property Tax Deduction (From line 2 above).....  
 5. New Jersey Taxable Income (Subtract line 4 from line 3).....  
 6. Tax on line 5 amount (From Tax Table or Tax Rate Schedules).....  
 7. Subtract line 6, column A from line 6, column B.....

Column A		Column B	
3.	83,611	3.	83,611
4.	2,812	4.	- 0 -
5.	80,799	5.	83,611
6.	1,688	6.	1,845
		7.	157

8. **Is the line 7 amount \$50 or more** (\$25 if you and your spouse file separate returns but maintained the same principal residence? **Part-year residents**, see page 30 before answering "No.")

Yes. The Property Tax Deduction is more beneficial for you. Make the following entries on your return.

<i>Form NJ-1040</i>	<i>Enter amount from:</i>
Line 39	Line 4, column A
Line 40	Line 5, column A
Line 41	Line 6, column A
Line 54	Make no entry

No. The Property Tax Credit is more beneficial for you. Make the following entries on your return.

<i>Form NJ-1040</i>	<i>Enter amount from:</i>
Line 39	Make no entry
Line 40	Line 5, column B
Line 41	Line 6, column B
Line 54	\$50 (\$25 if you and your spouse file separate returns but maintained the same principal residence). <b>Part-year residents</b> must prorate this amount. (See instructions on page 30.)

**(Keep for your records)**

Since the Fishers lived at more than one New Jersey residence during the tax year, they must complete Worksheet G to determine the amount of property taxes to enter on Line 38a. The Fishers received a Homestead Benefit as a credit on their May 2018 property tax bill; therefore, when they enter the total property taxes paid in Part I, Column 4, Worksheet G, they use the amount of property taxes they paid to the municipality for 2018 plus the amount of the Homestead Benefit that was credited on their May 2018 tax bill. To determine whether it is better to claim the property tax deduction or the property tax credit, the Fishers then complete Worksheet H. Worksheets G and H are in the NJ-1040 instructions. The Fishers determined that they will receive a greater tax benefit by taking the property tax deduction.

The following pages show how the Fishers will complete their New Jersey Income Tax return. After taking credit for Evelyn's withholdings and their joint estimated tax payments, they will be entitled to a refund of \$1,969. However, they are requesting that a \$10 donation be made to six specified check-offs and to the designated fund of their choice. They will receive a refund of \$1,909. Since they have taxable income of less than \$100,000, the Fishers can use either the New Jersey Tax Table or the New Jersey Tax Rate Schedules to calculate their tax liability.

New Jersey Resident Return Examples (tax year 2018)

**2018 NJ-1040**  
New Jersey Resident  
Income Tax Return

Affix preprinted label below ONLY if the information is correct.

For Privacy Act Notification, See Instructions	Your Social Security Number (required) 9 9 9 2 7 3 6 6 0		Last Name, First Name, Initial (Joint Filers enter first name and middle initial of each. Enter spouse's/CU partner's last name ONLY if different.) Fisher, Leonard and Evelyn		
	Spouse's/CU Partner's SSN (if filing jointly) 9 9 9 6 2 8 3 9 1		Home Address (Number and Street, including apartment number) 101 Blackwell Rd. Apt. B		
	County/Municipality Code (See Table page 50) 0 5 0 3		City, Town, Post Office Cape May Point	State NJ	ZIP Code 08212
	Fill in <input type="radio"/> if federal extension filed.		Fill in <input type="radio"/> if the address above is a foreign address.		Fill in <input checked="" type="radio"/> if your address has changed.

Part-year residents, provide months/days you were a New Jersey resident during 2018:

From:   / 1 8 To:   / 1 8

Fiscal year filers only:

Enter month of your year end   2019

**Filing Status**

Fill in only one.

1.  Single
2.  Married/CU Couple, filing joint return
3.  Married/CU Partner, filing separate return
4.  Head of Household
5.  Qualifying Widow(er)/Surviving CU Partner  
Indicate the year of your spouse's/CU partner's death:  2016 or  2017

Enter Spouse's/CU partner's SSN

**Exemptions**

Fill in the ovals that apply. You must enter a total in the boxes to the right and complete the calculation.

6. Regular	<input checked="" type="radio"/> Self	<input checked="" type="radio"/> Spouse/ CU Partner	<input type="radio"/> Domestic Partner	<input type="text"/> 2	x \$1,000 =	<u>2,000</u>
7. Senior 65+ (Born in 1953 or earlier)	<input type="radio"/> Self	<input type="radio"/> Spouse/CU Partner		<input type="text"/>	x \$1,000 =	<u>          </u>
8. Blind/Disabled	<input type="radio"/> Self	<input type="radio"/> Spouse/CU Partner		<input type="text"/>	x \$1,000 =	<u>          </u>
9. Veteran	<input checked="" type="radio"/> Self	<input type="radio"/> Spouse/CU Partner		<input type="text"/> 1	x \$3,000 =	<u>3,000</u>
10. Qualified Dependent Children				<input type="text"/>	x \$1,500 =	<u>          </u>
11. Other Dependents				<input type="text"/>	x \$1,500 =	<u>          </u>
12. Dependents Attending Colleges (See instructions)				<input type="text"/>	x \$1,000 =	<u>          </u>
13. Total Exemption Amount (Add totals from the lines at 6 through 12)				<input type="text"/> 5		<u>5,000</u>

14. Dependent Information. Provide the following information for each dependent. Fill in oval only if the dependent does not have health insurance. (See instructions)

Last Name, First Name, Middle Initial	Social Security Number	Birth Year	No Health Insurance
_____	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="radio"/>
_____	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="radio"/>
_____	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="radio"/>
_____	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="radio"/>

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15. Wages, salaries, tips, and other employee compensation (State wages from Box 16 of enclosed W-2(s)) (See instructions) .....	15.				4	2		7	3	1		0	0	
16a. Taxable interest income (Enclose federal Schedule B if over \$1,500) (See instructions) .....	16a.				1	5		4	2	6		0	0	
16b. Tax-exempt interest income (Enclose Schedule) (See instructions) Do not include on Line 16a.....	16b.				7			9	0	0		0	0	
17. Dividends.....	17.				2	7		4	5	4		0	0	
18. Net profits from business (Schedule NJ-BUS-1, Part I, Line 4) (Enclose federal Schedule C).....	18.													
19. Net gains or income from disposition of property (Schedule NJ-DOP, Line 4).....	19.													
20a. Pensions, Annuities, and IRA Withdrawals (See instructions).....	20a.					8		0	0	0		0	0	
20b. Excludable Pensions, Annuities, and IRA Withdrawals .....	20b.				2	8		0	0	0		0	0	
21. Distributive Share of Partnership Income (Schedule NJ-BUS-1, Part II, Line 4) (Enclose Schedule NJ-K-1 or federal Schedule K-1) .....	21.													
22. Net pro rata share of S Corporation Income (Schedule NJ-BUS-1, Part III, Line 4) (Enclose Schedule NJ-K-1 or federal Schedule K-1) .....	22.													
23. Net gains or income from rents, royalties, patents, and copyrights (Schedule NJ-BUS-1, Part IV, Line 4) .....	23.													
24. Net Gambling Winnings (See instructions).....	24.													
25. Alimony and Separate Maintenance Payments received.....	25.													
26. Other (Enclose documents) (See instructions).....	26.													
27. Total Income (Add Lines 15, 16a, 17 through 20a, and 21 through 26) .....	27.					9	3		6	1	1		0	0
28a. Retirement/Pension Exclusion (See instructions) .....	28a.				8			0	0	0		0	0	
28b. Other Retirement Income Exclusion (See Worksheet D and instructions page 22) .....	28b.													
28c. Total Exclusion Amount (Add Lines 28a and 28b) .....	28c.				8			0	0	0		0	0	
29. New Jersey Gross Income (Subtract Line 28c from Line 27) (See instructions) .....	29.					8	5		6	1	1		0	0
30. Exemption Amount (Enter amount from Line 13. Part-year residents see instr.).....	30.					5		0	0	0		0	0	
31. Medical Expenses (See Worksheet F and instructions page 24).....	31.													
32. Alimony and Separate Maintenance Payments (See instructions) .....	32.													
33. Qualified Conservation Contribution.....	33.													
34. Health Enterprise Zone Deduction .....	34.													
35. Alternative Business Calculation Adjustment (Schedule NJ-BUS-2, Line 11).....	35.													
36. Total Exemptions and Deductions (Add Lines 30 through 35) .....	36.					5		0	0	0		0	0	
37. Taxable Income (Subtract Line 36 from Line 29).....	37.					8	0		6	1	1		0	0
38a. Total Property Taxes (18% of Rent) Paid (See instructions page 25) .....	38a.					2		8	1	2		0	0	
38b. Block <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="2"/> Lot <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="3"/> Qualifier <input type="text" value=""/>														
38c. County/Municipality Code <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="2"/> Fill in <input type="radio"/> if you completed Worksheet G.														
39. Property Tax Deduction (From Worksheet H) (See instructions).....	39.					2		8	1	2		0	0	
40. New Jersey Taxable Income (Subtract Line 39 from Line 37) .....	40.					7	7		7	9	9		0	0

New Jersey Resident Return Examples (tax year 2018)

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41. Tax on Amount on Line 40 (Tax Table page 52) .....	41.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="1"/>	<input type="text" value="5"/>	<input type="text" value="6"/>	<input type="text" value="7"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
42. Credit For Income Taxes Paid to Other Jurisdictions (Enclose Schedule NJ-COJ) (See instructions) .....	42.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>
		<b>Enter Code</b>		<input type="text" value=""/>	<input type="text" value=""/>				
		<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="1"/>	<input type="text" value="5"/>	<input type="text" value="6"/>	<input type="text" value="7"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
43. Balance of Tax (Subtract Line 42 from Line 41) .....	43.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="1"/>	<input type="text" value="5"/>	<input type="text" value="6"/>	<input type="text" value="7"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
44. Child and Dependent Care Credit (See instructions) .....	44.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>
Fill in <input type="text" value="0"/> if you are a CU couple claiming the Child and Dependent Care Credit									
45. Balance of Tax (Subtract Line 44 from Line 43) .....	45.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="1"/>	<input type="text" value="5"/>	<input type="text" value="6"/>	<input type="text" value="7"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
46. Sheltered Workshop Tax Credit .....	46.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>
47. Balance of Tax (Subtract Line 46 from Line 45) .....	47.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="1"/>	<input type="text" value="5"/>	<input type="text" value="6"/>	<input type="text" value="7"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
48. Gold Star Family Counseling Credit (See instructions) .....	48.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>
49. Balance of Tax After Credits (Subtract Line 48 from Line 47) If zero or less, make no entry .....	49.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="1"/>	<input type="text" value="5"/>	<input type="text" value="6"/>	<input type="text" value="7"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
50. Use Tax Due on Internet, Mail-Order, or Other Out-of-State Purchases (See instructions) If no Use Tax, enter 0.00 .....	50.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="0"/>				
51. Interest on Underpayment of Estimated Tax .....	51.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>
Fill in <input type="text" value="0"/> if Form NJ-2210 is enclosed									
52. <b>Total Tax Due</b> (Add Lines 49, 50, and 51) .....	52.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="1"/>	<input type="text" value="5"/>	<input type="text" value="6"/>	<input type="text" value="7"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
53. <b>Total New Jersey Income Tax Withheld</b> (Enclose Forms W-2 and 1099) .....	53.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="3"/>	<input type="text" value="1"/>	<input type="text" value="3"/>	<input type="text" value="6"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
54. Property Tax Credit (See instructions page 25) .....	54.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>
55. New Jersey Estimated Tax Payments/Credit from 2017 tax return .....	55.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="4"/>	<input type="text" value="0"/>				
56. New Jersey Earned Income Tax Credit (See instructions) .....	56.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>
Fill in <input type="text" value="0"/> if you had the IRS calculate your federal earned income credit									
Fill in <input type="text" value="0"/> if you are a CU couple claiming the NJ Earned Income Tax Credit									
57. Excess New Jersey UI/WF/SWF Withheld (Enclose Form NJ-2450) (See instructions) .....	57.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>
58. Excess New Jersey Disability Insurance Withheld (Enclose Form NJ-2450) (See instructions) .....	58.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>
59. Excess New Jersey Family Leave Insurance Withheld (Enclose Form NJ-2450) (See instructions) .....	59.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>
60. Wounded Warrior Caregivers Credit (See instructions) .....	60.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>
61. <b>Total Withholdings, Credits, and Payments</b> (Add Lines 53 through 60) .....	61.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="3"/>	<input type="text" value="5"/>	<input type="text" value="3"/>	<input type="text" value="6"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
62. If Line 61 is less than Line 52, you have tax due. Subtract Line 61 from Line 52 and enter the amount you owe .....	62.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>
If you owe tax, you can still make a donation on Lines 65 through 72.									
63. If the total on Line 61 is more than Line 52, you have an overpayment. Subtract Line 52 from Line 61 and enter the overpayment .....	63.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="1"/>	<input type="text" value="9"/>	<input type="text" value="6"/>	<input type="text" value="9"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
64. Amount from Line 63 you want to credit to your 2019 tax .....	64.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>
65. Contribution to N.J. Endangered Wildlife Fund .....	65.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Endangered Wildlife Fund .....		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
66. Contribution to N.J. Children's Trust Fund To Prevent Child Abuse .....	66.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
67. Contribution to N.J. Vietnam Veterans' Memorial Fund .....	67.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
68. Contribution to N.J. Breast Cancer Research Fund .....	68.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
69. Contribution to U.S.S. New Jersey Educational Museum Fund .....	69.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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70. Other Designated Contribution (See instructions) .....	<input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	Enter Code 0 1	70.	1 0 0 0
71. Other Designated Contribution (See instructions) .....	<input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	Enter Code 	71.	
72. Other Designated Contribution (See instructions) .....	<input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	Enter Code 	72.	
73. Total Adjustments to Tax Due/Overpayment amount (Add Lines 64 through 72).....			73.	6 0 0 0
74. <b>Balance due</b> (Amount you must pay) (Add Line 62 and Line 73).....			74.	
Fill in <input type="radio"/> if paying by e-check or credit card				
75. <b>Refund amount</b> (Subtract Line 73 from Line 63) .....			75.	1 9 0 9 0 0

<b>Gubernatorial Elections Fund</b>	
Do you want to designate \$1 to the Gubernatorial Elections Fund? If joint return, does your spouse want to designate \$1? This does not reduce your refund or increase your balance due.	You Spouse/CU Partner    Yes <input checked="" type="radio"/> No <input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/>
<b>Health Insurance</b>	
Indicate whether or not you (and your spouse/CU partner or domestic partner) have health insurance coverage on the date you file this return.	You Spouse/CU Partner Domestic Partner    Yes <input checked="" type="radio"/> No <input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/>

**Signature**

Under penalties of perjury, I declare that I have examined this Income Tax return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. If prepared by a person other than the taxpayer, this declaration is based on all information of which the preparer has any knowledge.

Your Signature _____	Date _____	Spouse's/CU Partner's Signature (required if filing jointly) _____	Date _____
Driver's License Number (Voluntary) (Instructions page 42) <input type="text"/>			
Fill in <input type="radio"/> if death certificate is enclosed.		Fill in <input type="radio"/> if you do not want a paper form next year.	
<input type="radio"/> I authorize the Division of Taxation to discuss my return and enclosures with my preparer (below).			
Paid Preparer's Signature (Fill in <input type="radio"/> if NJ-1040-O is enclosed)		Federal Identification Number <input type="text"/>	
Firm's Name		Federal Employer Identification Number <input type="text"/>	

Keep a copy of this return and all supporting documents for your records.

**Tax Due Address**  
 Enclose payment along with the NJ-1040-V payment voucher and tax return. Use the labels provided with the envelope and mail to:  
 State of New Jersey  
 Division of Taxation  
 Revenue Processing Center – Payments  
 PO Box 111  
 Trenton, NJ 08645-0111  
 Include Social Security number and make check or money order payable to:  
 State of New Jersey – TGI  
 You can also make a payment on our website:  
[www.njtaxation.org](http://www.njtaxation.org)

**Refund or No Tax Due Address**  
 Use the labels provided with the envelope and mail to:  
 State of New Jersey  
 Division of Taxation  
 Revenue Processing Center – Refunds  
 PO Box 555  
 Trenton, NJ 08647-0555

**SCHEDULE NJ-DOP**  
(Previously Schedule B)

Net Gains or Income From  
Disposition of Property

**2018**

List the net gains or income, less net loss, derived from the sale, exchange, or other disposition of property, including real or personal, whether tangible or intangible.								
	(a)	(b)	(c)	(d)	(e)	(f)		
1.	Kind of property and description	Date acquired (mm/dd/yyyy)	Date sold (mm/dd/yyyy)	Gross sales price	Cost or other basis as adjusted (see instructions) and expense of sale	Gain or (loss) (d minus e)		
	Sale of Home 18 King's Ct. Cape May	8/9/87	5/23/18	275,000	117,000	158,000	00	
	*Less Sale of Principal Residence exclusion					(158,000)	00	
2.	Capital Gains Distributions.....							
3.	Other Net Gains.....							
4.	Net Gains (Add Lines 1, 2, and 3.) (Enter here and on Line 19. If loss, enter ZERO here and make no entry on Line 19.)						0	00

**Schedule NJ-BUS-1**  
(Form NJ-1040)

New Jersey Gross Income Tax  
Business Income Summary Schedule

**2018**

<b>Part IV</b> Net Gains or Income From Rents, Royalties, Patents, and Copyrights		List the net gains or net income, less net loss, derived from or in the form of rents, royalties, patents, and copyrights. See instructions. Type of Property: 1 – Rental real estate    2 – Royalties    3 – Patents    4 – Copyrights				
	Source of Income or Loss. If rental real estate, enter physical address of property.	Social Security Number/ Federal FEIN	Type - Enter number from list above	Income or (Loss)		
1.	129 Bay Rd. Cape May	999-27-3660	1	(524	00)	
2.						
3.						
4.	Net income or (Loss). (Add Lines 1, 2, and 3.) (Enter here and on Line 23, NJ-1040. If loss, make no entry on Line 23.)			4.	(524	00)

**Keep a copy of this schedule for your records**

**Schedule NJ-BUS-2**  
 (Form NJ-1040)

 New Jersey Gross Income Tax  
 Alternative Business Calculation Adjustment

2018

<b>PART I</b> Income (Loss)		<b>Column A</b>			<b>Column B</b>		
		Reportable Regular Business Income			Alternative Business Income (Loss)		
1.	Net Profits from Business	1a.			1b.		
2.	Distributive Share of Partnership Income	2a.			2b.		
3.	Net Pro Rata Share of S Corporation Income	3a.			3b.		
4.	Net Gain or Income From Rents, Royalties, Patents, and Copyrights	4a.			4b.	(	524 00)
5.	Loss Carryforward From Tax Year 2017				5b.	(	0 00)
6.	Totals	6a.			6b.	(	524 00)
<b>PART II</b> Adjustment Calculation							
7.	Total Regular Business Income	7.					
8.	Total Alternative Business Income/(Loss). (If loss, enter zero)	8.					
9.	Business Increment (Line 7 minus Line 8)	9.					
10.	Adjustment Percentage	10.		0.50			
11.	Alternative Business Calculation Adjustment (Line 9 × 0.50)	11.					
<b>PART III</b> Loss Carryforward to Tax Year 2019							
12.	Loss Carryforward to Tax Year 2019				12.	(	524 00)

**Example 2**

Javier Mendez (Age 65)  
 SS# 999-21-2351  
 Domenica Mendez (Age 64)  
 SS# 999-35-1443  
 125 Madison Street  
 Morris, NJ 07082 (Morris County)

The Mendezes are full-year residents of New Jersey. They are married and file a joint return with no dependents.

Javier's wages.....	\$ 2,940
Joint taxable interest .....	1,000
Joint exempt interest.....	3,500
Joint dividends.....	2,500
Domenica's fully taxable pension.....	2,500
Javier's fully taxable pension.....	8,500
Javier's 1st year IRA withdrawal .....	1,200
Total joint Social Security .....	17,500
NJ Income Tax withholdings .....	45
Rent paid.....	9,600

The value of Javier's traditional IRA on December 31, 2018, was \$12,455 with previously taxed contributions of \$10,000. The Mendezes must complete Part I of *Worksheet C – IRA Withdrawals* in the NJ-1040 instructions to determine the taxable and excludable portions of the IRA withdrawal. They will keep the worksheet with their tax records and use the information in Part I to complete Part II of the worksheet next year.

They will combine the taxable portion of the IRA withdrawal with their fully taxable pensions to arrive at the total taxable pension to report on Line 20a of the New Jersey Income Tax return. They will report the excludable portion of the IRA withdrawal on Line 20b. After determining the taxable amount of their pension and IRA income, they will be able to use the pension exclusion to reduce their income by up to \$40,000 because their total income (Line 27, Form NJ-1040) did not exceed \$100,000. Because the Mendezes have less than \$40,000 in taxable pension to report on their tax return, they will complete *Worksheet D – Other Retirement Income Exclusion* in the NJ-1040 instructions to see if they qualify for an additional exclusion.

As New Jersey residents whose gross income did not exceed \$20,000 for the year, the Mendezes have no tax liability to New Jersey but will file the tax return to claim a refund of withholdings.

Javier and Domenica will not complete Worksheet H (located in the NJ-1040 instructions) to determine whether to take a property tax deduction or a property tax credit as their income is below the filing threshold amount of \$20,000. They are, however, eligible for a property tax credit of \$50 and will claim the credit on Line 54, Form NJ-1040. Because the Mendezes are filing Form NJ-1040, they **should not file** the Property Tax Credit and Wounded Warrior Caregivers Credit application, Form NJ-1040-HW.

Since Javier is claiming the "Age 65 or Older" exemption for the first time for Tax Year 2018, he must enclose proof of age with the return. See [Exemptions](#) for acceptable documentation.

The following pages show how the Mendezes will complete their worksheets and tax return.

<b>Worksheet C – IRA Withdrawals</b>	
<b>Part I – Calculating Taxable and Excludable Amounts</b>	
1. <b>Value of IRA on 12/31/18.</b> Include contributions made for the tax year from 1/1/19 – 4/15/19.....	1. <u>12,455</u>
2. <b>Total distributions from IRA during the tax year.</b> Do not include tax-free rollovers.....	2. <u>1,200</u>
3. <b>Total Value of IRA.</b> Add lines 1 and 2.....	3. <u>13,655</u>
<b>Unrecovered Contributions:</b> Complete <b>either</b> line 4a or 4b. Then continue with line 5.	
4a. <b>First year of withdrawal from IRA:</b> Enter the total of IRA contributions that were previously taxed.....	4a. <u>10,000</u>
4b. <b>After first year of withdrawal from IRA:</b> Complete Part II. Enter amount of unrecovered contributions from line 15.....	4b. _____
5. <b>Accumulated earnings in IRA on 12/31/18.</b> Subtract either line 4a or 4b from line 3. ....	5. <u>3,655</u>
6. Divide line 5 by line 3. (Enter the result as a decimal.).....	6. <u>.268</u>
7. <b>Taxable portion of this year's withdrawal.</b> Multiply line 2 by decimal amount on line 6. Enter here and on Line 20a, Form NJ-1040.....	7. <u>322</u>
8. <b>Excludable portion of this year's withdrawal.</b> Subtract line 7 from line 2. Enter here and on Line 20b, Form NJ-1040.....	8. <u>878</u>

**(Partial worksheet)**

**Worksheet D**  
**Unclaimed Pension Exclusion**  
**Age Requirement: 62 or older**

Part-year residents, do not complete this worksheet. (See instructions below.)

Is income on Line 27, NJ-1040 **MORE than \$100,000?**

Yes. You are not eligible for the unclaimed pension exclusion.

No. Continue with line 1.

1. Enter the amount from Line 15, NJ-1040 .....	1. <u>2,940</u>
2. Enter the amount from Line 18, NJ-1040 .....	2. <u>0</u>
3. Enter the amount from Line 21, NJ-1040 .....	3. <u>0</u>
4. Enter the amount from Line 22, NJ-1040 .....	4. <u>0</u>
5. Add lines 1, 2, 3, and 4 .....	5. <u>2,940</u>

**Is the amount on line 4 MORE than \$3,000?**

Yes. You are not eligible for the unclaimed pension exclusion. See Special Exclusion below.

No. Continue with line 6.

6. **Enter: if your filing status is:**

\$60,000 Married/CU couple, filing joint return

\$45,000 Single; Head of household; Qualifying widow(er)/  
surviving CU partner

\$30,000 Married/CU partner, filing separate return ..... 6. 60,000

7. Enter the amount from Line 28a, NJ-1040 ..... 7. 8,822

8. Unclaimed Pension Exclusion. Subtract line 7 from line 6. Include this amount on Line 28b, NJ-1040. .... 8. 51,178

**Joint filers:** If only one spouse is 62 or older, only the income of that spouse can be excluded.

**Special Exclusion.** If you (and your spouse if filing jointly) will never be eligible to receive Social Security or Railroad Retirement benefits because your employer did not participate in either program, see Tax Topic Bulletin GIT-1, *Pensions and Annuities*, before entering an amount on Line 28b.

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**2018 NJ-1040**  
New Jersey Resident  
Income Tax Return

Affix preprinted label below ONLY if the information is correct.

For Privacy Act Notification, See Instructions	Your Social Security Number (required)		Last Name, First Name, Initial (Joint Filers enter first name and middle initial of each. Enter spouse's/CU partner's last name ONLY if different.)		
	9 9 9 2 1 2 3 5 1		Mendez, Javier and Domenica		
	Spouse's/CU Partner's SSN (if filing jointly)		Home Address (Number and Street, including apartment number)		
	9 9 9 3 5 1 4 4 3		125 Madison St.		
County/Municipality Code (See Table page 50)		City, Town, Post Office	State	ZIP Code	
1 4 2 2		Morris	NJ	07082	
Fill in <input type="radio"/> if federal extension filed.		Fill in <input type="radio"/> if the address above is a foreign address.	Fill in <input type="radio"/> if your address has changed.		

Part-year residents, provide months/days you were a New Jersey resident during 2018:

From:   / 1 8 To:   / 1 8

**Fiscal year filers only:**  
Enter month of your year end   2019

**Filing Status**

Fill in only one.

1.  Single
2.  Married/CU Couple, filing joint return
3.  Married/CU Partner, filing separate return
4.  Head of Household
5.  Qualifying Widow(er)/Surviving CU Partner  
Indicate the year of your spouse's/CU partner's death:  2016 or  2017

Enter Spouse's/CU partner's SSN

**Exemptions**

Fill in the ovals that apply. You must enter a total in the boxes to the right and complete the calculation.

6. Regular.....	<input checked="" type="radio"/> Self	<input type="radio"/> Spouse/ CU Partner	<input type="radio"/> Domestic Partner	<input type="text"/> 2	x \$1,000 =	<u>2,000</u>
7. Senior 65+ (Born in 1953 or earlier).....	<input checked="" type="radio"/> Self	<input type="radio"/> Spouse/CU Partner		<input type="text"/> 1	x \$1,000 =	<u>1,000</u>
8. Blind/Disabled.....	<input type="radio"/> Self	<input type="radio"/> Spouse/CU Partner		<input type="text"/>	x \$1,000 =	<u>          </u>
9. Veteran.....	<input type="radio"/> Self	<input type="radio"/> Spouse/CU Partner		<input type="text"/>	x \$3,000 =	<u>          </u>
10. Qualified Dependent Children .....				<input type="text"/>	x \$1,500 =	<u>          </u>
11. Other Dependents .....				<input type="text"/>	x \$1,500 =	<u>          </u>
12. Dependents Attending Colleges (See instructions).....				<input type="text"/>	x \$1,000 =	<u>          </u>
13. Total Exemption Amount (Add totals from the lines at 6 through 12).....				<input type="text"/> 3		<u>3,000</u>

14. Dependent Information. Provide the following information for each dependent. Fill in oval only if the dependent does not have health insurance. (See instructions)

Last Name, First Name, Middle Initial	Social Security Number	Birth Year	No Health Insurance
_____	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="radio"/>
_____	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="radio"/>
_____	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="radio"/>
_____	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="radio"/>



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41. Tax on Amount on Line 40 (Tax Table page 52) .....	41.	<input type="text"/>							
42. Credit For Income Taxes Paid to Other Jurisdictions (Enclose Schedule NJ-COJ) (See instructions) .....	42.	<input type="text"/>							
43. Balance of Tax (Subtract Line 42 from Line 41) .....	43.	<input type="text"/>							
44. Child and Dependent Care Credit (See instructions) .....	44.	<input type="text"/>							
Fill in <input type="text"/> if you are a CU couple claiming the Child and Dependent Care Credit									
45. Balance of Tax (Subtract Line 44 from Line 43) .....	45.	<input type="text"/>							
46. Sheltered Workshop Tax Credit.....	46.	<input type="text"/>							
47. Balance of Tax (Subtract Line 46 from Line 45) .....	47.	<input type="text"/>							
48. Gold Star Family Counseling Credit (See instructions) .....	48.	<input type="text"/>							
49. Balance of Tax After Credits (Subtract Line 48 from Line 47) If zero or less, make no entry .....	49.	<input type="text"/>							
50. Use Tax Due on Internet, Mail-Order, or Other Out-of-State Purchases (See instructions) If no Use Tax, enter 0.00 .....	50.	<input type="text"/>							
51. Interest on Underpayment of Estimated Tax .....	51.	<input type="text"/>							
Fill in <input type="text"/> if Form NJ-2210 is enclosed									
52. Total Tax Due (Add Lines 49, 50, and 51) .....	52.	<input type="text"/>							
53. Total New Jersey Income Tax Withheld (Enclose Forms W-2 and 1099).....	53.	<input type="text"/>							
54. Property Tax Credit (See instructions page 25).....	54.	<input type="text"/>							
55. New Jersey Estimated Tax Payments/Credit from 2017 tax return .....	55.	<input type="text"/>							
56. New Jersey Earned Income Tax Credit (See instructions) .....	56.	<input type="text"/>							
Fill in <input type="text"/> if you had the IRS calculate your federal earned income credit									
Fill in <input type="text"/> if you are a CU couple claiming the NJ Earned Income Tax Credit									
57. Excess New Jersey UI/WF/SWF Withheld (Enclose Form NJ-2450) (See instructions) .....	57.	<input type="text"/>							
58. Excess New Jersey Disability Insurance Withheld (Enclose Form NJ-2450) (See instructions) .....	58.	<input type="text"/>							
59. Excess New Jersey Family Leave Insurance Withheld (Enclose Form NJ-2450) (See instructions) .....	59.	<input type="text"/>							
60. Wounded Warrior Caregivers Credit (See instructions) .....	60.	<input type="text"/>							
61. Total Withholdings, Credits, and Payments (Add Lines 53 through 60).....	61.	<input type="text"/>							
62. If Line 61 is less than Line 52, you have tax due. Subtract Line 61 from Line 52 and enter the amount you owe.....	62.	<input type="text"/>							
If you owe tax, you can still make a donation on Lines 65 through 72.									
63. If the total on Line 61 is more than Line 52, you have an overpayment. Subtract Line 52 from Line 61 and enter the overpayment .....	63.	<input type="text"/>							
64. Amount from Line 63 you want to credit to your 2019 tax.....	64.	<input type="text"/>							
65. Contribution to N.J. Endangered Wildlife Fund..... <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other .....	65.	<input type="text"/>							
66. Contribution to N.J. Children's Trust Fund To Prevent Child Abuse..... <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other .....	66.	<input type="text"/>							
67. Contribution to N.J. Vietnam Veterans' Memorial Fund..... <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other .....	67.	<input type="text"/>							
68. Contribution to N.J. Breast Cancer Research Fund..... <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other .....	68.	<input type="text"/>							
69. Contribution to U.S.S. New Jersey Educational Museum Fund..... <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other .....	69.	<input type="text"/>							



**Example 3**

Bao Nguyen (Age 45)  
 SS# 999-78-5543  
 12 Terrace View Lane  
 Houston, TX 77052

Bao was a part-year resident of New Jersey. He lived here from January 1, 2018, to January 31, 2018. He files as head of household with one dependent child attending college full-time (Chinh, age 19).

**While a New Jersey resident:**

Bao's wages (from Phila.).....	\$ 6,300
Bao's wages (from NJ) .....	2,000
Unreimbursed medical expenses.....	300
Taxable interest .....	50
New Jersey Lottery winnings.....	350
Total NJ Income Tax withheld.....	16
Philadelphia wage tax paid .....	140
Rent paid (one month) .....	850

**Income earned while a nonresident:**

(From outside New Jersey) ..... \$ 65,000

Although Bao had gross income of less than \$20,000 while a New Jersey resident, his gross income for the entire year was over that amount. He is required to file a New Jersey resident tax return for the time he lived in New Jersey and will prorate all deductions and exemptions.

Bao can deduct unreimbursed medical expenses paid during the period of time he lived in New Jersey that exceeded 2% of his New Jersey income. To arrive at that figure, he will complete *Worksheet F – Deduction for Medical Expenses* in the NJ-1040 instructions.

Bao works in Philadelphia and must pay a Philadelphia wage tax on his salary. To calculate the amount of his credit for taxes paid to another jurisdiction, Bao will complete a New Jersey Schedule NJ-COJ. To determine the amount of salary actually taxed by Philadelphia (to be entered on Line 1 of Schedule NJ-COJ), the amount of wage tax deducted from Bao's salary must be divided by the Philadelphia nonresident tax rate (.034654 from January 1 to June 30, 2018, and .034567 from July 1 to December 31, 2018). He will enter on Line 42, Form NJ-1040 both the total amount of credit allowed from his Schedule NJ-COJ and the jurisdiction code for Philadelphia, which is "52."

The following pages show how Bao will complete his New Jersey tax return, New Jersey Worksheet H, Schedule NJ-COJ, Worksheet I, and Worksheet F. When Bao completes Schedule NJ-COJ, he determines that he will receive a greater benefit by taking a property tax credit. His prorated credit in the amount of \$4, along with \$16 in New Jersey withholdings, will be applied against his \$30 tax liability. He has a balance due of \$10, but will enclose a check for \$30 so he can donate \$20 to the New Jersey Children's Trust Fund.

New Jersey Resident Return Examples (tax year 2018)

**2018 NJ-1040**  
New Jersey Resident  
Income Tax Return

Affix preprinted label below ONLY if the information is correct.

For Privacy Act Notification, See Instructions	Your Social Security Number (required) 9 9 9 - 7 8 - 5 5 4 3		Last Name, First Name, Initial (Joint Filers enter first name and middle initial of each. Enter spouse's/CU partner's last name ONLY if different.) Nguyen, Bao		
	Spouse's/CU Partner's SSN (if filing jointly) [ ][ ][ ] - [ ][ ][ ] - [ ][ ][ ][ ]		Home Address (Number and Street, including apartment number) 12 Terrace View Lane		
	County/Municipality Code (See Table page 50) [ ][ ][ ][ ]		City, Town, Post Office Houston	State TX	ZIP Code 77052
	Fill in <input type="radio"/> if federal extension filed.		Fill in <input type="radio"/> if the address above is a foreign address.		Fill in <input checked="" type="radio"/> if your address has changed.

Part-year residents, provide months/days you were a New Jersey resident during 2018:

From: 0 1 / 0 1 / 1 8 To: 0 1 / 3 1 / 1 8

**Fiscal year filers only:**  
Enter month of your year end [ ][ ] 2019

**Filing Status**

Fill in only one.

1.  Single
2.  Married/CU Couple, filing joint return
3.  Married/CU Partner, filing separate return
4.  Head of Household
5.  Qualifying Widow(er)/Surviving CU Partner  
Indicate the year of your spouse's/CU partner's death:  2016 or  2017

[ ][ ][ ] - [ ][ ][ ] - [ ][ ][ ][ ]  
Enter Spouse's/CU partner's SSN

**Exemptions**

Fill in the ovals that apply. You must enter a total in the boxes to the right and complete the calculation.

6. Regular.....	<input checked="" type="radio"/> Self	<input type="radio"/> Spouse/ CU Partner	<input type="radio"/> Domestic Partner.....	[ 1 ]	x \$1,000 =	1,000
7. Senior 65+ (Born in 1953 or earlier).....	<input type="radio"/> Self	<input type="radio"/> Spouse/CU Partner.....		[ ]	x \$1,000 =	
8. Blind/Disabled.....	<input type="radio"/> Self	<input type="radio"/> Spouse/CU Partner.....		[ ]	x \$1,000 =	
9. Veteran.....	<input type="radio"/> Self	<input type="radio"/> Spouse/CU Partner.....		[ ]	x \$3,000 =	
10. Qualified Dependent Children.....				[ ] [ 1 ]	x \$1,500 =	1,500
11. Other Dependents.....				[ ] [ ]	x \$1,500 =	
12. Dependents Attending Colleges (See instructions).....				[ ] [ 1 ]	x \$1,000 =	1,000
13. Total Exemption Amount (Add totals from the lines at 6 through 12).....13.				[ 3 ] [ 5 ] [ 0 ] [ 0 ] [ 0 ] [ 0 ]		

14. Dependent Information. Provide the following information for each dependent. Fill in oval only if the dependent does not have health insurance. (See instructions)

Last Name, First Name, Middle Initial	Social Security Number	Birth Year	No Health Insurance
Nguyen, Chinh	9 9 9 - 6 2 - 4 6 8 9	1 9 9 9	<input type="radio"/>
_____	[ ][ ][ ] - [ ][ ][ ] - [ ][ ][ ][ ]	[ ][ ][ ][ ]	<input type="radio"/>
_____	[ ][ ][ ] - [ ][ ][ ] - [ ][ ][ ][ ]	[ ][ ][ ][ ]	<input type="radio"/>
_____	[ ][ ][ ] - [ ][ ][ ] - [ ][ ][ ][ ]	[ ][ ][ ][ ]	<input type="radio"/>

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15. Wages, salaries, tips, and other employee compensation (State wages from Box 16 of enclosed W-2(s)) (See instructions) .....	15.					6	3	0	0	0	0
16a. Taxable interest income (Enclose federal Schedule B if over \$1,500) (See instructions) .....	16a.						5	0	0	0	0
16b. Tax-exempt interest income (Enclose Schedule) (See instructions) Do not include on Line 16a.....	16b.										
17. Dividends.....	17.										
18. Net profits from business (Schedule NJ-BUS-1, Part I, Line 4) (Enclose federal Schedule C).....	18.										
19. Net gains or income from disposition of property (Schedule NJ-DOP, Line 4).....	19.										
20a. Pensions, Annuities, and IRA Withdrawals (See instructions).....	20a.										
20b. Excludable Pensions, Annuities, and IRA Withdrawals .....	20b.										
21. Distributive Share of Partnership Income (Schedule NJ-BUS-1, Part II, Line 4) (Enclose Schedule NJK-1 or federal Schedule K-1) .....	21.										
22. Net pro rata share of S Corporation Income (Schedule NJ-BUS-1, Part III, Line 4) (Enclose Schedule NJ-K-1 or federal Schedule K-1) .....	22.										
23. Net gains or income from rents, royalties, patents, and copyrights (Schedule NJ-BUS-1, Part IV, Line 4) .....	23.										
24. Net Gambling Winnings (See instructions).....	24.										
25. Alimony and Separate Maintenance Payments received .....	25.										
26. Other (Enclose documents) (See instructions).....	26.										
27. Total Income (Add Lines 15, 16a, 17 through 20a, and 21 through 26) .....	27.					6	3	5	0	0	0
28a. Retirement/Pension Exclusion (See instructions) .....	28a.										
28b. Other Retirement Income Exclusion (See Worksheet D and instructions page 22) .....	28b.										
28c. Total Exclusion Amount (Add Lines 28a and 28b) .....	28c.										
29. <b>New Jersey Gross Income</b> (Subtract Line 28c from Line 27) (See instructions) .....	29.					6	3	5	0	0	0
30. Exemption Amount (Enter amount from Line 13. Part-year residents see instr.) .....	30.						2	9	2	0	0
31. Medical Expenses (See Worksheet F and instructions page 24).....	31.						1	7	3	0	0
32. Alimony and Separate Maintenance Payments (See instructions) .....	32.										
33. Qualified Conservation Contribution.....	33.										
34. Health Enterprise Zone Deduction .....	34.										
35. Alternative Business Calculation Adjustment (Schedule NJ-BUS-2, Line 11).....	35.										
36. Total Exemptions and Deductions (Add Lines 30 through 35) .....	36.						4	6	5	0	0
37. Taxable Income (Subtract Line 36 from Line 29).....	37.					5	8	8	5	0	0
38a. Total Property Taxes (18% of Rent) Paid (See instructions page 25) ...	38a.					1	5	3	0	0	0
38b. Block <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> Lot <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> Qualifier <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>											
38c. County/Municipality Code <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> Fill in <input type="text"/> if you completed Worksheet G.											
39. Property Tax Deduction (From Worksheet H) (See instructions).....	39.										
40. <b>New Jersey Taxable Income</b> (Subtract Line 39 from Line 37) .....	40.					5	8	8	5	0	0





**Worksheet F**  
**Deduction for Medical Expenses**

- |   |    |     |
|---|----|-----|
| 1. Total unreimbursed medical expenses .....  | 1. | 300 |
| 2. Enter Line 29, Form NJ-1040 <u>6,350</u> × .02 = .....   | 2. | 127 |
| 3. Medical Expenses Deduction. Subtract line 2 from line 1 and enter result here.<br>If zero or less, enter zero .....  | 3. | 173 |
| 4. Enter the amount of your qualified Archer MSA contributions from federal Form 8853 .....   | 4. | 0   |
| 5. Enter the amount of your self-employed health insurance deduction.....   | 5. | 0   |
| 6. <b>Total Deduction for Medical Expenses.</b> Add lines 3,<br>4, and 5. Enter the result here and on Line 31, Form NJ-1040.<br>If zero, enter zero here and make no entry on Line 31, Form NJ-1040..... | 6. | 173 |

**(Keep for your records)**

**Worksheet H - Property Tax Deduction/Credit**

Review the eligibility requirements on page 26 before completing Worksheet H. Part-year residents, see page 30.

Complete both columns of this worksheet to find out whether the deduction or the credit is better for you.

1. **Property Taxes.** Enter the property taxes from Line 38a, Form NJ-1040.  
 Senior Freeze (Property Tax Reimbursement) applicants must use their base year amount. 1. 153  
**(See instructions on page 30.)**

2. **Property Tax Deduction.** Is the amount on line 1 of this worksheet \$15,000 or more (\$7,500 or more if you and your spouse file separate returns but maintained the same principal residence)?  
 Yes. Enter \$15,000 (\$7,500 if you and your spouse file separate returns but maintained the same principal residence).  
 No. Enter the amount from line 1. 2. 153

**STOP — if you are claiming a credit for taxes paid to other jurisdictions.**  
 Complete only lines 1 and 2. Then complete Schedule NJ-COJ and Worksheet I.  
 (See instructions on page 32.)

3. Taxable Income (From Line 37 of Form NJ-1040) .....  
 4. Property Tax Deduction (From line 2 above).....  
 5. New Jersey Taxable Income (Subtract line 4 from line 3) .....  
 6. Tax on line 5 amount (From Tax Table or Tax Rate Schedules).....  
 7. Subtract line 6, column A from line 6, column B.....

Column A		Column B	
3.		3.	
4.		4.	- 0 -
5.		5.	
6.		6.	
		7.	

8. **Is the line 7 amount \$50 or more** (\$25 if you and your spouse file separate returns but maintained the same principal residence? **Part-year residents**, see page 30 before answering "No.")

Yes. The Property Tax Deduction is more beneficial for you. Make the following entries on your return.

<i>Form NJ-1040</i>	<i>Enter amount from:</i>
Line 39	Line 4, column A
Line 40	Line 5, column A
Line 41	Line 6, column A
Line 54	Make no entry

No. The Property Tax Credit is more beneficial for you. Make the following entries on your return.

<i>Form NJ-1040</i>	<i>Enter amount from:</i>
Line 39	Make no entry
Line 40	Line 5, column B
Line 41	Line 6, column B
Line 54	\$50 (\$25 if you and your spouse file separate returns but maintained the same principal residence). <b>Part-year residents</b> must prorate this amount. (See instructions on page 30.)

**(Keep for your records)**

**Schedule NJ-COJ**  
(Previously Schedule A)

Credit for Income or Wage  
Taxes Paid to Other Jurisdiction

1.	Income properly taxed by <b>both</b> New Jersey and other jurisdiction. (Instructions page 33) Jurisdiction Name: <u>Philadelphia</u> Do not combine the same income taxed by more than one jurisdiction. (The amount on Line 1 <b>cannot exceed</b> the amount on Line 2.)	1.	4,030
2.	Income subject to tax by New Jersey (From Line 29, NJ-1040)	2.	6,350
3.	Maximum allowable credit percentage. Divide Line 1 by Line 2. (Instructions page 35)	3.	63.4646%
See page 26 to determine if you are eligible for a property tax benefit. <b>If you are not eligible, only complete Column B.</b>		<b>Column A</b>	<b>Column B</b>
4.	Taxable Income (From Line 37, Form NJ-1040)	4.	5,885
5.	Enter in Box 5a the amount from Worksheet H, Line 1. Property Tax Deduction. Enter the amount from Worksheet H, line 2. (Instructions page 30)	5a. 153 5.	153
6.	New Jersey Taxable Income (Subtract Line 5 from Line 4)	6.	5,732
7.	Tax on Line 6 amount (From Tax Table or Tax Rate Schedules)	7.	80
8.	Allowable Credit (Multiply Line 7 by Line 3)	8.	51
9.	Credit for Taxes Paid to Other Jurisdiction. Enter in Box 9a the income or wage tax paid to other jurisdiction (instructions page 35)  <b>Credit Allowed.</b> Enter the lesser of Line 8 or Box 9a. This amount cannot exceed your New Jersey tax on Line 41.	9a. 140 9.	51
<p>If you are <b>not eligible</b> for a property tax benefit, enter the amount from Line 9, Column B on Line 42 Form NJ-1040. Make no entry on Lines 39 or 54, Form NJ-1040.</p> <p>If you are <b>eligible</b> for a property tax benefit, you must completed Worksheet I on page 34 to determine whether you receive a greater benefit by claiming a Property Tax Deduction or taking the Property Tax Credit.</p>			

**Keep a copy of this schedule for your records**

**Worksheet I**  
**Which Property Tax Benefit to Use**

	COLUMN A			COLUMN B		
	1.	80		1.	82	
1. Tax, Enter amounts from Line 7, Schedule NJ-COJ, Columns A and B here.....						
2. Credit for Taxes Paid to Other Jurisdiction. Enter amounts from Line 9, Schedule NJ-COJ, Columns A and B here. If you completed more than one Schedule NJ-COJ, enter the total of all Line 9 amounts (Columns A and B) in the corresponding column.....	2.	51		2.	52	
3. Balance of Tax Due. Subtract line 2 from line 1 in each column.....	3.	29		3.	30	
4. Subtract line 3, column A from line 3, column B.....				4.	1	

5. Is the line 4 amount \$50 or more (\$25 if you and your spouse file separate returns but maintained the same principal residence)?

**Part-year residents**, see instructions for Line 9, Schedule NJ-COJ, on page 35 before answering "No."

Yes. The Property Tax Deduction is more beneficial for you. Make the following entries on your return.

*Form NJ-1040*

- Line 39
- Line 40
- Line 41
- Line 42
- Line 54

*Enter amount from:*

- Line 5, Column A, Schedule NJ-COJ
- Line 6, Column A, Schedule NJ-COJ
- Line 7, Column A, Schedule NJ-COJ
- Line 2, Column A, Worksheet I
- Make no entry

No. The Property Tax Credit is more beneficial for you. Make the following entries on your return.

*Form NJ-1040*

- Line 39
- Line 40
- Line 41
- Line 42
- Line 54

*Enter amount from:*

- Make no entry
- Line 6, Column B, Schedule NJ-COJ
- Line 7, Column B, Schedule NJ-COJ
- Line 2, Column B, Worksheet I
- \$50 (\$25 if you and your spouse file separate returns but maintained the same principal residence). **Part-year** residents must prorate this amount. (See instructions for Line 9, Schedule NJ-COJ, on page 35.)

**(Keep for your records)**

**Example 4**

Jackson Spencer (Age 41)  
 SS# 999-26-4921  
 Kaiya Spencer (Age 39)  
 SS# 999-26-5814  
 222 Pine Bark Drive  
 Voorhees, NJ 08360 (Camden County)  
 Block 237 Lot 7.2

The Spencers are full-year residents of New Jersey. They are married and file a joint return. They have two dependent children (ages 16 and 13).

Jackson's wages.....	\$ 12,200
Kaiya's wages .....	4,500
Joint taxable interest .....	100
Total NJ Income Tax withheld.....	250
Property taxes paid.....	2,370
Federal earned income credit.....	5,616

The Spencers' gross income is below the filing threshold amount of \$20,000 (married/CU couple, filing joint). Although they have no tax liability to New Jersey, they will need to file the tax return to claim a refund of withholdings and to apply for the New Jersey Earned Income Tax Credit.

The Spencers will complete their NJ-1040 down to Line 29. Since they have no tax liability to New Jersey, they will continue completing the return with Line 50. They are not eligible to claim a property tax deduction/credit because their income is below the filing threshold, and neither is 65 or older or blind or disabled.

When the Spencers filed their federal income tax return, they were eligible and applied for an earned income credit. They will calculate their New Jersey Earned Income Tax Credit by multiplying their federal earned income credit by 37%:  $\$5,616 \times .37 = \$2,078$ . They will enter this amount on Line 56 of their NJ-1040.

The following pages show how the Spencers will complete their New Jersey Income Tax return. After taking credit for their withholdings and claiming the New Jersey Earned Income Tax Credit, they will be entitled to a refund of \$2,328. However, they are requesting that a \$10 donation be made to the designated fund of their choice. So, they will receive a refund of \$2,318.

New Jersey Resident Return Examples (tax year 2018)

**2018 NJ-1040**  
New Jersey Resident  
Income Tax Return

Affix preprinted label below ONLY if the information is correct.

For Privacy Act Notification, See Instructions	Your Social Security Number (required) 9 9 9 - 2 6 4 9 2 1		Last Name, First Name, Initial (Joint Filers enter first name and middle initial of each. Enter spouse's/CU partner's last name ONLY if different.) Spencer, Jackson and Kaiya		
	Spouse's/CU Partner's SSN (if filing jointly) 9 9 9 - 2 6 5 8 1 4		Home Address (Number and Street, including apartment number) 222 Pine Bark Drive		
	County/Municipality Code (See Table page 50) 0 4 3 4		City, Town, Post Office Voorhees	State NJ	ZIP Code 08360
	Fill in <input type="radio"/> if federal extension filed.		Fill in <input type="radio"/> if the address above is a foreign address.		Fill in <input type="radio"/> if your address has changed.

Part-year residents, provide months/days you were a New Jersey resident during 2018:

From: / / 1 8 To: / / 1 8

**Fiscal year filers only:**  
Enter month of your year end  2019

**Filing Status**

Fill in only one.

- Single
- Married/CU Couple, filing joint return
- Married/CU Partner, filing separate return / / / / /   
Enter Spouse's/CU partner's SSN
- Head of Household
- Qualifying Widow(er)/Surviving CU Partner  
Indicate the year of your spouse's/CU partner's death:  2016 or  2017

**Exemptions**

Fill in the ovals that apply. You must enter a total in the boxes to the right and complete the calculation.

6. Regular	<input checked="" type="radio"/> Self	<input checked="" type="radio"/> Spouse/ CU Partner	<input type="radio"/> Domestic Partner	<input type="text"/> 2	x \$1,000 =	<u>2,000</u>
7. Senior 65+ (Born in 1953 or earlier)	<input type="radio"/> Self	<input type="radio"/> Spouse/CU Partner		<input type="text"/>	x \$1,000 =	<u>          </u>
8. Blind/Disabled	<input type="radio"/> Self	<input type="radio"/> Spouse/CU Partner		<input type="text"/>	x \$1,000 =	<u>          </u>
9. Veteran	<input type="radio"/> Self	<input type="radio"/> Spouse/CU Partner		<input type="text"/>	x \$3,000 =	<u>          </u>
10. Qualified Dependent Children				<input type="text"/> 2	x \$1,500 =	<u>3,000</u>
11. Other Dependents				<input type="text"/>	x \$1,500 =	<u>          </u>
12. Dependents Attending Colleges (See instructions)				<input type="text"/>	x \$1,000 =	<u>          </u>
13. Total Exemption Amount (Add totals from the lines at 6 through 12)				<input type="text"/> 5		<u>5,000</u>

14. Dependent Information. Provide the following information for each dependent. Fill in oval only if the dependent does not have health insurance. (See instructions)

Last Name, First Name, Middle Initial	Social Security Number	Birth Year	No Health Insurance
Spencer, Serenity	9 9 9 - 1 7 0 3 5 5	2 0 0 2	<input type="radio"/>
Spencer, Kendrick	9 9 9 - 4 0 8 8 3 8	2 0 0 5	<input type="radio"/>
_____	<input type="text"/>	<input type="text"/>	<input type="radio"/>
_____	<input type="text"/>	<input type="text"/>	<input type="radio"/>



New Jersey Resident Return Examples (tax year 2018)

Page 3

41. Tax on Amount on Line 40 (Tax Table page 52) .....	41.	<input type="text"/>							
42. Credit For Income Taxes Paid to Other Jurisdictions (Enclose Schedule NJ-COJ) (See instructions) .....	42.	<input type="text"/>							
43. Balance of Tax (Subtract Line 42 from Line 41) .....	43.	<input type="text"/>							
44. Child and Dependent Care Credit (See instructions) .....	44.	<input type="text"/>							
Fill in <input type="text"/> if you are a CU couple claiming the Child and Dependent Care Credit									
45. Balance of Tax (Subtract Line 44 from Line 43) .....	45.	<input type="text"/>							
46. Sheltered Workshop Tax Credit.....	46.	<input type="text"/>							
47. Balance of Tax (Subtract Line 46 from Line 45) .....	47.	<input type="text"/>							
48. Gold Star Family Counseling Credit (See instructions) .....	48.	<input type="text"/>							
49. Balance of Tax After Credits (Subtract Line 48 from Line 47) If zero or less, make no entry .....	49.	<input type="text"/>							
50. Use Tax Due on Internet, Mail-Order, or Other Out-of-State Purchases (See instructions) If no Use Tax, enter 0.00 .....	50.	<input type="text"/>							
51. Interest on Underpayment of Estimated Tax .....	51.	<input type="text"/>							
Fill in <input type="text"/> if Form NJ-2210 is enclosed									
52. Total Tax Due (Add Lines 49, 50, and 51) .....	52.	<input type="text"/>							
53. Total New Jersey Income Tax Withheld (Enclose Forms W-2 and 1099).....	53.	<input type="text"/>							
54. Property Tax Credit (See instructions page 25).....	54.	<input type="text"/>							
55. New Jersey Estimated Tax Payments/Credit from 2017 tax return .....	55.	<input type="text"/>							
56. New Jersey Earned Income Tax Credit (See instructions) .....	56.	<input type="text"/>							
Fill in <input type="text"/> if you had the IRS calculate your federal earned income credit									
Fill in <input type="text"/> if you are a CU couple claiming the NJ Earned Income Tax Credit									
57. Excess New Jersey UI/WF/SWF Withheld (Enclose Form NJ-2450) (See instructions) .....	57.	<input type="text"/>							
58. Excess New Jersey Disability Insurance Withheld (Enclose Form NJ-2450) (See instructions) .....	58.	<input type="text"/>							
59. Excess New Jersey Family Leave Insurance Withheld (Enclose Form NJ-2450) (See instructions) .....	59.	<input type="text"/>							
60. Wounded Warrior Caregivers Credit (See instructions) .....	60.	<input type="text"/>							
61. Total Withholdings, Credits, and Payments (Add Lines 53 through 60).....	61.	<input type="text"/>							
62. If Line 61 is less than Line 52, you have tax due. Subtract Line 61 from Line 52 and enter the amount you owe.....	62.	<input type="text"/>							
If you owe tax, you can still make a donation on Lines 65 through 72.									
63. If the total on Line 61 is more than Line 52, you have an overpayment. Subtract Line 52 from Line 61 and enter the overpayment .....	63.	<input type="text"/>							
64. Amount from Line 63 you want to credit to your 2019 tax.....	64.	<input type="text"/>							
65. Contribution to N.J. Endangered Wildlife Fund .....	65.	<input type="checkbox"/>							
66. Contribution to N.J. Children's Trust Fund To Prevent Child Abuse .....	66.	<input type="checkbox"/>							
67. Contribution to N.J. Vietnam Veterans' Memorial Fund .....	67.	<input type="checkbox"/>							
68. Contribution to N.J. Breast Cancer Research Fund .....	68.	<input type="checkbox"/>							
69. Contribution to U.S.S. New Jersey Educational Museum Fund .....	69.	<input type="checkbox"/>							

Bulletin GIT-11

Page 4

70. Other Designated Contribution (See instructions) .....	<input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	Enter Code 0 1	70.	<input type="text"/> <input type="text"/> 1 <input type="text"/> 0 <input type="text"/> 0 <input type="text"/> 0
71. Other Designated Contribution (See instructions) .....	<input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	Enter Code <input type="text"/> <input type="text"/>	71.	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
72. Other Designated Contribution (See instructions) .....	<input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	Enter Code <input type="text"/> <input type="text"/>	72.	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
73. Total Adjustments to Tax Due/Overpayment amount (Add Lines 64 through 72).....	73.			<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 1 0 0 0
74. <b>Balance due</b> (Amount you must pay) (Add Line 62 and Line 73).....	74.			<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Fill in <input checked="" type="radio"/> if paying by e-check or credit card				
75. <b>Refund amount</b> (Subtract Line 73 from Line 63) .....	75.			<input type="text"/> <input type="text"/> <input type="text"/> 2 3 1 8 0 0

<b>Gubernatorial Elections Fund</b>	
Do you want to designate \$1 to the Gubernatorial Elections Fund? If joint return, does your spouse want to designate \$1? This does not reduce your refund or increase your balance due.	You <input checked="" type="radio"/> Yes <input type="radio"/> No Spouse/CU Partner <input checked="" type="radio"/> Yes <input type="radio"/> No
<b>Health Insurance</b>	
Indicate whether or not you (and your spouse/CU partner or domestic partner) have health insurance coverage on the date you file this return.	You <input checked="" type="radio"/> Yes <input type="radio"/> No Spouse/CU Partner <input checked="" type="radio"/> Yes <input type="radio"/> No Domestic Partner <input checked="" type="radio"/> Yes <input type="radio"/> No

**Signature**

Under penalties of perjury, I declare that I have examined this Income Tax return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. If prepared by a person other than the taxpayer, this declaration is based on all information of which the preparer has any knowledge.

Your Signature \_\_\_\_\_ Date \_\_\_\_\_ Spouse's/CU Partner's Signature (required if filing jointly) \_\_\_\_\_ Date \_\_\_\_\_

Driver's License Number (Voluntary) (Instructions page 42)		<input type="text"/>
Fill in <input type="radio"/> if death certificate is enclosed.		Fill in <input type="radio"/> if you do not want a paper form next year.
<input type="radio"/> I authorize the Division of Taxation to discuss my return and enclosures with my preparer (below).		
Paid Preparer's Signature (Fill in <input type="radio"/> if NJ-1040-O is enclosed)	Federal Identification Number <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	
Firm's Name	Federal Employer Identification Number <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	

Keep a copy of this return and all supporting documents for your records.

**Tax Due Address**  
 Enclose payment along with the NJ-1040-V payment voucher and tax return. Use the labels provided with the envelope and mail to:  
 State of New Jersey  
 Division of Taxation  
 Revenue Processing Center – Payments  
 PO Box 111  
 Trenton, NJ 08645-0111  
 Include Social Security number and make check or money order payable to:  
 State of New Jersey – TGI  
 You can also make a payment on our website:  
[www.njtaxation.org](http://www.njtaxation.org)

**Refund or No Tax Due Address**  
 Use the labels provided with the envelope and mail to:  
 State of New Jersey  
 Division of Taxation  
 Revenue Processing Center – Refunds  
 PO Box 555  
 Trenton, NJ 08647-0555

**Example 5**

Fiona Doolittle (Age 55)

SS# 999-11-3260

Eliza Doolittle (Age 57)

SS# 999-21-1221

222 Alpaca Avenue

Princeton, NJ 08540 (Mercer County)

Fiona Doolittle and her civil union partner, Eliza, are full-year residents of New Jersey and file a joint return. They have no dependents, but Eliza is permanently disabled.

Fiona's wages .....	\$15,731
Fiona's taxable interest.....	2,128
Eliza's disability benefits.....	3,000
Rent paid.....	8,022

Fiona and Eliza have combined gross income that is below the filing threshold amount of \$20,000 (married/CU couple, filing joint). They do not have any New Jersey withholdings, and they do not qualify for a New Jersey Earned Income Tax Credit. Therefore, they will not file a New Jersey resident return, Form NJ-1040.

The Doolittles do, however, meet the eligibility requirements for a property tax credit in the amount of \$50. Because they (1) are not filing a New Jersey Income Tax return, (2) did not own their home on October 1, 2018, and (3) claim an exemption for Eliza's disability, they will fill out Part I of the Property Tax Credit and Wounded Warrior Caregivers Credit application, Form NJ-1040-HW, to receive their credit.

The following page shows how the Doolittles will complete their Property Tax Credit and Wounded Warrior Caregivers Credit application.



**PART II — Wounded Warrior Caregivers Credit**

10. Did you provide care for a relative who was a qualifying armed services member (see instructions)?  Yes  No

If "Yes," enter the name and Social Security Number of the qualifying service member.

\_\_\_\_\_    -   -

Last Name, First Name, Initial

You may be asked to provide proof to substantiate your claim.

If "No," you are not eligible for a Wounded Warrior Caregivers Credit. Do not complete Part II.

11a. Enter the 2018 federal disability compensation of the armed services member.....

11b Maximum credit allowed..... 675

11c. Enter the lesser of Line 11a or Line 11b..... 11c.    .

12. Were you the only caregiver for this service member during the tax year?  Yes  No

13. If you answered "Yes," at Line 12, enter the amount from Line 11c.

If you answered "No," at Line 12, multiply the amount on Line 11c by the percentage on Line 12 and enter the result..... 13.    .

## **For More Information**

### **Online**

- Division of Taxation [website](#);
- [Email](#) general State tax questions.  
Do not include confidential information such as Social Security or federal tax identification numbers, liability or payment amounts, dates of birth, or bank account numbers in your email;
- Subscribe to [NJ Tax E-News](#), the Division of Taxation's online information service.

### **By Phone**

- Call the Division of Taxation's Customer Service Center at **609-292-6400**;
- Text Telephone Service (TTY/TDD) for Hearing-Impaired Users: **1-800-286-6613** (toll-free within NJ, NY, PA, DE, and MD) or **609-984-7300**. These numbers are accessible *only* from TTY devices. Submit a text message on any New Jersey tax matter and receive a reply through NJ Relay Services (711).

### **In Person**

Visit a New Jersey Division of Taxation Regional Information Center. For the address of the center nearest you, visit our [website](#) or call the Automated Tax Information System at 1-800-323-4400.

## **Forms and Publications**

- Visit the Division of Taxation's website for [forms](#) and [publications](#);
- Call the Forms Request System at **1-800-323-4400** (within NJ, NY, PA, DE, and MD) or **609-826-4400** (touch-tone phones only) to have printed forms or publications mailed to you. **NOTE:** Due to budgetary constraints, supplies are limited and only certain forms and publications can be ordered through this system.